

CITY OF WICHITA FALLS, TEXAS

ANNUAL COMPREHENSIVE

FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

 940-761-7462

 1300 SEVENTH ST. WICHITA FALLS, TX 76301

 WWW.WICHITAFALLSTX.GOV

CITY OF WICHITA FALLS, TEXAS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2022

ISSUED BY:
DEPARTMENT OF FINANCE

CITY OF WICHITA FALLS, TEXAS

ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE YEAR ENDED SEPTEMBER 30, 2022

TABLE OF CONTENTS

	<u>Exhibit</u>	<u>Page</u>
<u>INTRODUCTORY SECTION</u>		
Letter of Transmittal	i-xv	
GFOA Certificate of Achievement	xvi	
Organizational Chart	xvii	
City Council & List of Principal Officials.....	xviii-xix	
<u>FINANCIAL SECTION</u>		
Independent Auditor's Report	1-3	
Management's Discussion and Analysis (Required Supplementary Information)	4-14	
BASIC FINANCIAL STATEMENTS:		
Statement of Net Position	A-1	15
Statement of Activities.....	A-2	16
Balance Sheet - Governmental Funds.....	A-3	17
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position.....	A-4	18
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.....	A-5	19
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of the Governmental Funds to the Statement of Activities	A-6	20-21
Statement of Net Position - Proprietary Funds.....	A-7	22-23
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds.....	A-8	24
Statement of Cash Flows - Proprietary Funds.....	A-9	25-26
Statement of Fiduciary Net Position	A-10	27
Statement of Changes in Fiduciary Net Position.....	A-11	28
Notes to the Financial Statements.....	29-69	
REQUIRED SUPPLEMENTARY INFORMATION:		
Budgetary Comparison Schedule - General Fund	B-1	70
Schedule of Changes in Net Pension Liability and Related Ratios – Texas Municipal Retirement System.....	B-2	71
Schedule of Contributions – Texas Municipal Retirement System	B-3	72
Schedule of Changes in Net Pension Liability and Related Ratios – Wichita Falls Firemen's Relief and Retirement Fund	B-4	73
Schedule of Contributions – Wichita Falls Firemen's Relief and Retirement Fund	B-5	74
Schedule of Changes in Net OPEB Liability and Related Ratios – City of Wichita Falls Retiree Health Care Plan.....	B-6	75
Schedule of Contributions – City of Wichita Falls Retiree Health Care Plan.....	B-7	76
Notes to the Required Supplementary Information.....	77-78	

CITY OF WICHITA FALLS, TEXAS

ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE YEAR ENDED SEPTEMBER 30, 2022

TABLE OF CONTENTS (CONT'D.)

	<u>Exhibit</u>	<u>Page</u>
COMBINING FINANCIAL STATEMENTS:		
Nonmajor Governmental Funds:		
Combining Balance Sheet	C-1	79
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	C-2	80
Budgetary Comparison Schedule – Community Development Block Grant Fund.....	C-3	81
Budgetary Comparison Schedule – Section 8 Housing Fund	C-4	82
Budgetary Comparison Schedule – Home Investment Partnership Agreement Fund	C-5	83
Budgetary Comparison Schedule – MPEC/Hotel/Motel Tax Fund	C-6	84
Budgetary Comparison Schedule – Golf Fund	C-7	85
Budgetary Comparison Schedule – Debt Service Fund.....	C-8	86
Nonmajor Enterprise Funds:		
Combining Statement of Net Position	D-1	87
Combining Statement of Revenues, Expenses and Changes in Fund Net Position	D-2	88
Combining Statement of Cash Flows	D-3	89-90
Internal Service Funds:		
Combining Statement of Net Position	E-1	91
Combining Statement of Revenues, Expenses and Changes in Fund Net Position	E-2	92
Combining Statement of Cash Flows	E-3	93
Component Units:		
Combining Statement of Net Position	F-1	94
Combining Statement of Activities	F-2	95
SUPPORTING SCHEDULES:		
Combined Schedule of Bonded Debt and Interest Maturities.....		
G-1	96	
Combined Schedule of Bonds Payable.....		
G-2	97-101	
Debt Service Coverage – Revenue Bonds		
G-3	102	
Capital Assets Used in the Operation of Governmental Funds -		
Schedule By Function and Activity	G-4	103
Capital Assets Used in the Operation of Governmental Funds -		
Schedule of Changes By Function and Activity	G-5	104
Regional Airport Fund – Capital Assets and Accumulated Depreciation		
G-6	105	
Kickapoo Airport Fund – Capital Assets and Accumulated Depreciation.....		
G-7	106	
Transit Fund – Capital Assets and Accumulated Depreciation		
G-8	107	
Stormwater Drainage Fund - Capital Assets and Accumulated Depreciation.....		
G-9	108	
Sanitation Fund – Capital Assets and Accumulated Depreciation		
G-10	109	

CITY OF WICHITA FALLS, TEXAS

ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE YEAR ENDED SEPTEMBER 30, 2022

TABLE OF CONTENTS (CONT'D.)

	<u>Exhibit</u>	<u>Page</u>
Water and Sewer Fund – Capital Assets and Accumulated Depreciation.....	G-11	110
Waterpark Fund – Capital Assets and Accumulated Depreciation	G-12	111
Fleet Maintenance Fund – Capital Assets and Accumulated Depreciation	G-13	112
Duplicating Services Fund – Capital Assets and Accumulated Depreciation	G-14	113
Information Technology Fund – Capital Assets and Accumulated Depreciation	G-15	114
Wichita Falls Economic Development Corporation – Capital Assets and Accumulated Depreciation.....	G-16	115
Wichita Falls 4B Sales Tax Corporation – Capital Assets and Accumulated Depreciation.....	G-17	116

STATISTICAL SECTION (UNAUDITED)

Net Position By Component – Last Ten Fiscal Years	H-1	117
Changes in Net Position – Last Ten Fiscal Years.....	H-2	118-119
Fund Balances, Governmental Funds – Last Ten Fiscal Years	H-3	120
Changes in Fund Balances, Governmental Funds – Last Ten Fiscal Years.....	H-4	121
Tax Revenues By Source, Governmental Funds – Last Ten Fiscal Years	H-5	122
Assessed and Estimated Actual Value of Taxable Property – Last Ten Fiscal Years.....	H-6	123
Direct and Overlapping Property Tax Rates – Last Ten Fiscal Years	H-7	124
Principal Property Taxpayers – Current Year and Nine Years Ago.....	H-8	125
Property Tax Levies and Collections – Last Ten Fiscal Years	H-9	126
Ratios of Outstanding Debt by Type – Last Ten Fiscal Years.....	H-10	127
Ratios of General Bonded Debt Outstanding – Last Ten Fiscal Years	H-11	128
Direct and Overlapping Governmental Activities Debt	H-12	129
Computation of Legal Debt Margin – Last Ten Fiscal Years	H-13	130
Pledged Revenue Coverage – Water and Sewer Revenue Bonds – Last Ten Fiscal Years.....	H-14	131
Demographic Statistics – Last Ten Fiscal Years	H-15	132
Principal Employers – Current Year and Ten Years Ago.....	H-16	133
Full-Time Equivalent City Government Employees by Function/Program – Last Ten Fiscal Years.....	H-17	134
Operating Indicators by Function/Program – Last Ten Fiscal Years.....	H-18	135
Capital Asset Statistics by Function/Program – Last Ten Fiscal Years.....	H-19	136

Graphics:

Cash and Investments.....	I-1	137
Total Bonds Payable	I-2	138
General Obligation Bonds Payable	I-3	139
Revenue Bonds Payable.....	I-4	140
General Fund Equity	I-5	141
Comparison of Tax Levy and Collections	I-6	142
Revenues by Source – FYE 9/30/22	I-7	143
Expenditures by Function – FYE 9/30/22.....	I-8	144
General Governmental Revenues (General Fund Only)	I-9	145
General Governmental Expenditures (General Fund Only)	I-10	146

INTRODUCTORY SECTION



FINANCE DEPARTMENT

March 30, 2023

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, 2022, 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. 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, 2022. The Independent Auditor's Report may be found on page 1 of this document.

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

CITY OF WICHITA FALLS PROFILE

The City of Wichita Falls is located in the south-central United States in north-central Texas. The City was incorporated in 1889 and now encompasses 70.1 square miles. The US Census for 2020 lists the City's population at 102,988.¹

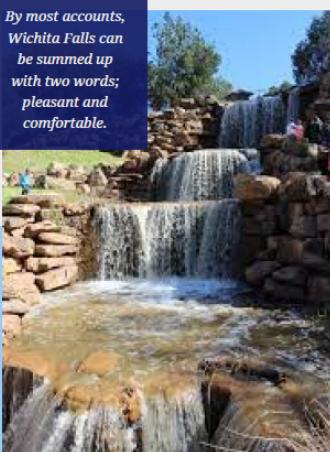
¹ U.S. Census Bureau, <https://www.census.gov/quickfacts/geo/chart/wichitafallscitytexas/PST045221>, January 24, 2023

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

COMMUNITY PROFILE

WICHITA FALLS

By most accounts, Wichita Falls can be summed up with two words; pleasant and comfortable.



The City of Wichita Falls is comfortably nestled in the northeast corner of the Panhandle/Plains area of North Texas. Wichita Falls is an economically progressive city, and home to commerce and industry with worldwide interests. Located in, and the county seat of, Wichita County, Wichita Falls has an approximate population of 102,988, and is the 40th most prosperous city in Texas and considered the population center of North Texas.

The central business district is 5 miles from Sheppard Air Force Base, which is home to the Air Force's largest technical training wing and Euro-NATO Joint Jet Pilot Training (ENJJPT) program. The City has several institutions of higher learning, an eager workforce, a strong international presence through Sheppard Air Force Base, a community spirit geared toward family and friends, and a desire to see this thriving city continue to grow and prosper.



Wichita Falls is about 15 miles (24km) south of the border with Oklahoma. 115 mi (185km) north west of



Wichita Falls experiences a humid subtropical climate, featuring long, hot, and humid summers, and cool

Fort Worth, Texas, and 140 mi (225km) southwest of Oklahoma City, Oklahoma. The City has a total area of 701 square miles. Wichita Falls is located less than two hours from Dallas-Fort Worth and Oklahoma City.

winters. The city has some of the highest summer daily maximum temperatures in the entire U.S. Temperatures have hit 100 °F (38 °C) as early as March 27, and as late as October 17. Winters are mild, with only one or two snowy days a season.

Annually, temperatures of 100 °F occur approximately 28 days a year, with 102 days of temperatures at 90°F or higher.

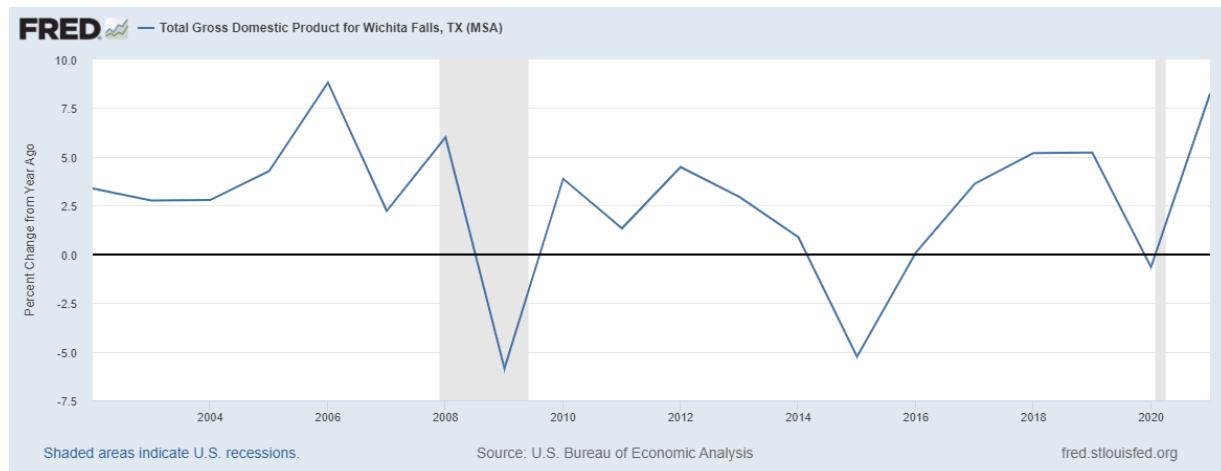
2

ECONOMIC CONDITION AND ACTIVITY

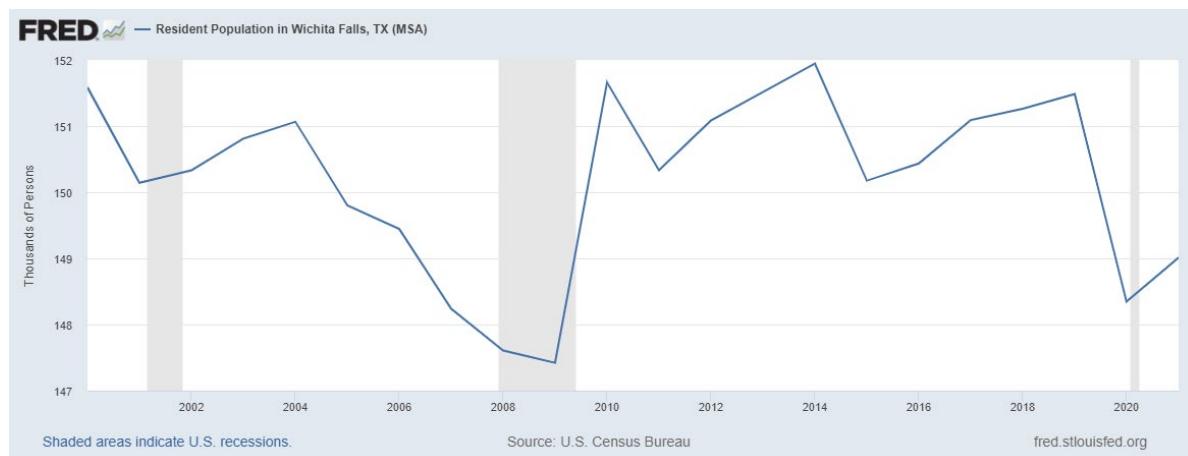
Wichita Falls has successfully diversified its economy to include new manufacturing, government, medical services, retail, and service-related commerce. This diversification is in addition to the more typical North Texas industries of agriculture and oil and gas production. The Wichita Falls Metropolitan 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.

² City of Wichita Falls, Annual Operating Budget, FY 2022-23 available online at wichitafallstx.gov

The Total Gross Domestic Product (GDP) of the Wichita Falls, TX MSA totaled \$7,096,972,000 in 2021. This is an increase from the original 2020 estimate of \$6,432,554,000 which was later updated to \$6,556,197,000. From the most recently updated numbers released by the St. Louis Fed, the total increase year over year is 8.24%. The below graph shows the year over year increase or decrease in GDP for the MSA from years 2002 to 2021. Shaded areas of the chart indicate recessions. The large dip seen in 2015 occurred when the area was experiencing a historic drought that dropped lake levels significantly.³



The largest portion of the MSA production includes Health, Social Services, and Manufacturing.⁴ The total population of the MSA decreased from 151,485 in 2019 to 149,013 in 2021. The unemployment rate for the Wichita Falls MSA is 3.50% in November of 2022. This is down from a high of 10.00% in April of 2020.^{5,6}



³ 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 Link: <https://fred.stlouisfed.org>, January 23, 2022.

⁴ Trading Economics, www.tradingeconomics.com, accessed 3/3/2022.

⁵ United States Bureau of Economic Analysis, www.bea.gov, accessed January 25, 2023.

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.

⁶ 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>, January 25, 2023.

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, all 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 technical training wing and Euro-NATO Joint Jet Pilot Training program, which trains combat pilots for 14 NATO partners. Sheppard Air Force Base employed approximately 19,928 active duty and civilian personnel in 2021. The base has a gross domestic product of \$2,183,933,000 and total disposable personal income of \$1,236,660,000. Sheppard Air Force Base occupies a total of 5,736 acres.⁷

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 16:1.⁸

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.⁹ 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.



⁷ <https://comptroller.texas.gov/economy/economic-data/military/2021/sheppard-afb.php>, January 25, 2023.

⁸ Midwestern State University, Quick Facts, <https://msutexas.edu/about/quick-facts/index.php>, March 10, 2022

⁹ Vernon College, <https://www.collegetuitioncompare.com/edu/229504/vernon-college/enrollment/#:~:text=Vernon%20College%20has%20a%20total%20of%202%2C773%20enrolled,All%202%2C773%20students%20are%20enrolled%20into%20undergraduate%20programs>, March 10, 2022

CITY SERVICES AND ORGANIZATION OF THE GOVERNMENT

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

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

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

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 29. 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.

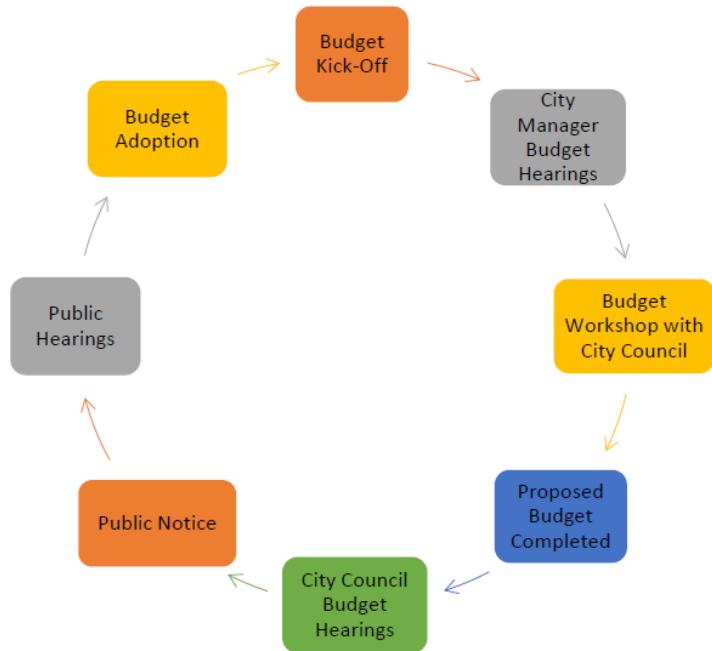
In developing and evaluating the City's accounting system, the City Manager considers the adequacy of internal control as deemed appropriate. Internal control is designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or 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. All legally required funds are budget annually. 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 overview of the City's budget process is presented in the graphic below. The process starts in March and concludes with Budget Adoption in September. The City's fiscal year runs from October 1 to September 30.

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 are created to replenish these funds. 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, 2022, the City's ad valorem tax-supported general obligation debt, totaled \$43.3 million and equated to 0.74% of the assessed property value.

Funds included in annual budgeted appropriations are listed below:

Fund	Fund Type	Major/Non-Major	Description	Appropriated
GOVERNMENTAL FUNDS:				
General Fund	General Fund	Major	General Fund	Yes
Debt Service Fund	Governmental	Non-major	Debt Service	Yes
Hotel/Motel fund	Governmental	Non-major	Special Revenue	Yes
Water & Sewer Capital Fund	Governmental	Non-major	Capital Fund	Yes
Microfiltration and Reverse Osmosis Fund	Governmental	Non-major	Capital Fund	Yes
Lake Ringgold Fund	Governmental	Non-major	Capital Fund	Yes
Community Development Fund	Governmental	Non-major	Special Revenue	Yes
Section 8 Housing Fund	Governmental	Non-major	Special Revenue	Yes
HOME Fund	Governmental	Non-major	Special Revenue	Yes
Transportation Planning grant Fund	Governmental	Non-major	Special Revenue	Yes
State Routine Airport Maint. Fund	Governmental	Non-major	Special Revenue	Yes
Community & Rural Health Fund	Governmental	Non-major	Special Revenue	Yes
TX Healthy Communities	Governmental	Non-major	Special Revenue	Yes
Infectious Disease Fund	Governmental	Non-major	Special Revenue	Yes
Tuberculosis Grant	Governmental	Non-major	Special Revenue	Yes
Immunization Grant Program Fund	Governmental	Non-major	Special Revenue	Yes
Comprehensive Cancer Control Program Fund	Governmental	Non-major	Special Revenue	Yes
WIC Fund	Governmental	Non-major	Special Revenue	Yes
Emergency Management Fund	Governmental	Non-major	Special Revenue	Yes
PROPRIETARY FUNDS:				
Water & Sewer Fund	Proprietary	Major	Enterprise	Yes
Sanitation Fund	Proprietary	Major	Enterprise	Yes
Regional Airport Fund	Proprietary	Major	Enterprise	Yes
Kickapoo Airport Fund	Proprietary	Non-major	Enterprise	Yes
Transit Fund	Proprietary	Non-major	Enterprise	Yes
Storm Water Fund	Proprietary	Non-major	Enterprise	Yes
Waterpark Fund	Proprietary	Non-major	Enterprise	Yes
Golf Course Fund	Proprietary	Non-major	Enterprise	Yes
Fleet Fund	Proprietary	Non-major	Internal Svc. Fund	Yes
Information Technology Fund	Proprietary	Non-major	Internal Svc. Fund	Yes
Duplicating Services Fund	Proprietary	Non-major	Internal Svc. Fund	Yes
Additional funds not appropriated in this budget include, funds used to account for long term debt, funds held in fiduciary funds, information on all funds may be found in the City's Annual Comprehensive Financial Report.				

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 tax payer and the community at large. The following discussion highlights the property and sales tax information for the next fiscal year.

As a reminder, 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. The City's property tax rate during the 2021-22 fiscal year was 0.760928 cents per \$100 of assessed value.

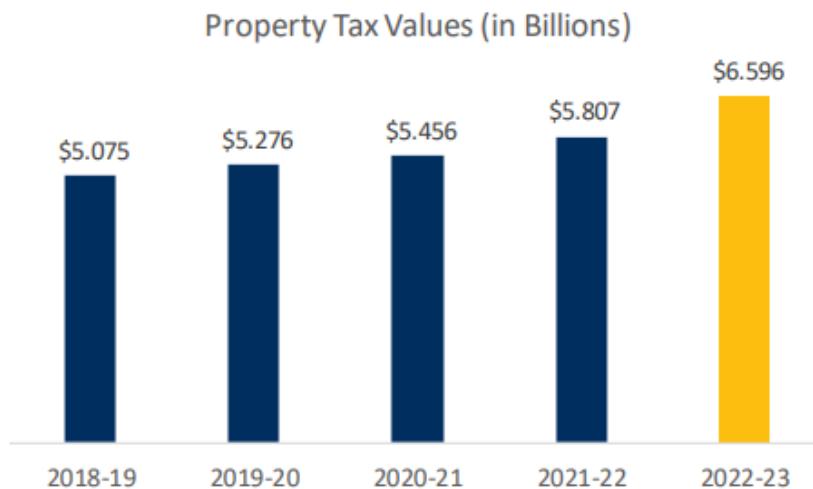
Property Tax Rate	Maintenance & Operations	Interest & Sinking	Total Rate	\$ Change	% Change	Average Annual % Change
2017-18	0.687815	0.018165	0.705980	-	0.00%	
2018-19	0.687102	0.042778	0.729880	0.024	3.39%	
2019-20	0.721571	0.041752	0.763323	0.033	4.58%	
2020-21	0.722736	0.040587	0.763323	-	0.00%	
2021-22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

This year the City saw increases in the Certified Valuation not seen in over a decade. This property tax rate generated approximately \$43.2 million in revenues, of this amount \$41.3 million was received into the City's General Fund for general city operation. This represents a collection rate of 99.42% of budget. The property tax base for FY 2023 is \$6.6 billion, which is a 13.58% increase from

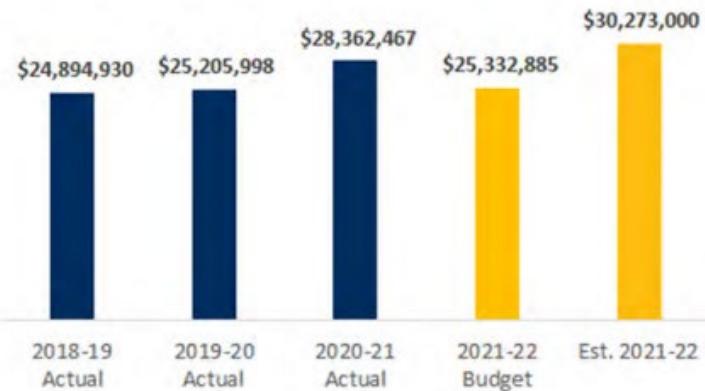
the \$5.8 billion tax base in FY 2022.

Over the past five years, the City has seen an average annual growth rate of 6% in Property Tax Value, and a 10-year annual average growth rate of 4%. Home prices have reached record highs in the last several year.



In 1998, voters in Wichita Falls approved a $\frac{1}{2}$ -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 $\frac{1}{2}$ -cent economic development sales tax totaled \$10,366,796 and is divided evenly between the two separate sales and economic development corporations for a total of \$5,183,398 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 29 of this document.

The City receives 2.0% of the sales tax collected within City limits. During the 2021-22 fiscal year, the City collected \$31.0 million in sales taxes for general operations. The City ended the year with sales tax collections approximately 9.65% 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 RECEIPT OF ARPA FUNDS/PLANNED USE:

The City of Wichita Falls received \$29,091,650 in American Rescue Plan Act Funds. The funds were received in equal installments May of 2021 and in May of 2022. The City waited for final US Treasury Guidance on expenditure of the funds to make final decisions regarding use. The City completed a thorough and public process to discuss options to use the funds with the City Council. Following 3 public meetings, the City Council approved a non-binding resolution of June 14, 2022 which set forward their plan for expenditure of the funds. On February 17, 2023 the City Council received an update on project status. Below is a list of the projects the City Council plans to undertake using these funds. The majority of the City's available funds fall into the "Lost Revenue" category of the grant guidance. Additional information may be found on the City's website.

Project Name
Administration - grant accountant, grant administration consultant
Community Assistance - arts community, assistance to community non-profits, mental health services
Community space health and wellness improvements: City/County Health Department
COVID contact tracing and police dispatch overtime
Community space health and wellness improvements, increased tourism, assistance to the arts: Memorial Auditorium, City/County Health Department, Lake Wichita, Athletic complex improvements, downtown lighting
Broadband infrastructure
Contactless payment systems
Water system improvements
Fire department personal protective equipment

MAJOR INITIATIVES FOR FISCAL YEAR 2021-22:

1. The City implemented the following pay plan recommendations in FY 2022:
 - 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.

These pay recommendations tie directly to the Strategic Plan goal of “Improving Employee Recruitment and Retention” and maintaining a trained, committed, and valued workforce. In total, the implementation of the plan increased payroll costs by approximately \$4.4 million citywide.

2. The FY 2022 budget included the use of one-time funds (surplus) in the General Fund to complete these one-time projects.

Project	Amount
Police Department Parking Lot	\$66,550
Work on First Floor Bathroom	90,000
Memorial Auditorium Security Cameras	65,000
Golf Course Irrigation Improvements	61,000
Health Dept. Horse Trailer	8,000
Library Security System Upgrade	50,000
ADA Bathroom at Police Department	25,000
Tasers for Police Department	550,000
Playground Upgrade	50,000
Underground Street Light Boring Work	75,000
Traffic Signal Overhaul	100,000
Outdoor Warning System Circuit Board	21,450
Outdoor Warning Unit Amplifier	9,000
Emergency Cell Communications Unit	<u>32,000</u>
Total	<u>\$1,203,000</u>

3. The FY 2022 budget moved the operations of the MPEC from Spectra Management back to City Management and provides for a total of fifteen (15) new FTE's in the Hotel/Motel Fund. The budget also provided for six new positions in the Water & Sewer Fund.
4. The FY 2022 budget committed funds for future capital improvement and equipment needs. Together with the one-time funds, these commitments decreased unencumbered fund balance by \$5,300,300 while the City maintained its fund balances to policy.

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 five highest priority items (those items with the greatest opportunity for continued improvement) as (1) Accelerate Economic Growth, (2) Provide Quality Infrastructure, (3) Redevelop Downtown (4) Efficiently Deliver City Services and (5) Actively Engage & Inform the Public.

During the 2021-22 fiscal year, the City's efforts toward these goals included the following:

In support of the goal, Provide Quality Infrastructure, the City issued \$17.3 million in voter-approved General Obligation Bonds in 2018 to work on this project. While progress was slowed due to the Pandemic, it continued into the 2020-21 fiscal year. This issuance allowed 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. 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 of this software is now complete. The City continues, however, 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 was upgraded to the newest version available. This allowed 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 awarded 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 opened during the 2021-22 fiscal year and will eventually 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

FY 2023 BUDGET HIGHLIGHTS:

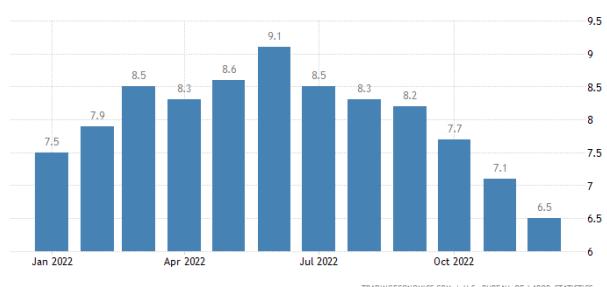
Overall, property tax levies are expected to increase by 3.63%. The FY 2023 property tax base is anticipated to be 13.58% higher the prior year due to a strong area economy in recent years. The budget reduces the City's property tax rate from .760928 to .694321, or by 8.75%.

Sales Tax receipts have shown significant growth since the pandemic and are expected to increase 21.11% compared to the previous year's budget and 1.34% from the FY 2022 collections.

Service charges are expected to increase by 6.71% mostly due to the increase in water rates. The adopted budget includes a 5% increase to water rates for FY 2023 and the currently adopted fee ordinance includes a 5% increase in the following year in order to help keep up with the increased cost of chemicals and other supplies due to inflation, help maintain market competitive salaries for staff, and increase fund balance reserves to help ensure adequate funds for emergency needs that may arise. The examples of increased cost, shared during the City's FY 2023 Pre-Budget Workshop are listed below. The City has held water rates the same for 8 years in a row, absorbing all of the cost increases for labor, supplies, and construction over this time period.

- Water main replacement cost has more than doubled since 2020, up an average of 111%.
 - 2020 Cost = \$70.50/LF
 - Today's Cost = \$148.00/LF
- Sewer line replacement has increased 52% per linear foot since 2020.
 - 2020 Cost = \$124/LF
 - Today's Cost = \$188/LF
- Due to the age of city water and sewer lines, additional funding is needed for replacement, repair and maintenance.

The rising cost of goods and services through inflation is a key issue that the adopted budget is facing. While the City is now seeing decreases in inflation, the costs are still hovering at 6.5% above the prior year. These increases in inflation affect all operations and the buying power of the City.¹⁰



Interest income is earned from reserves that are invested with local government investment pools and fixed income securities. In recent years, low interest rates meant that interest earnings were below .25%. Recent actions by the Federal Reserve increasing interest rates to

¹⁰ <https://tradingeconomics.com/united-states/inflation-cpi> accessed January 25, 2023.

help curb inflation have changed the outlook for the markets and the estimated earnings for the FY 2023 are 2.6%. This generates a \$2,238,447 or 839.94% increase in this category.

This budget includes across the board cost of living adjustments of 5.0%. This change will provide a 5.0% pay increase for all eligible employees. These pay recommendations tie directly to the Strategic Plan goal of Improving Employee Recruitment and Retention and maintaining a trained, committed, and valued workforce.

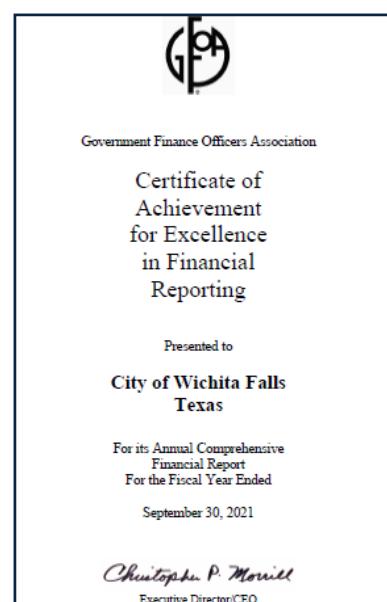
This adopted budget includes the use of one-time funds (surplus fund balance) in the General Fund and other funds to complete these one-time projects:

Project	Amount
Police Tactical SWAT Vehicle (MRAP)	\$340,000
Golf Course Pavilion and Range Lighting (gap funding)	311,000
Castaway Cove Water Park New Attraction (gap funding)	575,000
MPEC Co-Promotional Show Fund	100,000
MPEC Exhibit Hall Remodel Projects (Venue Bond gap funding)	2,589,000
Street Improvements	2,000,000
Police In-Car Video Infrastructure	800,000
Parks Master Plan	200,000
Parks and Recreation Equipment Replacement	525,000
Health Dept. Reception Area Remodel	350,000
Public Safety Facilities Needs Assessment	200,000
Contingency	<u>700,000</u>
General Fund Total	\$8,690,000
Water & Sewer Capital	1,400,000
Sanitation Fund – Landfill Scale & Compactor	1,929,287
Stormwater Fund - Quail Creek, Duncan Channel, Rhea Road	5,667,471
Golf Course Fund - Irrigation and Capital Improvements	205,867
IT Fund - Public Safety Radio Replacement	<u>1,416,250</u>
Grand Total One Time Uses	\$19,308,875

OTHER INFORMATION

Independent Audit

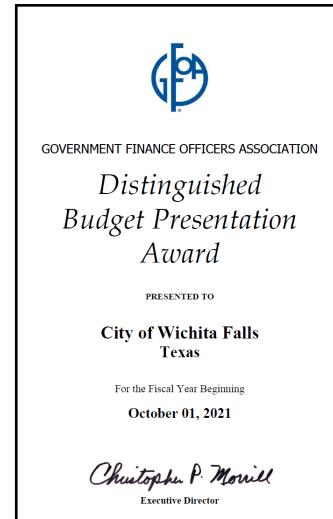
The City Charter requires an annual audit of the books of account, financial records, and transactions of all administrative departments of the City by Certified Public Accountants. The accounting firm of Edgin, Parkman, Fleming & Fleming, PC was selected by the Mayor and City Council to satisfy this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



and the State Single Audit Act. These reports are issued under separate cover.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Wichita Falls for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2021. This was the 27th consecutive year that the City of Wichita Falls has achieved this prestigious award. In order to be awarded this 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. This 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.



The City has also earned the Distinguished Budget Award from the Government Finance Officers Association of the United States and Canada for the past three years. As stated by GFOA, "This award represents a significant achievement by the entity. It reflects the commitment of the governing body and staff to meeting the highest principles of governmental budgeting. In order to receive the budget award, the entity had to satisfy nationally recognized guidelines for effective budget presentation."

The City of Wichita Falls is dedicated to increasing fiscal transparency. The City participates in the Texas State Comptrollers Transparency Star program. The program recognizes government entities for going above and beyond in their transparency efforts. The program awards a total of 5 stars for entities that accomplish the following:

- Open their books not only in their traditional finances, but also in the areas of contracts and procurement, economic development, public pensions, and debt obligations; and
- Provide clear and meaningful financial information not only by posting financial documents, but also through summaries, visualizations, downloadable data, and other relevant information.



Acknowledgments

My appreciation and thanks are extended to the personnel of the Finance Department who made this report possible. I also extend my appreciation to the City Council, City Manager, City

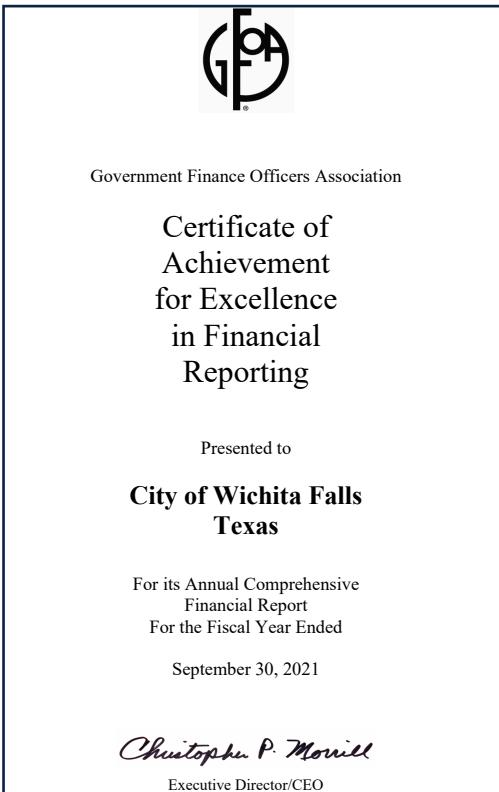
Department Directors and staff for their contributions to the sound financial management of the City.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Jessica Williams".

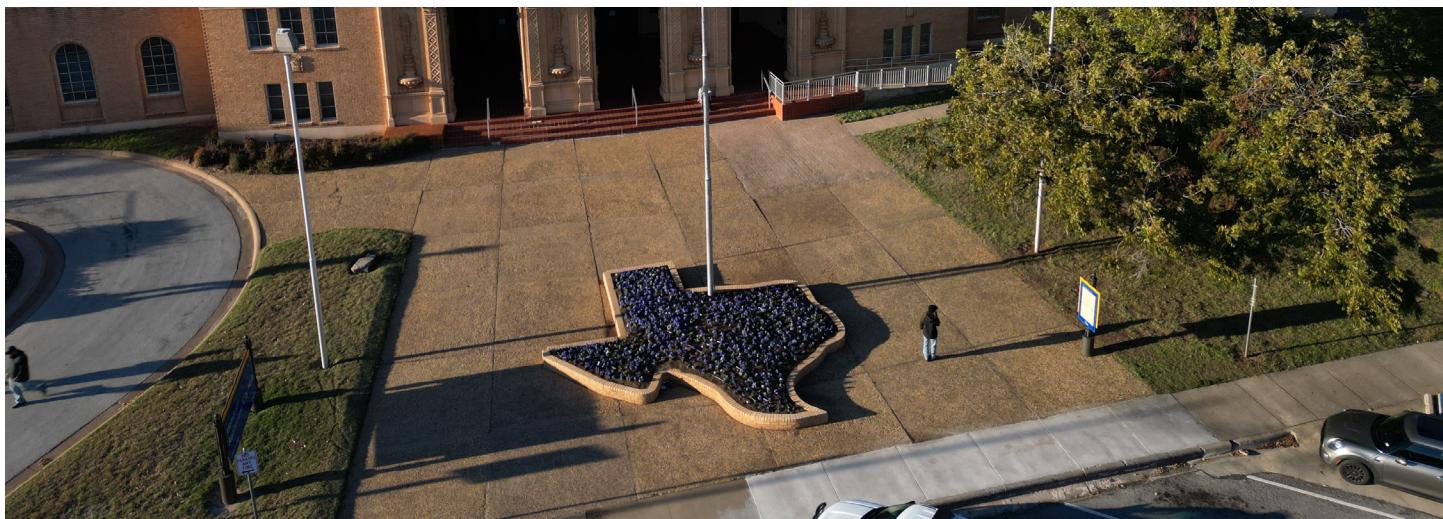
Jessica Williams, MPA, CPFO
Chief Financial Officer

Government Finance Officers Association Certificate for Excellence in Financial Reporting



The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Wichita Falls for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2021.

This was the 27th consecutive year that the City of Wichita Falls has achieved this prestigious award. In order to be awarded this 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. This 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.



City of Wichita Falls Organization Chart



City of Wichita Falls City Leadership as of 09/30/2022



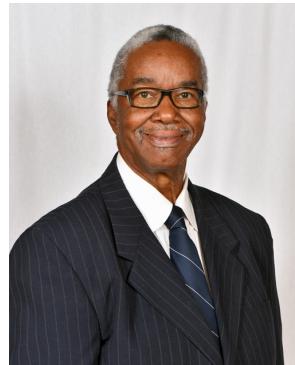
Stephen Santellana
Mayor



Bobby Whiteley
At Large & Mayor Pro Tem



Michael Smith
District 1



Larry Nelson
District 2



Jeff Browning
District 3



Tim Brewer
District 4



Steve Jackson
District 5



Darron Leiker
City Manager

CITY OF WICHITA FALLS

LIST OF PRINCIPAL OFFICIALS

SEPTEMBER 30, 2022

TITLE	NAME
Mayor	Stephen Santellana
Mayor Pro-Tem & At Large	Bobby Whiteley
District 1 Councilor	Michael Smith
District 2 Councilor	Larry Nelson
District 3 Councilor	Jeff Browning
District 4 Councilor	Tim Brewer
District 5 Councilor	Steve Jackson
City Manager	Darron Leiker
City Attorney	Kinley Hegglund
Municipal Court Judge	Diane Dockery
City Clerk	Marie Balthrop
Assistant City Manager	Paul Menzies
Assistant City Manager	Blake Jurecek
Director of Aviation/Traffic and Transportation	John Burrus
Chief Financial Officer	Jessica Williams
Director of Public Health	Lou Kreidler
Police Chief	Manuel Borrego
Fire Chief	Ken Prillaman
Director of Public Works and Public Utilities	Russell Schreiber



FINANCIAL SECTION



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

Opinions

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, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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, 2022, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Wichita Falls, Texas, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 financial statements, supporting schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining financial statements and supporting schedules 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 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 28, 2023, 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 & Fleming, PC

March 28, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF WICHITA FALLS, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2022

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, 2022. 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, 2022, by \$474,397,503 (net position). The net position for the City increased by \$41,362,066 over the prior year. This increase is a result of an increase in net position of \$24,480,148 from the current fiscal year business-type activities and an increase in net position of \$16,881,918 from the current fiscal year governmental activities.

The unrestricted net position for Governmental Activities was (\$70,492,162), while the Business-type Activities had an unrestricted net position of \$56,488,735, for an overall unrestricted net position of (\$14,003,427). Governmental Activities increased by \$14,304,208 in unrestricted net position from the prior year, while Business-type Activities unrestricted net position increased by \$11,041,112 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 Resources of \$4,702,232 offset by an increase in total Liabilities and Deferred Inflows of \$883,935. Assets increased by \$10,433,789 due to increases in cash and cash equivalents, investments, and capital assets not being depreciated. Investments increased \$19,629,602 due to implementation of an active investment portfolio in accordance with the State of Texas Public Funds Investment Act. Deferred Outflows of Resources decreased \$5,731,557 due to changes in actuarial assumptions in the Fire Fighters Pension Fund and a decrease on Deferred losses on bond refunding. The City completed two refunding transactions in FY 2021-22.

The City's total assets also benefited from increases in fund balance in the City's General Fund of \$8,629,522 to \$46,061,227, of which \$45,732,320 is unassigned. The City's General Fund benefited from increased property valuations. Over the past five years, the City has seen an average growth rate of 3.28% in the Certified Property Tax Values. The economy in the area is strong, with home prices seeing record growth. In the 2021-22 fiscal year, property tax values increased 6.45%.

Increases include an increase in sales tax collections. Sales Tax is affected by changes in the economy. Sales Tax receipts have steadily recovered month over month since the onset of the pandemic. Total sales tax collections exceeded \$31 million in general fund receipts. This is an increase of \$2.7 million over the prior year collections. Liabilities in the City's General Fund decreased by \$415,885 primarily due to decreased accrued payroll costs at year end. The City's final pay day for the fiscal year occurred on 9/30/2022.

Business-type Activities unrestricted net position increased by \$11,041,112. Assets and Deferred Outflows increased \$12,505,479, primarily due to increases in cash and cash equivalents and capital assets net of accumulated depreciation. Cash and cash equivalents increased by \$7,175,316. Of this amount, the largest increase was in the Non-major Enterprise funds, which in total increased \$2,356,568 coupled with an increase in the Sanitation fund of \$2,208,158 over the prior year. The Sanitation fund benefited from increased usage and a change in business practice at the landfill which increased traffic to the landfill. Capital assets net of accumulated depreciation increased \$8,630,361. An increase in construction activity and project completion assisted this increase.



CITY OF WICHITA FALLS, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2022

These funds have also received additional capital equipment over the past several years. As interest rates began rising toward the end of the fiscal year, the City began seeing a return on interest income nearing levels collected prior to COVID. This assisted many funds with slight revenue increases. Internal Balances also increased by \$1,069,599. These increases were offset by changes in liabilities. Overall, liabilities decreased by \$11,831,873, primarily due to decreases in net pension liability after one year and net OPEB liability after one year. Investment returns early in the fiscal year drove a portion of this change.

At September 30, 2022, the City's governmental funds reported combined ending fund balances of \$64,589,622. Of this amount, \$45,645,939, or 70.7%, 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 \$45,732,320, or 54.3% of total General Fund expenditures of \$84,223,883.

During the 2021-22 fiscal year, the City's total debt decreased by \$16,325,778. The City retired \$11,365,000 in Combination Tax and Revenue Bonds, of which \$7,595,000 resulted from the issuance of "General Obligation Refunding Bonds, Taxable Series 2021", issued to refund the remaining outstanding Combination Tax and Revenue Certificates of Obligation Taxable Series 2010 and portions of the outstanding Combination and Tax Certificates of Obligation, Series 2013A. As a result of this refunding, the City reduced debt service payments by a total of \$749,231, with an economic gain (difference between the present value of the debt service payments on the old and new debt present value of savings) of \$681,211.

On October 1, 2021, the City also issued \$1,675,000 in bonds titled "General Obligation Refunding Bonds, Series 2021. These bonds were issued to refund the remaining outstanding Combination Tax and Revenue Certificates of Obligation, Taxable Series 2011. As a result of this refunding, the City reduced debt service payments by a total of \$222,887, with an economic gain (difference between the present value of the debt service payments on the old and new debt present value of savings) of \$202,982. Additional information on the City's debt service may be found in the Notes to the Basic Financial Statements.

Overview of the Financial Statements

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

Government-wide Financial Statements

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

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

CITY OF WICHITA FALLS, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2022

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 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.

CITY OF WICHITA FALLS, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2022

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 17-21 of this report.

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

- Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer operations, sanitation collection and disposal services, regional and municipal airports, transit operations, 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.

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 29-69 of this report.

Government-Wide Financial Analysis

The City's combined net position was \$474,397,503 as of September 30, 2022, an increase of \$41,362,066 or 9.55% 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, \$466,748,385, or 98.39%, is reflected in capital assets (land and improvements, buildings, infrastructure, machinery, and equipment), less any related debt

CITY OF WICHITA FALLS, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2022

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, \$21,652,545, or 4.56%, represents resources that are subject to external restrictions on how they may be used.

	Net Position (in thousands)					
	Governmental		Business-type		Total	
	Activities	Activities	Activities	Activities	Total	Total
	2022	2021	2022	2021	2022	2021
Current and Other Assets	\$103,721	\$82,606	\$97,105	\$89,234	\$200,826	\$171,840
Capital Assets	<u>189,289</u>	<u>186,906</u>	<u>397,468</u>	<u>393,811</u>	<u>586,757</u>	<u>580,717</u>
Total Assets	<u>293,010</u>	<u>269,512</u>	<u>494,573</u>	<u>483,045</u>	<u>787,583</u>	<u>752,557</u>
Deferred Outflows of Resources	<u>34,248</u>	<u>39,980</u>	<u>4,973</u>	<u>4,484</u>	<u>39,221</u>	<u>44,464</u>
Long Term Liabilities	142,975	184,964	112,491	126,153	255,466	311,117
Other Liabilities	<u>38,385</u>	<u>24,613</u>	<u>6,951</u>	<u>7,810</u>	<u>45,336</u>	<u>32,423</u>
Total Liabilities	<u>181,360</u>	<u>209,577</u>	<u>119,442</u>	<u>133,963</u>	<u>300,802</u>	<u>343,540</u>
Deferred Inflows of Resources	<u>46,238</u>	<u>17,137</u>	<u>5,366</u>	<u>2,677</u>	<u>51,604</u>	<u>19,814</u>
Net Position:						
Net Investment in Capital Assets	160,340	160,442	306,409	293,604	466,749	454,046
Restricted	9,812	7,260	11,840	11,837	21,652	19,097
Unrestricted	<u>(70,492)</u>	<u>(84,924)</u>	<u>56,489</u>	<u>45,448</u>	<u>(14,003)</u>	<u>(39,476)</u>
Total Net Position	<u>\$99,660</u>	<u>\$82,778</u>	<u>\$374,738</u>	<u>\$350,889</u>	<u>\$474,398</u>	<u>\$433,667</u>

CITY OF WICHITA FALLS, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2022

CHANGES IN NET POSITION
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program Revenues:						
Charges For Services	\$11,562	\$10,271	\$76,039	\$70,330	\$87,601	\$80,601
Operating Grants and Contributions	17,046	17,666	4,311	8,224	\$21,357	25,890
Capital Grants and Contributions	1,876	1,997	3,048	874	\$4,924	2,871
General Revenues:						
Property Taxes	45,230	43,020	-	-	45,230	43,020
Sales Taxes	31,100	28,362	-	-	31,100	28,362
Other Taxes/Fees	8,915	8,422	-	-	8,915	8,422
Investment Earnings	679	48	237	24	916	72
Miscellaneous	566	521	2	-	568	521
Total Revenue	<u>116,974</u>	<u>110,307</u>	<u>83,637</u>	<u>79,452</u>	<u>200,611</u>	<u>189,759</u>
Expenses:						
Administrative Services	16,701	16,023	-	-	16,701	16,023
Police	25,454	26,119	-	-	25,454	26,119
Fire	22,600	26,145	-	-	22,600	26,145
Parks and Recreation	5,810	5,135	-	-	5,810	5,135
Accounting/Finance	722	760	-	-	722	760
Community Development	7,498	6,955	-	-	7,498	6,955
Public Works	8,621	7,895	-	-	8,621	7,895
Health	7,066	6,229	-	-	7,066	6,229
Traffic and Transportation	3,076	2,412	-	-	3,076	2,412
MPEC	5,134	2,849	-	-	5,134	2,849
Interest and Fees on Long-term Debt	1,456	1,696	-	-	1,456	1,696
Regional Airport	-	-	2,929	2,753	2,929	2,753
Kickapoo Airport	-	-	1,643	1,186	1,643	1,186
Transit	-	-	3,124	2,255	3,124	2,255
Sanitation	-	-	10,857	10,138	10,857	10,138
Water and Sewer	-	-	33,729	33,126	33,729	33,126
Stormwater Drainage	-	-	1,148	1,138	1,148	1,138
Waterpark	-	-	1,681	1,605	1,681	1,605
Total Expenses	<u>104,138</u>	<u>102,218</u>	<u>55,111</u>	<u>52,201</u>	<u>159,249</u>	<u>154,419</u>
Increase (Decrease) in Net Position Before Transfers	12,836	8,089	28,526	27,251	41,362	35,340
Transfers	4,046	6,490	(4,046)	(6,490)	-	-
Increase (Decrease) in Net Position	16,882	14,579	24,480	20,761	41,362	35,340
Net Position – Beginning, original	82,778	68,027	350,892	330,128	433,670	398,155
Prior Period Adjustment	-	172	(634)	-	(634)	172
Net Position – End of Year, Restated	<u>\$99,660</u>	<u>\$82,778</u>	<u>\$374,738</u>	<u>\$350,889</u>	<u>\$474,398</u>	<u>\$433,667</u>

CITY OF WICHITA FALLS, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS SEPTEMBER 30, 2022

Governmental Activities – Governmental Activities increased the City's net position by \$6,881,918. The increase in net position in the Governmental Activities is primarily due to an increase in the City's Cash and Cash Equivalents and Investments of \$21,584,282. This increase is primarily due to implementation of the City's active investment portfolio which invested \$20M Par in US Treasuries over a laddered 36-month strategy. The City saw strong sales tax and property tax revenues during the year, which contributed to increased tax collections of \$4,947,057. The City also saw a return to earned investment income which had fallen during COVID. During the fiscal year, the City collected \$844,287 more in investment activity in the Governmental Funds than the prior year. Expenses increased during the fiscal year as the impact of COVID decreased, allowing the City to return to more standard operations. While this increase was expected, it is important to note that operations continue to lag pre-pandemic levels, with staffing and supply chain issues remaining. Increased gains during the fiscal year were offset with these increased expenses. Pension related costs due or payable within and after one year also increased significantly.

Business-Type Activities – Business-type Activities increased the City's net position by \$24,480,148. This increase is primarily due to an increase in Net Investment in Capital Assets of \$8,630,361 and an increase in Cash and cash equivalents of \$7,175,316. Total liabilities decreased \$11,831,873. Of this, Long Term Liabilities, Portion Due or Payable After One Year decreased \$9,210,025. This decrease is primarily reflective of the City's payment of bonds in the current year. The City's net investment in capital assets decreased \$15,680,195, further increasing the impact to net position.

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, 2022, the City's governmental funds reported combined fund balances of \$64,589,622, which is an increase of \$7,102,883 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 \$45,732,320, an increase of \$8,550,929 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 54.30% of total General Fund expenditures, while the total fund balance represents 54.69% of total General Fund expenditures. A discussion of sales and property taxes received in the fiscal year, which were the primary drivers of these increases is included at the beginning of this MD&A and included in the Letter of Transmittal.

The City received a total of \$29.1 million in American Rescue Plan Act funds. These funds will be used for a variety of projects that address health, safety, tourism and benefits to the non-profit community. On June 14, 2022 the City Council adopted a non-binding resolution showing their support for a variety of projects for which the funds will be used. At this time, the Council has committed for use, \$24,391,740 in funds with \$4,699,910 remaining to be allocated at a future date. A list of projects the Council has approved is listed in the Letter of Transmittal.

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.

CITY OF WICHITA FALLS, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS SEPTEMBER 30, 2022

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, 2022, the net position for the City's internal service funds was \$41,321,129, an increase of \$2,472,722. This change is due primarily to an increase in cash and cash equivalents of \$1,540,886. This increase is seen primarily in the Employee Benefit Trust fund for which contributions were increased to offset the cost of rising health care plans. Current liabilities also decreased due to decreases in accrued vacation and sick leave.

General Fund Budgetary Highlights

The final amended expenditure budget for the General Fund, including transfers out, was increased by \$3,171,403 from the original adopted budget in fiscal year 2021-22. This increase was primarily due to the carry-forward of projects from the prior year. Due to supply chain and staffing issues, much of the street improvement project anticipated for the fiscal year was moved into the next year. The project was ongoing at year end and the City's Charter directs staff to carry-forward funds for ongoing capital projects in this manner. The City also carried-forward funds for completion of the 7th Street Railroad Crossing, a street repair project required due to damage sustained in Winter Storm Uri. These are funds legally committed to the completion of these projects.

Actual revenues in the General Fund for the 2021-22 fiscal year were \$91,133,951, which was \$7,046,139 over final budgeted revenues. Actual expenditures in the General Fund for the 2021-22 fiscal year were \$84,223,883, which was \$6,088,502 below final budgeted expenditures. Revenues remained steady during the fiscal year with record breaking sales tax collected as inflation hit the local economy. Property valuations have remained high as housing sales remained robust until later in the summer of 2022. Expenditure decreases reflect ongoing capital projects not completed during the year which required these costs to be carried-forward into the next year. The above paragraph discusses these projects. Staffing challenges have continued as the City is working its way out of the pandemic. These 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 Assets and Debt Administration

Capital Assets – The City's investment in capital assets for its governmental and business-type activities as of September 30, 2022, amounts to \$586,757,393 (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
- Completion of the new Travel Administration/Maintenance Facility Project
- Replacement of the Cypress Water Treatment Plant Microfiltration System
- Construction in progress of various Trail Projects
- Construction in progress of various Multipurpose Event Center Projects

CITY OF WICHITA FALLS, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2022

Capital Assets, net of Accumulated Depreciation
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$10,753	\$10,753	\$11,072	\$11,072	\$21,825	\$21,825
Land Betterments	15,286	15,593	34,583	35,275	49,869	50,868
Buildings, Systems and Improvements	41,419	43,010	320,806	314,493	362,225	357,503
Infrastructure	105,384	106,276	1,265	1,282	106,649	107,558
Machinery and Equip	6,850	7,675	2,208	2,185	9,058	9,860
Furniture and Fixtures	-	1	-	-	-	1
Motor Vehicles	-	-	19,972	19,206	19,972	19,206
Right-to-use leased assets	-	-	2,237	2,300	2,237	2,300
Construction in Progress	9,597	3,827	5,325	10,298	14,922	14,125
Totals	<u>\$189,289</u>	<u>\$187,135</u>	<u>\$397,468</u>	<u>\$396,111</u>	<u>\$586,757</u>	<u>\$580,946</u>

Additional information on the City's capital assets can be found in Note 7 on pages 45-46 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 \$137,796,472. During the 2021-22 fiscal year, the City's total debt decreased by \$16,325,778.

As of September 30, 2022, Moody's Investor's Service had assigned a credit rating of Aa2 for the City's General Obligation Bonds and a rating of A3 for the City's Water and Sewer System Revenue Bonds. Standard & Poor's had assigned a credit rating of AA for the City's General Obligation Bonds and a rating of A+ for its Water and Sewer System Revenue Bonds. The rating for the Water and Sewer System Revenue Bonds was increased in November of 2019 due to the system's strengthened finances.

CITY OF WICHITA FALLS, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2022

Outstanding Debt at Year-End
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
General Obligation Bonds	\$26,751	\$26,275	\$ 5,809	\$ -	\$32,560	\$26,275
Combination Tax and Revenue Bonds	12,455	16,665	29,435	36,590	41,890	53,255
Venue Tax Revenue Bonds	2,585	2,635	-	-	2,585	2,635
Utility System Revenue Bonds	-	-	38,660	46,670	38,660	46,670
Premiums on Bonds	1,460	1,524	3,002	4,345	4,462	5,869
Notes Payable	3,431	4,010	14,208	15,408	17,639	19,418
Right-to-use Leases	-	-	2,876	2,901	2,876	2,901
Total	46,682	51,109	93,990	105,914	140,672	157,023

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, 2022, was \$.760928 per \$100 which means that the City has a tax margin of \$1.489072 per \$100, and could generate up to \$86,485,054 additional tax revenue a year from the present assessed valuation of \$5,807,983,335 before the limit is reached. The current ratio of general bonded debt outstanding to the assessed value of all taxable property is .56%.

Additional information about the City's long-term debt can be found in Note 12 on pages 60-64 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 2022-23 fiscal year is \$233,816,962, which is an increase of \$38,367,087, or 19.63%, from the 2021-22 Adopted Operating Budget of \$195,449,875. This budget includes the use of \$19.3 million in available one-time surplus funds. These funds result from collections over a fund's Council adopted fund balance policy.

As the City entered into this fiscal year, mounting pressure from rising inflation became challenging. During the creation of the fiscal year 2022-23 budget inflation rose to 40-year highs. The City has seen the price of chemicals, required to keep the water system operating increase over 100%. Staffing continues to be challenging with approximately 80 positions unfilled at the end of fiscal year 2021-22. Challenges addressing growing gaps in pay between public and private sector employees are also straining resources. The fiscal year 2022-23 budget addresses these issues and many of the City's long-term capital infrastructure needs. Strong sales tax collections in the prior year created available one-time resources.

CITY OF WICHITA FALLS, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2022

Increases in costs in the Water & Sewer fund were addressed with a City Council adopted increase to retail water and sewer rates, the first increase to these rates in over 8 years.

The entire Budget may be found on the City's website at www.wichitafallstx.gov.

Moving forward, into the FY 2023-24 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 which the City Council has committed to funding non-profits, travel and tourism improvements and needed health and safety projects. Management strongly encourages the reader to review the Finance Department's available resources online.

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, 2022

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and cash equivalents	\$ 73,550,801	\$ 55,629,667	\$ 129,180,468	\$ 53,330,953
Investments	19,629,602	-	19,629,602	-
Receivables (net):				
Taxes and assessments	1,241,708	-	1,241,708	-
Customer and trade	-	8,119,446	8,119,446	-
Government agencies	12,388,076	1,151,324	13,539,400	1,882,512
Other	1,983,602	730,438	2,714,040	388,600
Internal balances	(14,305,492)	14,305,492	-	-
Inventory	216,048	1,992,808	2,208,856	-
Prepaid items	797,398	486,722	1,284,120	14,311
Other assets	104,641	-	104,641	-
Restricted assets:				
Cash and cash equivalents	8,114,799	14,688,619	22,803,418	-
Capital assets not being depreciated	20,349,227	16,397,685	36,746,912	2,517,331
Capital assets net of accumulated depreciation	168,939,702	381,070,779	550,010,481	8,467,239
Total assets	<u>293,010,112</u>	<u>494,572,980</u>	<u>787,583,092</u>	<u>66,600,946</u>
Deferred Outflows of Resources				
Pension-related	31,874,387	1,954,121	33,828,508	-
OPEB-related	2,178,475	823,833	3,002,308	-
Deferred losses on bond refundings	195,185	2,194,761	2,389,946	-
Total deferred outflows of resources	<u>34,248,047</u>	<u>4,972,715</u>	<u>39,220,762</u>	<u>-</u>
Liabilities				
Accounts payable - trade	3,163,980	1,532,348	4,696,328	2,494,505
Accrued payroll	1,249,800	357,705	1,607,505	-
Accrued interest payable	197,304	388,387	585,691	-
Payable to government agencies	600,158	68,538	668,696	-
Estimated health claims payable	891,315	-	891,315	-
Other liabilities	4,147,907	1,118,560	5,266,467	868,142
Unearned revenue	28,134,842	-	28,134,842	-
Customer deposits	-	3,485,750	3,485,750	-
Long-term liabilities:				
Portion due or payable within one year	7,416,733	12,281,014	19,697,747	560,000
Portion due or payable after one year	50,397,243	88,895,511	139,292,754	27,883,264
Net pension liability (payable after one year)	74,352,128	7,226,750	81,578,878	-
Net OPEB liability (payable after one year)	10,808,905	4,087,601	14,896,506	-
Total liabilities	<u>181,360,315</u>	<u>119,442,164</u>	<u>300,802,479</u>	<u>31,805,911</u>
Deferred Inflows of Resources				
Pension-related	45,182,304	4,966,683	50,148,987	-
OPEB-related	1,055,664	399,220	1,454,884	-
Total deferred inflows of resources	<u>46,237,968</u>	<u>5,365,903</u>	<u>51,603,871</u>	<u>-</u>
Net Position				
Net investment in capital assets	160,339,899	306,408,486	466,748,385	175,548
Restricted for:				
Perpetual care (nonexpendable)	1,639,863	-	1,639,863	-
Debt service (expendable)	1,769,521	11,840,406	13,609,927	-
Federal grant programs (expendable)	4,691,928	-	4,691,928	-
Tourism (expendable)	1,710,827	-	1,710,827	-
Unrestricted	(70,492,162)	56,488,735	(14,003,427)	34,619,487
Total net position	<u>\$ 99,659,876</u>	<u>\$ 374,737,627</u>	<u>\$ 474,397,503</u>	<u>\$ 34,795,035</u>

See accompanying notes to the basic financial statements.

CITY OF WICHITA FALLS, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Primary government:			
Governmental activities:			
Administrative services	\$ 16,701,365	\$ 5,556,508	\$ 269,224
Police	25,454,226	393,772	139,389
Fire	22,599,594	60,360	682,841
Parks and recreation	5,810,019	334,990	1,154,162
Accounting/finance	722,292	-	-
Community development	7,498,256	2,231,598	6,167,954
Public works	8,620,682	39,213	496,760
Health	7,065,470	1,131,018	3,927,292
Traffic and transportation	3,076,440	109,655	2,680,076
Multi-Purpose Events Center	5,134,193	1,705,277	35,500
Interest and fees on long-term debt	1,455,563	-	1,492,654
Total governmental activities	<u>104,138,100</u>	<u>11,562,391</u>	<u>17,045,852</u>
Business-type activities:			
Regional Airport	2,929,361	1,921,572	450,093
Kickapoo Airport	1,642,866	1,127,421	-
Transit	3,123,714	538,637	3,861,105
Sanitation	10,857,203	16,901,006	-
Water and sewer	33,728,464	50,122,232	-
Stormwater drainage	1,147,940	3,751,220	-
Waterpark	1,681,431	1,677,399	-
Total business-type activities	<u>55,110,979</u>	<u>76,039,487</u>	<u>4,311,198</u>
Total primary government	<u>\$ 159,249,079</u>	<u>\$ 87,601,878</u>	<u>\$ 21,357,050</u>
Component units:			
Community development	<u>\$ 8,891,283</u>	<u>\$ 720</u>	<u>\$ 1,764,467</u>
General revenues and transfers:			
Taxes:			
Property tax			
Sales tax			
Franchise fees			
Hotel occupancy tax			
Beverage tax			
Investment earnings			
Miscellaneous			
Transfers			
Total general revenues and transfers			
Change in net position			
Net position - beginning, as originally stated			
Prior period adjustment			
Net position - beginning, as restated			
Net position - ending			

See accompanying notes to the basic financial statements.

Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position					
	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total			
\$ -	\$ (10,875,633)	\$ -	\$ (10,875,633)	\$ -		
-	(24,921,065)	-	(24,921,065)	-		
-	(21,856,393)	-	(21,856,393)	-		
-	(4,320,867)	-	(4,320,867)	-		
-	(722,292)	-	(722,292)	-		
-	901,296	-	901,296	-		
893,093	(7,191,616)	-	(7,191,616)	-		
-	(2,007,160)	-	(2,007,160)	-		
-	(286,709)	-	(286,709)	-		
982,955	(2,410,461)	-	(2,410,461)	-		
-	37,091	-	37,091	-		
1,876,048	(73,653,809)		(73,653,809)			
44,000	-	(513,696)	(513,696)	-		
-	-	(515,445)	(515,445)	-		
-	-	1,276,028	1,276,028	-		
-	-	6,043,803	6,043,803	-		
666,819	-	17,060,587	17,060,587	-		
2,337,093	-	4,940,373	4,940,373	-		
-	-	(4,032)	(4,032)	-		
3,047,912	-	28,287,618	28,287,618			
\$ 4,923,960	(73,653,809)	28,287,618	(45,366,191)			
\$ -	-			(7,126,096)		
45,229,447	-	45,229,447	1,115,004			
31,099,772	-	31,099,772	10,366,796			
5,681,541	-	5,681,541	-			
2,873,908	-	2,873,908	-			
359,797	-	359,797	-			
679,311	236,378	915,689	395,696			
566,004	2,099	568,103	489,195			
4,045,947	(4,045,947)	-	-			
90,535,727	(3,807,470)	86,728,257	12,366,691			
16,881,918	24,480,148	41,362,066	5,240,595			
82,777,958	350,891,630	433,669,588	29,554,440			
-	(634,151)	(634,151)	-			
82,777,958	350,257,479	433,035,437	29,554,440			
\$ 99,659,876	\$ 374,737,627	\$ 474,397,503	\$ 34,795,035			

CITY OF WICHITA FALLS, TEXAS
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022

	General	ARPA Fund	Nonmajor Governmental	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 20,863,688	\$ 28,603,253	\$ 15,832,075	\$ 65,299,016
Investments	19,629,602	-	-	19,629,602
Receivables (net):				
Taxes and assessments	958,240	-	283,468	1,241,708
Other City funds	5,646,370	-	-	5,646,370
Government agencies	5,827,208	-	6,560,868	12,388,076
Other	2,058,032	-	(83,611)	1,974,421
Inventory	190,403	-	25,318	215,721
Prepaid items	138,504	-	658,894	797,398
Other assets	1,000	-	103,640	104,640
Total assets	<u>\$ 55,313,047</u>	<u>\$ 28,603,253</u>	<u>\$ 23,380,652</u>	<u>\$ 107,296,952</u>
Liabilities				
Accounts payable	\$ 1,806,431	\$ 364,183	\$ 903,891	\$ 3,074,505
Accrued payroll	1,110,574	461	112,369	1,223,404
Payable to other City funds	-	-	3,339,093	3,339,093
Payable to government agencies	495,492	-	104,666	600,158
Other liabilities	3,684,630	19,168	433,554	4,137,352
Claims and judgments payable	11,922	-	-	11,922
Unearned revenue	-	28,078,856	55,986	28,134,842
Total liabilities	<u>7,109,049</u>	<u>28,462,668</u>	<u>4,949,559</u>	<u>40,521,276</u>
Deferred inflows of resources				
Unavailable revenues	2,142,771	-	43,283	2,186,054
Fund balances				
Nonspendable:				
Inventory and prepaid items	328,907	-	-	328,907
Permanent Fund principal	-	-	1,639,863	1,639,863
Restricted for:				
Debt service	-	-	1,726,237	1,726,237
Capital projects	-	-	5,635,746	5,635,746
Federal and state grant programs	-	140,585	4,551,343	4,691,928
Tourism	-	-	1,710,827	1,710,827
Committed for:				
Golf course	-	-	318,920	318,920
Local projects	-	-	2,891,255	2,891,255
Unassigned	45,732,320	-	(86,381)	45,645,939
Total fund balances	<u>46,061,227</u>	<u>140,585</u>	<u>18,387,810</u>	<u>64,589,622</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 55,313,047</u>	<u>\$ 28,603,253</u>	<u>\$ 23,380,652</u>	<u>\$ 107,296,952</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, 2022

Total fund balances - governmental funds (Exhibit A-3)	\$ 64,589,622
Amounts reported for <i>governmental activities</i> in the Statement of Net Position (Exhibit A-1) are different because:	
Capital assets used in governmental activities are not financial resources and therefore no reported in the funds. Capital assets at year-end consist of	
Gross capital assets	\$ 355,029,790
Related accumulated depreciation	<u>170,150,184</u>
	184,879,606
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	
	2,186,054
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	41,791,340
Premiums on bonds payable	1,480,657
Notes payable	3,430,974
Accrued vacation and sick leave	10,172,126
Claims and judgments payable	850,551
Accrued interest	<u>197,304</u>
	(57,922,952)
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.	
	195,185
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 fund financial statements. These items consist of:	
Net pension liabilities	73,843,738
Deferred outflows - pension related items	(31,736,918)
Deferred inflows - pension related items	<u>44,832,907</u>
	(86,939,727)
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	10,634,616
Deferred outflows - OPEB related items	(2,143,348)
Deferred inflows - OPEB related items	<u>1,038,642</u>
	(9,529,910)
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	
	18,131,393
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>(15,929,395)</u>
Total net position - governmental activities (Exhibit A-1)	<u>\$ 99,659,876</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, 2022

	General	ARPA Fund	Nonmajor Governmental	Total Governmental Funds
Revenues				
Taxes	\$ 80,448,805	\$ -	\$ 4,752,451	\$ 85,201,256
Charges for services	2,974,901	-	653,584	3,628,485
Licenses and permits	2,303,431	-	-	2,303,431
Fines and forfeitures	2,303,149	-	364,829	2,667,978
Intergovernmental revenue	-	427,493	13,563,845	13,991,338
Contributions	239,454	-	2,815,060	3,054,514
Miscellaneous revenue	2,864,211	139,937	2,914,492	5,918,640
Total revenues	<u>91,133,951</u>	<u>567,430</u>	<u>25,064,261</u>	<u>116,765,642</u>
Expenditures				
Administrative services	15,320,078	-	1,415,210	16,735,288
Police	27,830,038	-	348,619	28,178,657
Fire	18,427,056	-	789,241	19,216,297
Parks and recreation	5,755,938	-	19,811	5,775,749
Accounting/finance	836,651	-	12,625	849,276
Community development	2,405,539	-	5,543,563	7,949,102
Public works	5,407,106	-	5,243	5,412,349
Health	3,448,077	427,493	3,647,765	7,523,335
Traffic and transportation	2,007,744	-	665,899	2,673,643
Multi-Purpose Events Center	-	-	4,295,907	4,295,907
Capital outlay	2,785,656	-	5,481,963	8,267,619
Debt service - principal	-	-	3,613,482	3,613,482
Debt service - interest and paying agent fees	-	-	1,651,608	1,651,608
Debt service - bond issuance costs	-	-	83,463	83,463
Total expenditures	<u>84,223,883</u>	<u>427,493</u>	<u>27,574,399</u>	<u>112,225,775</u>
Excess of revenues over (under) expenditures	<u>6,910,068</u>	<u>139,937</u>	<u>(2,510,138)</u>	<u>4,539,867</u>
Other Financing Sources (Uses)				
Issuance of refunding bonds	-	-	3,099,822	3,099,822
Premium on issuance of refunding bonds	-	-	275,205	275,205
Payment to refunded bond escrow agent	-	-	(3,292,314)	(3,292,314)
Transfers in	3,845,430	-	2,156,981	6,002,411
Transfers out	(2,125,976)	-	(1,396,132)	(3,522,108)
Total other financing sources (uses)	<u>1,719,454</u>	<u>-</u>	<u>843,562</u>	<u>2,563,016</u>
Net change in fund balance	8,629,522	139,937	(1,666,576)	7,102,883
Fund balances - beginning	37,431,705	648	20,054,386	57,486,739
Fund balances - ending	<u>\$ 46,061,227</u>	<u>\$ 140,585</u>	<u>\$ 18,387,810</u>	<u>\$ 64,589,622</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, 2022

Net change in fund balances - total governmental funds (Exhibit A-5) \$ 7,102,883

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	\$ 8,267,619	
Depreciation expense for the year	<u>7,021,530</u>	1,246,089

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. 1,876,048

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. (53,666)

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. 17,605

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 2021-2022. (3,375,027)

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 note principal payments in 2021-2022 were: 7,781,647

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	(630,269)	
Claims and judgments payable	<u>75,451</u>	(554,818)

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, 2021	233,951	
Accrued interest at September 30, 2022	<u>197,304</u>	36,647

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 more than the actuarial expense in the current year. 2,647,920

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. 486,230

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, 2022

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.

604,161

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.

(880,073)

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

\$ 16,881,918

See accompanying notes to the basic financial statements.

CITY OF WICHITA FALLS, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2022

	Enterprise Funds					
	Water and Sewer	Sanitation	Regional Airport	Nonmajor Enterprise Funds	Total	Internal Service Funds
Assets						
Current assets:						
Cash and cash equivalents	\$ 29,106,590	\$ 12,422,299	\$ (135,878)	\$ 12,184,510	\$ 53,577,521	\$ 10,303,931
Restricted cash and cash equivalents	13,020,867	-	1,667,752	-	14,688,619	8,114,799
Receivables (net):						
Customer and trade	5,937,289	1,779,915	-	402,242	8,119,446	-
Government agencies	71,859	-	450,093	629,372	1,151,324	-
Other	529,170	19,445	73,753	74,008	696,376	43,244
Inventory	1,071,364	-	71,929	151,121	1,294,414	698,394
Prepaid items	-	-	414	11,818	12,232	474,817
Total current assets	<u>49,737,139</u>	<u>14,221,659</u>	<u>2,128,063</u>	<u>13,453,071</u>	<u>79,539,932</u>	<u>19,635,185</u>
Long-term assets:						
Capital assets, net of accumulated depreciation	257,709,839	9,291,747	45,921,548	62,446,202	375,369,336	26,508,451
Total long-term assets	<u>257,709,839</u>	<u>9,291,747</u>	<u>45,921,548</u>	<u>62,446,202</u>	<u>375,369,336</u>	<u>26,508,451</u>
Total assets	<u>307,446,978</u>	<u>23,513,406</u>	<u>48,049,611</u>	<u>75,899,273</u>	<u>454,909,268</u>	<u>46,143,636</u>
Deferred Outflows of Resources						
Pension-related	1,053,293	441,655	30,961	216,056	1,741,965	349,625
OPEB-related	485,473	178,337	9,307	73,857	746,974	111,986
Deferred losses on bond refundings	2,194,761	-	-	-	2,194,761	-
Total deferred outflows of resources	<u>3,733,527</u>	<u>619,992</u>	<u>40,268</u>	<u>289,913</u>	<u>4,683,700</u>	<u>461,611</u>

See accompanying notes to the basic financial statements.

CITY OF WICHITA FALLS, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2022

	Enterprise Funds					
	Water and Sewer	Sanitation	Regional Airport	Nonmajor Enterprise Funds	Total	Internal Service Funds
Liabilities						
Current liabilities:						
Accounts payable - trade	966,074	39,186	11,605	205,940	1,222,805	399,018
Accrued payroll	191,572	78,609	7,550	41,923	319,654	64,447
Accrued vacation and sick leave	447,228	200,264	22,169	90,309	759,970	199,387
Payable to other City funds	-	-	141,832	1,703,162	1,844,994	462,283
Payable to government agencies	-	65,665	1,729	1,144	68,538	-
Estimated health claims payable	-	-	-	-	-	891,315
Other liabilities	(179,506)	40,832	110,637	1,146,598	1,118,561	10,555
Payable to U.S. Government - current maturity	47,216	-	-	-	47,216	-
Right-to-use leases - current maturities	-	-	27,321	-	27,321	-
Notes payable - current maturities	754,702	-	-	-	754,702	465,597
Bonds payable - current maturities	9,771,284	-	-	-	9,771,284	-
Accrued interest - revenue bonds	388,387	-	-	-	388,387	-
Total current liabilities	<u>12,386,957</u>	<u>424,556</u>	<u>322,843</u>	<u>3,189,076</u>	<u>16,323,432</u>	<u>2,492,602</u>
Long-term liabilities:						
Payable to U.S. Government, less current maturities	104,550	-	-	-	104,550	-
Right-to-use leases, less current maturities	-	-	2,848,743	-	2,848,743	-
Notes payable, less current maturities	12,836,101	-	-	-	12,836,101	-
Bonds payable, less current maturities	67,134,938	-	-	-	67,134,938	-
Estimated liability for landfill closure and post-closure care costs	-	6,303,124	-	-	6,303,124	-
Customer deposits	3,485,750	-	-	-	3,485,750	-
Net pension liability	3,895,298	1,633,334	114,499	799,022	6,442,153	1,292,987
Net OPEB liability	2,408,765	884,852	46,179	366,454	3,706,250	555,640
Total long-term liabilities	<u>89,865,402</u>	<u>8,821,310</u>	<u>3,009,421</u>	<u>1,165,476</u>	<u>102,861,609</u>	<u>1,848,627</u>
Total liabilities	<u>102,252,359</u>	<u>9,245,866</u>	<u>3,332,264</u>	<u>4,354,552</u>	<u>119,185,041</u>	<u>4,341,229</u>
Deferred Inflows of Resources						
Pension-related	2,677,097	1,122,531	78,691	549,139	4,427,458	888,622
OPEB-related	235,255	86,420	4,510	35,790	361,975	54,267
Total deferred inflows of resources	<u>2,912,352</u>	<u>1,208,951</u>	<u>83,201</u>	<u>584,929</u>	<u>4,789,433</u>	<u>942,889</u>
Net Position						
Net investment in capital assets	169,991,520	9,291,747	43,045,485	62,446,202	284,774,954	26,042,854
Restricted for debt service	11,840,406	-	-	-	11,840,406	-
Unrestricted	24,183,868	4,386,834	1,628,929	8,803,503	39,003,134	15,278,275
Total net position	<u>\$ 206,015,794</u>	<u>\$ 13,678,581</u>	<u>\$ 44,674,414</u>	<u>\$ 71,249,705</u>	<u>335,618,494</u>	<u>\$ 41,321,129</u>
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds					<u>39,119,133</u>	
Net position of business-type activities <i>See accompanying notes to the basic financial statements.</i>					<u>\$ 374,737,627</u>	

CITY OF WICHITA FALLS, TEXAS
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Enterprise Funds					
	Water and Sewer	Sanitation	Regional Airport	Nonmajor Enterprise Funds	Total	Internal Service Funds
Operating revenues:						
Charges for services	\$ 49,066,576	\$ 16,895,772	\$ 60,717	\$ 5,410,010	\$ 71,433,075	\$ 14,522,002
Rents, concessions and other	1,055,656	5,234	1,860,855	1,684,667	4,606,412	960,247
Contributions	-	-	-	-	-	15,186,716
Total operating revenues	50,122,232	16,901,006	1,921,572	7,094,677	76,039,487	30,668,965
Operating expenses:						
Personnel services	9,774,626	3,979,535	384,074	2,562,742	16,700,977	2,884,845
Supplies and materials	3,226,016	378,011	443,738	1,709,530	5,757,295	4,231,736
Maintenance and repairs	2,032,341	128,713	118,092	468,848	2,747,994	3,328,250
Utilities and other services	5,156,204	5,212,548	201,338	1,059,433	11,629,523	390,973
Insurance and contract support	889,058	37,636	114,079	157,341	1,198,114	12,028,728
Other expenses	2,168,173	523,166	176,935	186,903	3,055,177	2,016,539
Depreciation and amortization	8,845,792	315,725	1,595,482	1,484,282	12,241,281	5,388,794
Total operating expenses	32,092,210	10,575,334	3,033,738	7,629,079	53,330,361	30,269,865
Operating income (loss)	18,030,022	6,325,672	(1,112,166)	(534,402)	22,709,126	399,100
Nonoperating revenues (expenses):						
Investment earnings (loss)	118,885	54,020	10,951	52,522	236,378	(1,590,615)
Gain/(loss) on sale/abandonment of capital assets	2,099	-	-	-	2,099	110,275
Interest expense and paying agent fees	(2,493,662)	-	(29,015)	-	(2,522,677)	(18,259)
Intergovernmental operating grants	-	-	450,093	3,861,105	4,311,198	-
Total nonoperating revenues (expenses)	(2,372,678)	54,020	432,029	3,913,627	2,026,998	(1,498,599)
Income (loss) before contributions and transfers	15,657,344	6,379,692	(680,137)	3,379,225	24,736,124	(1,099,499)
Capital contributions	666,819	-	44,000	2,337,093	3,047,912	-
Transfers in	-	574,149	-	544,717	1,118,866	3,953,748
Transfers out	(2,633,743)	(4,047,236)	(57,219)	(433,190)	(7,171,388)	(381,529)
Change in net position	13,690,420	2,906,605	(693,356)	5,827,845	21,731,514	2,472,720
Net position - beginning, as originally stated	192,325,374	10,771,976	46,001,921	65,421,860		38,848,409
Prior period adjustment	-	-	(634,151)	-		-
Net position - beginning, as restated	192,325,374	10,771,976	45,367,770	65,421,860		38,848,409
Net position - ending	\$ 206,015,794	\$ 13,678,581	\$ 44,674,414	\$ 71,249,705		\$ 41,321,129
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds					<u>2,748,634</u>	
Change in net position of business-type activities					<u>\$ 24,480,148</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, 2022

	Enterprise Funds					
	Water and Sewer	Sanitation	Regional Airport	Nonmajor Enterprise Funds	Total	Internal Service Funds
Cash flows from operating activities:						
Received from customers and users	\$ 50,416,524	\$ 16,766,615	\$ 1,930,555	\$ 7,155,375	\$ 76,269,069	\$ 4,399,197
Received from interfund charges	-	-	-	-	-	25,594,419
Other operating receipts	-	-	-	-	-	677,636
Payments to suppliers	(13,694,066)	(3,477,023)	(1,020,111)	(2,990,927)	(21,182,127)	(22,681,376)
Payments for interfund services	(3,860,998)	(3,683,446)	(140,287)	(1,501,006)	(9,185,737)	(661,180)
Payments to employees	(7,973,936)	(3,335,241)	(285,315)	(2,101,983)	(13,696,475)	(2,636,316)
Net cash provided by operating activities	<u>24,887,524</u>	<u>6,270,905</u>	<u>484,842</u>	<u>561,459</u>	<u>32,204,730</u>	<u>4,692,380</u>
Cash flows from noncapital financing activities:						
Intergovernmental operating grants	-	-	305,067	5,082,108	5,387,175	(703,938)
Interfund loans received (repaid)	-	-	(218,476)	250,042	31,566	-
Transfers in from other funds	-	574,149	-	72,973	647,122	3,953,748
Transfers out to other funds	(2,615,743)	(4,047,236)	(57,219)	(433,190)	(7,153,388)	(381,529)
Net cash provided (used) by noncapital financing activities	<u>(2,615,743)</u>	<u>(3,473,087)</u>	<u>29,372</u>	<u>4,971,933</u>	<u>(1,087,525)</u>	<u>2,868,281</u>
Cash flows from capital and related financing activities:						
Acquisition and construction of capital assets	(5,391,565)	(764,308)	(73,750)	(3,229,346)	(9,458,969)	(5,322,610)
Proceeds from sale of capital assets	-	-	-	-	-	110,275
Proceeds from sale of refunding bonds	6,170,178	-	-	-	6,170,178	-
Payment to escrow agent for refunded bonds	(6,059,832)	-	-	-	(6,059,832)	-
Payment of bond issuance costs	(110,346)	-	-	-	(110,346)	-
Principal paid on long-term debt	(10,686,000)	-	(25,433)	-	(10,711,433)	(456,557)
Interest and fees paid on long-term debt	(3,503,155)	-	(29,015)	-	(3,532,170)	(18,259)
Net cash provided (used) for capital and related financing activities	<u>(19,580,720)</u>	<u>(764,308)</u>	<u>(128,198)</u>	<u>(3,229,346)</u>	<u>(23,702,572)</u>	<u>(5,687,151)</u>
Cash flows from investing activities:						
Investments earnings (losses)	<u>118,885</u>	<u>54,020</u>	<u>10,951</u>	<u>52,522</u>	<u>236,378</u>	<u>(1,590,615)</u>
Net cash provided (used) by investing activities	<u>118,885</u>	<u>54,020</u>	<u>10,951</u>	<u>52,522</u>	<u>236,378</u>	<u>(1,590,615)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>2,809,946</u>	<u>2,087,530</u>	<u>396,967</u>	<u>2,356,568</u>	<u>7,651,011</u>	<u>282,895</u>
Cash and Cash Equivalents - Beginning	<u>39,317,511</u>	<u>10,334,769</u>	<u>1,134,907</u>	<u>9,827,942</u>	<u>60,615,129</u>	<u>18,135,835</u>
Cash and Cash Equivalents - Ending	<u>\$ 42,127,457</u>	<u>\$ 12,422,299</u>	<u>\$ 1,531,874</u>	<u>\$ 12,184,510</u>	<u>\$ 68,266,140</u>	<u>\$ 18,418,730</u>
Reconciliation of cash and cash equivalents on the balance sheet to the statement of cash flows:						
Cash and cash equivalents	\$ 29,106,590	\$ 12,422,299	\$ (135,878)	\$ 12,184,510	\$ 53,577,521	\$ 10,303,931
Restricted assets - cash and cash equivalents	<u>13,020,867</u>	<u>-</u>	<u>1,667,752</u>	<u>-</u>	<u>14,688,619</u>	<u>8,114,799</u>
Total cash and cash equivalents at end of year	<u>\$ 42,127,457</u>	<u>\$ 12,422,299</u>	<u>\$ 1,531,874</u>	<u>\$ 12,184,510</u>	<u>\$ 68,266,140</u>	<u>\$ 18,418,730</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, 2022

	Enterprise Funds					
	Water and Sewer	Sanitation	Regional Airport	Nonmajor Enterprise Funds	Total	Internal Service Funds
Reconciliation of Operating Income (Loss) to Net Cash						
Provided by Operating Activities:						
Operating income (loss)	<u>\$ 18,030,022</u>	<u>\$ 6,325,672</u>	<u>\$ (1,112,166)</u>	<u>\$ (534,402)</u>	<u>\$ 22,709,126</u>	<u>\$ 399,100</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation and amortization	8,845,792	315,725	1,595,482	1,484,282	12,241,281	5,388,794
Customer deposits received (refunded)	81,576	-	-	-	81,576	-
(Increase) decrease in assets and deferred outflows:						
Receivables:						
Customer and trade	469,555	(134,391)	-	(6,467)	328,697	-
Other	(256,839)	-	8,983	67,165	(180,691)	664
Inventory	12,160	-	(71,929)	(104,366)	(164,135)	28,323
Prepaid items	460	-	(414)	1,944	1,990	325
Deferred outflows - pension-related	(178,846)	(92,473)	(7,353)	(61,683)	(340,355)	(55,770)
Deferred outflows - OPEB-related	(14,206)	35,846	(6,726)	12,590	27,504	31,877
Increase (decrease) in liabilities and deferred inflows:						
Accounts payable - trade	41,420	(69,495)	(102)	(360,997)	(389,174)	145,160
Accrued payroll	(289,679)	(110,833)	(4,828)	(57,718)	(463,058)	(92,503)
Accrued vacation and sick leave	9,239	13,434	12,818	15,274	50,765	22,181
Estimated health claims payable	-	-	-	-	-	(489,640)
Payable to government agencies	-	65,665	1,440	63	67,168	-
Other liabilities	(495,480)	(13,391)	57,333	241,219	(210,319)	1,623
Estimated liability for landfill closure	-	573,270	-	-	573,270	-
Net pension liability	(2,852,354)	(1,061,124)	(67,674)	(392,192)	(4,373,344)	(974,535)
Net OPEB liability	48,650	(187,781)	33,256	(66,477)	(172,352)	(164,834)
Deferred inflows - pension-related	1,357,747	595,691	43,071	316,224	2,312,733	445,259
Deferred inflows - OPEB-related	78,307	15,090	3,651	7,000	104,048	6,356
Total adjustments	<u>6,857,502</u>	<u>(54,767)</u>	<u>1,597,008</u>	<u>1,095,861</u>	<u>9,495,604</u>	<u>4,293,280</u>
Net cash provided by operating activities	<u>\$ 24,887,524</u>	<u>\$ 6,270,905</u>	<u>\$ 484,842</u>	<u>\$ 561,459</u>	<u>\$ 32,204,730</u>	<u>\$ 4,692,380</u>
Noncash capital and financing activities:						
Capital assets received from developers	\$ 666,819	\$ -	\$ 44,000	\$ -	\$ 710,819	\$ -
Capital assets transferred (to) from other funds	(18,000)	-	-	471,744	453,744	-
Capital assets contributed by component units	-	-	-	2,337,093	2,337,093	-

See accompanying notes to the basic financial statements.

CITY OF WICHITA FALLS, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2022

	Custodial Fund
Assets	
Cash and cash equivalents	<u>\$ 207,318</u>
Liabilities	
Other liabilities	<u>207,318</u>
Net position	<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, 2022

	<u>Custodial Fund</u>
Additions	
Escheatment additions	\$ 43,251
Deductions	
Escheatment deductions	<u>43,251</u>
Change in net position	-
Net position - beginning	-
Net position - ending	<u>\$ -</u>

See accompanying notes to the basic financial statements.

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2022

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, 2022

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, 2022

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, 2022

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 and fiduciary 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, 2022

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, 2022

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, 2022

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, 2022

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
Right-to-use leased assets	50 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 assets 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 assets 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 (\$937,424) and municipal court fines receivable (\$1,248,630) 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, 2022

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, 2022

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, 2022

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, 2022 is based on management's estimate of probable losses in the amount of \$862,473. 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, 2020 to September 30, 2022:

	Health Care	Workers' Compensation
Liability balance, October 1, 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	1,380,955	926,002
Incurred claims/adjustments	11,325,583	1,301,846
Claim payments	(11,815,223)	(1,365,375)
Liability balance, September 30, 2022	<u>\$ 891,315</u>	<u>\$ 862,473</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, 2022

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

H. New Accounting Standard Adopted

For fiscal year 2022, the City implemented GASB Statement No. 87, "Leases". This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Due to the implementation of GASB Statement No. 87, certain leases with an initial noncancelable period of more than one year that were reported as operating leases prior to the implementation of GASB Statement No. 87, will be reported as right-to-use leased assets and right-to-use lease liabilities. This reclassification resulted in the restatement of the City's statement of net position and statement of activities.

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, 2022.

Deficit Fund Balances – Individual Funds

The Airport Improvement Grant Fund, a special revenue fund, had a deficit fund balance of \$86,381 as of September 30, 2022. 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, 2022, the total amount of the City's demand and time deposits per the general ledger was \$4,506,759, and the total amount per the City's September 30, 2022 bank statements was \$5,456,974. The entire amount of the year-end bank statement balances was covered by federal depository insurance or by collateral held by the City's agent in the City's name.

Investments

The investment policies of the City and its discretely presented component units are governed by The Public Funds Investment Act (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, 2022.

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2022

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

The investments of the City and its discretely presented component units at September 30, 2022 are as follows:

Types of Investments	Fair Value / Carrying Amount		Average Credit Quality/ Ratings	Weighted Average Days to Maturity
	Cost			
Primary Government:				
TexPool	\$ 95,499,166	\$ 95,499,166	Not rated	1
LOGIC	35,764,276	35,764,276	Not rated	1
U.S. Treasury Bill	1,970,533	1,970,533	N/A	142
U.S. Treasury Notes	17,526,141	17,752,499	N/A	478
Money market accounts	<u>18,871,954</u>	<u>18,871,954</u>	Not rated	1
Total primary government investments	<u>169,632,070</u>	<u>169,858,428</u>		
Component Units:				
TexPool	<u>51,032,322</u>	<u>51,032,322</u>	Not rated	1
Total component unit investments	<u>51,032,322</u>	<u>51,032,322</u>		
Total investments	<u>\$220,664,392</u>	<u>\$220,890,750</u>		

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.

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2022

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

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 United States Treasury Bills and Notes using Level 1 inputs, which are quoted prices in active markets. 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.

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.

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2022

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

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, 2022 was \$.760928 per \$100 which means that the City has a tax margin of \$1.489072 per \$100, and could raise up to \$86,485,054 additional tax revenue a year from the present assessed valuation of \$5,807,983,335 before the limit is reached.

Note 5 - 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	\$12,229,783
For Capital Improvements:	
Cash and cash equivalents	<u>791,084</u>
Total	<u>\$13,020,867</u>

Regional Airport restricted assets are comprised of the following:

For Passenger Facility Charges:	
Cash and cash equivalents	\$ 560,151
For Customer Facility Charges:	
Cash and cash equivalents	<u>1,107,601</u>
Total	<u>\$1,667,752</u>

Internal Service Fund restricted assets are comprised of the following:

For Employee Insurance:	
Cash and cash equivalents	<u>\$8,114,799</u>

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

SEPTEMBER 30, 2022

Note 6 - RECEIVABLES

Receivables at September 30, 2022 consist of the following:

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Water and Sewer</u>	<u>Sanitation</u>	<u>Regional Airport</u>	<u>Nonmajor Enterprise Funds</u>	<u>Internal Service</u>	<u>Totals Primary Government</u>	<u>Component Units</u>	<u>Totals Reporting Entity</u>
Receivables:										
Taxes and assessments	\$ 1,678,368	\$ 317,240	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,995,608	\$ -	\$ 1,995,608
Customer and trade	-	-	9,331,471	2,894,264	-	639,943	-	12,865,678	-	12,865,678
Other City funds	5,646,371	-	-	-	-	-	-	5,646,371	-	5,646,371
Government agencies	5,827,208	6,560,868	71,859	-	450,093	629,372	-	13,539,400	1,882,512	15,421,912
Other	<u>2,058,031</u>	<u>(83,611)</u>	<u>529,170</u>	<u>19,445</u>	<u>73,753</u>	<u>74,008</u>	<u>43,244</u>	<u>2,714,040</u>	<u>388,600</u>	<u>3,102,640</u>
Gross receivables	15,209,978	6,794,497	9,932,500	2,913,709	523,846	1,343,323	43,244	36,761,097	2,271,112	39,032,209
Less: Allowance for uncollectible accounts	(<u>720,128</u>)	(<u>33,772</u>)	(<u>3,394,182</u>)	(<u>1,114,349</u>)	(<u>-</u>)	(<u>237,701</u>)	(<u>-</u>)	(<u>5,500,132</u>)	(<u>-</u>)	(<u>5,500,132</u>)
Net total receivables	<u>\$14,489,850</u>	<u>\$6,760,725</u>	<u>\$6,538,318</u>	<u>\$1,799,360</u>	<u>\$523,846</u>	<u>\$1,105,622</u>	<u>\$43,244</u>	<u>\$31,260,965</u>	<u>\$2,271,112</u>	<u>\$33,532,077</u>

There are no net receivables, other than delinquent property taxes, that the City does not expect to collect within a year. The City expects to collect approximately \$400,000 of the \$1,773,392 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, 2022

Note 7 - CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2022 was as follows:

Governmental activities:	Balance October 1, 2021	Increases	Decreases	Balance September 30, 2022
Capital assets not being depreciated:				
Land	\$ 10,752,781	\$ -	\$ -	\$ 10,752,781
Construction in progress	<u>3,826,921</u>	<u>7,033,184</u>	<u>1,263,659</u>	<u>9,596,446</u>
Total capital assets not being depreciated	<u>14,579,702</u>	<u>7,033,184</u>	<u>1,263,659</u>	<u>20,349,227</u>
Capital assets being depreciated:				
Land betterments	24,775,873	46,995	-	24,822,868
Buildings, systems and improvements	75,998,208	252,098	80,673	76,169,633
Infrastructure	209,968,030	3,508,557	214,201	213,262,386
Machinery and equipment	28,818,737	870,109	-	29,688,846
Furniture and fixtures	<u>130,848</u>	<u>-</u>	<u>-</u>	<u>130,848</u>
Total capital assets being depreciated	<u>339,691,696</u>	<u>4,677,759</u>	<u>294,874</u>	<u>344,074,581</u>
Less accumulated depreciation for:				
Land betterments	9,183,410	353,487	-	9,536,897
Buildings, systems and improvements	32,988,356	1,805,937	43,563	34,750,730
Infrastructure	103,919,796	4,156,041	197,645	107,878,192
Machinery and equipment	21,143,405	1,695,273	-	22,838,678
Furniture and fixtures	<u>129,916</u>	<u>466</u>	<u>-</u>	<u>130,382</u>
Total accumulated depreciation	<u>167,364,883</u>	<u>8,011,204</u>	<u>241,208</u>	<u>175,134,879</u>
Total capital assets being depreciated, net	<u>172,326,813</u>	<u>(3,333,445)</u>	<u>53,666</u>	<u>168,939,702</u>
Governmental activities capital assets, net	<u>\$186,906,515</u>	<u>\$3,699,739</u>	<u>\$1,317,325</u>	<u>\$189,288,929</u>

Depreciation expense was charged to functions as follows:

Governmental activities:	
Administrative services	\$1,448,309
Police	700,751
Fire	211,047
Parks and recreation	283,236
Community development	6,918
Public works	3,478,603
Health	145,873
Traffic and transportation	702,831
Multi-Purpose Events Center	<u>1,033,636</u>
 Total governmental depreciation	 <u>\$8,011,204</u>

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

SEPTEMBER 30, 2022

Note 7 - CAPITAL ASSETS (CONT'D.)

Business-type activities:	Balance			Balance
	October 1, 2021	Increases	Decreases	
Capital assets not being depreciated:				
Land	\$ 11,072,444	\$ -	\$ -	\$ 11,072,444
Construction in progress	<u>10,298,306</u>	<u>12,209,137</u>	<u>17,182,202</u>	<u>5,325,241</u>
Total capital assets not being depreciated	<u>21,370,750</u>	<u>12,209,137</u>	<u>17,182,202</u>	<u>16,397,685</u>
Capital assets being depreciated:				
Land betterments	59,553,736	940,324	-	60,494,060
Buildings, systems and improvements	486,457,358	16,546,108	241,000	502,762,466
Infrastructure	1,308,101	-	-	1,308,101
Machinery and equipment	10,627,957	490,328	2,890	11,115,395
Furniture and fixtures	16,943	-	-	16,943
Motor vehicles	69,340,567	4,993,925	194,517	74,139,975
Right-to-use leased assets	<u>3,066,768</u>	<u>-</u>	<u>-</u>	<u>3,066,768</u>
Total capital assets being depreciated	<u>630,371,430</u>	<u>22,970,685</u>	<u>438,407</u>	<u>652,903,708</u>
Less accumulated depreciation for:				
Land betterments	24,279,170	1,632,105	-	25,911,275
Buildings, systems and improvements	171,964,577	10,232,991	241,000	181,956,568
Infrastructure	26,162	17,441	-	43,603
Machinery and equipment	8,442,578	467,824	2,890	8,907,512
Furniture and fixtures	16,943	-	-	16,943
Motor vehicles	50,134,810	4,227,456	194,517	54,167,749
Right-to-use leased assets	<u>766,692</u>	<u>62,587</u>	<u>-</u>	<u>829,279</u>
Total accumulated depreciation	<u>255,630,932</u>	<u>16,640,404</u>	<u>438,407</u>	<u>271,832,929</u>
Total capital assets being depreciated, net	<u>374,740,498</u>	<u>6,330,281</u>	<u>-</u>	<u>381,070,779</u>
Business-type activities capital assets, net	<u>\$396,111,248</u>	<u>\$18,539,418</u>	<u>\$17,182,202</u>	<u>\$397,468,464</u>

Depreciation expense was charged to programs as follows:

Business-type activities:	
Regional Airport	\$ 1,603,634
Kickapoo Airport	529,661
Transit	503,005
Sanitation	3,433,039
Water and sewer	9,751,879
Stormwater drainage	573,574
Waterpark	<u>245,612</u>
Total business-type depreciation	<u>\$16,640,404</u>

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2022

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, 2022. Detailed information for each plan follows.

	TMRS	WFFRRF	Total
Net pension liability	\$26,459,195	\$55,119,682	\$81,578,877
Deferred outflows of resources	7,154,595	26,673,913	33,828,508
Deferred inflows of resources	18,184,447	31,964,541	50,148,988
Pension expense	(195,914)	5,060,189	4,864,275

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.

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, 2022

Note 8 - PENSION PLANS (CONT'D.)

Employees Covered by Benefit Terms

At the December 31, 2021 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	726
Inactive employees entitled to but not yet receiving benefits	517
Active employees	980

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 16.57% and 16.42% in calendar years 2021 and 2022, respectively. The City's contributions to TMRS for the year ended September 30, 2022, were \$8,805,755, and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2021, 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, 2021 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, 2022

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, 2022

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, 2020	\$303,667,034	\$260,052,260	\$43,614,774
Changes for the year:			
Service cost	6,571,147	-	6,571,147
Interest on total pension liability	20,199,933	-	20,199,933
Change of benefit terms	-	-	-
Difference between expected and actual experience	937,276	-	937,276
Change of assumptions	-	-	-
Contributions – employer	-	7,844,017	(7,844,017)
Contributions – employee	-	3,311,593	(3,311,593)
Net investment income	-	33,864,112	(33,864,112)
Benefit payments, including refunds of employee contributions	(15,388,693)	(15,388,693)	-
Administrative expense	-	(156,861)	156,861
Other changes	-	1,074	(1,074)
Balances as of December 31, 2021	<u>\$315,986,697</u>	<u>\$289,527,502</u>	<u>\$26,459,195</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 (asset)	\$67,349,203	\$26,459,195	(\$7,378,894)

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

For the year ended September 30, 2022, the City recognized pension expense (income) of (\$195,914) related to its participation in TMRS.

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2022

Note 8 - PENSION PLANS (CONT'D.)

At September 30, 2022, 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	\$ 662,415	\$ 803,698
Net difference in assumptions	-	5,162
Net difference between projected and actual earnings	-	17,375,587
Contributions made subsequent to measurement date	<u>6,492,180</u>	-
Total	<u>\$7,154,595</u>	<u>\$18,184,447</u>

\$6,492,180 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, 2022. 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>	
2022	(\$ 3,329,856)
2023	(7,371,721)
2024	(3,558,341)
2025	(3,262,114)
Total	<u>(\$17,522,032)</u>

Wichita Falls Firemen's Relief and Retirement Fund

Plan Description

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

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

Benefits Provided

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

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2022

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

Plan membership as of January 1, 2022:

Inactive employees or beneficiaries currently receiving benefits	147
Inactive employees entitled to but not yet receiving benefits	3
Active employees	160

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, 2022, were \$1,694,549, 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, 2022

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, 2022

Note 8 - PENSION PLANS (CONT'D.)

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, 2020	\$137,970,820	\$57,828,760	\$80,142,060
Changes for the year:			
Service cost	3,462,346	-	3,462,346
Interest on total pension liability	6,175,999	-	6,175,999
Change of benefit terms	-	-	-
Difference between expected and actual experience	(2,700,656)	-	(2,700,656)
Change of assumptions	(20,894,841)	-	(20,894,841)
Contributions – employer	-	1,615,588	(1,615,588)
Contributions – employee	-	1,583,797	(1,583,797)
Net investment income	-	8,128,492	(8,128,492)
Benefit payments, including refunds of employee contributions	(6,535,299)	(6,535,299)	-
Administrative expense	-	(266,037)	266,037
Other	-	3,386	(3,386)
Balances as of December 31, 2021	<u>\$117,478,369</u>	<u>\$62,358,687</u>	<u>\$55,119,682</u>

Sensitivity Analysis

The following presents the net pension liability of the City, calculated using the discount rate of 5.80%, as well as what the City's net pension liability / (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (4.80%) or 1 percentage point higher (6.80%) than the current rate.

	1% Decrease 4.80%	Current Discount Rate 5.80%	1% Increase 6.80%
Net pension liability	\$70,077,975	\$55,119,682	\$42,668,515

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

For the year ended September 30, 2022, the City recognized pension expense of \$5,060,189 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, 2022

Note 8 - PENSION PLANS (CONT'D.)

At September 30, 2022, 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	\$ 2,357,644	\$ 3,632,592
Difference due to changes in actuarial assumptions	23,054,493	18,874,062
Net difference between projected and actual earnings	-	9,457,887
Contributions made subsequent to measurement date	<u>1,261,776</u>	<u>-</u>
Total	<u>\$26,673,913</u>	<u>\$31,964,541</u>

\$1,261,776 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, 2022. 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>	
2022	\$ 32,658
2023	(724,218)
2024	640,388
2025	(739,469)
2026	(2,178,664)
Thereafter	(3,583,099)
Total	<u>(\$6,552,404)</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.

Retiree Premiums

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

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2022

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

<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.

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, 2021 measurement date, the following employees were covered by the benefit terms:

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2022

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

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 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.
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.

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2022

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

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, 2020	\$24,114,034	\$7,959,928	\$16,154,106
Changes for the year:			
Service cost	667,554	-	667,554
Interest on total OPEB liability	1,593,949	-	1,593,949
Change of benefit terms	-	-	-
Difference between expected and actual experience	-	-	-
Change of assumptions	-	-	-
Contributions – employer	-	2,059,484	(2,059,484)
Contributions – employee	-	-	-
Net investment income	-	1,459,619	(1,459,619)
Benefit payments, including refunds of employee contributions	(1,667,492)	(1,667,492)	-
Administrative expense	-	-	-
Other changes	-	-	-
Balances as of December 31, 2021	<u>\$24,708,045</u>	<u>\$9,811,539</u>	<u>\$14,896,506</u>

Discount Rate Sensitivity Analysis

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

1% Decrease <u>5.75%</u>	Current Discount Rate <u>6.75%</u>	1% Increase <u>7.75%</u>
<u>\$17,121,592</u>	<u>\$14,896,506</u>	<u>\$12,938,198</u>

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% Decrease <u>\$12,929,367</u>	Current Healthcare Cost Trend Rate <u>\$14,896,506</u>	1% Increase <u>\$17,197,518</u>
---------------------------------------	--	---------------------------------------

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

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2022

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

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

For the year ended September 30, 2022, the City recognized OPEB expense of \$1,638,741 related to the City of Wichita Falls Retiree Health Care Plan.

At September 30, 2022, 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	\$ 419,454	\$ 202,946
Difference due to changes in actuarial assumptions	805,353	-
Differences between expected and actual experience, assets	-	1,251,938
Contributions made subsequent to measurement date	<u>1,777,501</u>	<u>-</u>
Total	<u>\$3,002,308</u>	<u>\$1,454,884</u>

\$1,777,501 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended September 30:</u>	
2023	\$ 18,059
2024	(135,886)
2025	5,591
2026	(117,841)
Total	<u>(\$230,077)</u>

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.

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

SEPTEMBER 30, 2022

Note 11 - 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 \$6,225,021 as of September 30, 2022, which is based on 24% usage of the landfill. The City will recognize the remaining estimated cost of closure and postclosure care of \$19,453,192 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 \$78,103 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 12 - LONG-TERM LIABILITIES

Long-term liabilities transactions for the year ended September 30, 2022 are summarized as follows:

	Balance at October 1, 2021	Issued	Retired and Transferred	Balance at September 30, 2022	Due Within One Year
<u>Governmental Activities:</u>					
General obligation bonds	\$ 26,275,000	\$ 3,099,822	\$ 2,623,482	\$ 26,751,340	\$ 2,701,606
Combination tax and revenue bonds	16,665,000	-	4,210,000	12,455,000	970,000
Venue tax revenue bonds	2,635,000	-	50,000	2,585,000	50,000
Premiums on bonds	1,524,354	275,205	318,902	1,480,657	-
Accrued vacation and sick leave payable	9,609,116	3,313,656	2,674,240	10,248,532	3,000,000
Notes payable	4,010,237	-	579,263	3,430,974	615,303
Claims and judgments payable	<u>926,002</u>	<u>1,301,846</u>	<u>1,365,375</u>	<u>862,473</u>	<u>79,824</u>
Total governmental activities	<u>61,644,709</u>	<u>7,990,529</u>	<u>11,821,262</u>	<u>57,813,976</u>	<u>7,416,733</u>
<u>Business-type Activities:</u>					
General obligation bonds	-	6,170,178	361,518	5,808,660	353,394
Utility system revenue bonds, net of premium (discount)	46,670,000	-	8,010,000	38,660,000	8,410,000
Combination tax and revenue bonds	36,590,000	-	7,155,000	29,435,000	1,595,000
Premiums on bonds	4,344,896	-	1,342,334	3,002,562	-
Accrued vacation and sick leave payable	819,152	822,347	758,548	882,951	675,000
Notes payable	15,407,763	-	1,199,598	14,208,165	1,220,299
Right-to-use lease liabilities	2,901,496	-	25,433	2,876,063	27,321
Landfill closure, post-closure costs	<u>5,729,854</u>	<u>573,270</u>	<u>-</u>	<u>6,303,124</u>	<u>-</u>
Total business-type activities	<u>112,463,161</u>	<u>7,565,795</u>	<u>18,852,431</u>	<u>101,176,525</u>	<u>12,281,014</u>
Total long-term liabilities	<u>\$174,107,870</u>	<u>\$15,556,324</u>	<u>\$30,673,693</u>	<u>\$158,990,501</u>	<u>\$19,697,747</u>

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

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2022

Note 12 - LONG-TERM LIABILITIES (CONT'D.)

Bonds Payable

Bonds payable as of September 30, 2022 are comprised of the following individual issues:

	Range of Interest Rates	Final Maturity Date	Annual Serial Payments	Bonds Authorized	Bonds Outstanding At 9/30/22
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	\$ 4,180,000
General Obligation Refunding Bonds, Series 2015B	0.73% - 3.48%	9/01/26	\$110,000 to \$310,000	2,885,000	1,195,000
General Obligation Bonds, Series 2018A	2.00% - 5.00%	9/01/38	\$550,000 to \$1,155,000	16,345,000	14,010,000
General Obligation Refunding Bonds, Series 2018B	2.00% - 4.00%	10/01/28	\$80,000 to \$725,000	6,170,000	4,500,000
General Obligation Refunding Bonds, Series 2021	4.00%	9/01/31	\$140,000 to \$195,000	1,675,000	1,525,000
General Obligation Refunding Bonds, Taxable Series 2021	0.40% - 2.03%	9/01/33	\$435,000 to \$865,000	7,595,000	<u>7,150,000</u>
Total General Obligation Bonds					<u>32,560,000</u>
Combination Tax and Revenue Bonds:					
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	12,455,000
Combination Tax and Revenue Certificates of Obligation, Series 2013A	2.00% - 4.625%	9/01/33	\$505,000 to \$905,000	13,000,000	2,570,000
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>26,865,000</u>
Total Combination Tax and Revenue Bonds					<u>41,890,000</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	38,660,000
Venue Tax Revenue Bonds, Series 2020	4.00%	9/01/50	\$45,000 to \$150,000	2,680,000	2,585,000
Total Revenue Bonds					<u>41,245,000</u>
Total All Bonds					<u>\$115,695,000</u>

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

SEPTEMBER 30, 2022

Note 12 - LONG-TERM LIABILITIES (CONT'D.)

Aggregate maturities of the long-term debt (principal and interest) for the years subsequent to September 30, 2022 are as follows:

Year Ending September 30,	Combination Tax and										Total	
	General Obligation Bonds		Revenue Bonds		Revenue Bonds		Notes Payable		Right-to-use Lease			
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 3,055,000	\$1,118,692	\$ 2,565,000	\$ 1,203,281	\$ 8,460,000	\$2,003,150	\$ 1,881,816	\$ 556,691	\$ 27,321	\$ 28,761	\$ 15,989,137	\$ 4,910,575
2024	3,165,000	1,019,767	2,620,000	1,144,076	8,890,000	1,580,650	1,427,789	503,758	29,276	28,487	16,132,065	4,276,738
2025	3,265,000	923,971	2,685,000	1,081,376	9,330,000	1,136,700	1,066,960	459,614	31,302	28,195	16,378,262	3,629,856
2026	3,020,000	797,928	2,750,000	1,013,327	9,765,000	704,000	1,088,390	424,329	33,400	27,882	16,656,790	2,967,466
2027	2,380,000	669,347	2,120,000	695,270	2,495,000	216,350	997,991	388,123	35,572	27,548	8,028,563	1,996,638
2028-2032	10,505,000	2,290,596	11,370,000	2,696,922	345,000	434,400	5,502,301	1,458,885	213,225	131,941	27,935,526	7,012,744
2033-2037	6,015,000	940,336	7,160,000	1,430,839	415,000	360,200	5,673,892	363,042	280,155	119,986	19,544,047	3,214,403
2038-2042	1,155,000	57,750	6,430,000	781,776	505,000	270,200	-	-	359,427	104,446	8,449,427	1,214,172
2043-2047	-	-	4,190,000	134,339	610,000	160,600	-	-	453,092	84,664	5,253,092	379,603
2048-2052	-	-	-	-	430,000	35,000	-	-	563,534	59,873	993,534	94,873
2053-2057	-	-	-	-	-	-	-	-	693,518	29,181	693,518	29,181
2058	-	-	-	-	-	-	-	-	156,241	1,562	156,241	1,562
Totals	\$32,560,000	\$7,818,387	\$41,890,000	\$10,181,206	\$41,245,000	\$6,901,250	\$17,639,139	\$4,154,442	\$2,876,063	\$672,526	\$136,210,202	\$29,727,811

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2022

Note 12 - 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, 2022, this fund had a fund balance of \$1,290,689.

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

United States Government – Lake Kemp

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.

SunTrust Equipment Finance & Leasing Corp. – Energy Efficiency Project

The City entered into a financing agreement in 2012 to finance a portion of an energy efficiency project that includes several City facilities. The agreement 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 note carries an interest rate of 2.54% and is for a period of 12 years, with final payment due in fiscal year 2024.

Banc of America Public Capital Corp. – Water Meters

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

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2022

Note 12 - LONG-TERM LIABILITIES (CONT'D.)

Signature Public Funding Corp. – Fire Equipment

The City issued a financing agreement 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 agreement carries an interest rate of 1.98% and is for a period of 6 years with final payment due in fiscal year 2023.

AMERESCO Inc. – Street Lights

The City entered into a financing 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 agreement carries an interest rate of 3.45% and is for a period of 15 years, with final payment due in fiscal year 2034.

Signature Public Funding Corp. – Traffic Signals

The City also issued a financing agreement 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 agreement carries an interest rate of 3.03% for a period of 5 years with final payment due in fiscal year 2023.

Right-to-Use Leases

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 lease payment increases by 3% per year with a final lease payment of \$157,805 in 2058. The total value of assets under this agreement was \$3,066,768, with accumulated amortization of \$829,279 as of September 30, 2022. An interest rate of 1% is imputed for this lease agreement.

Note 13 - DEFEASED DEBT

General Obligation Refunding Bonds, Taxable Series 2021

On October 1, 2021, the City issued \$7,595,000 in bonds titled "General Obligation Refunding Bonds, Taxable Series 2021." These bonds 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.

A portion of the proceeds of the bonds were placed in an irrevocable trust in order to redeem the Series 2010 bonds on October 14, 2021. The remaining proceeds were placed in an irrevocable trust in order to redeem the Series 2013A bonds on September 1, 2023. The refunding met the requirements of an in-substance defeasance and the original bonds were removed from Governmental Activities and Business-type Activities.

As a result of this refunding, the City reduced debt service payments by a total of \$749,231, with an economic gain (difference between the present value of the debt service payments on the old and new debt present value of savings) of \$681,211.

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2022

Note 13 - DEFASSED DEBT (CONT'D.)

General Obligation Refunding Bonds, Series 2021

On October 1, 2021, the City also issued \$1,675,000 in bonds titled "General Obligation Refunding Bonds, Series 2021." These bonds were issued to refund the remaining outstanding Combination Tax and Revenue Certificates of Obligation, Taxable Series 2011.

The proceeds of the bonds were placed in an irrevocable trust in order to redeem the Series 2011 bonds on October 14, 2021. The refunding met the requirements of an in-substance defeasance and the original bonds were removed from Governmental Activities.

As a result of this refunding, the City reduced debt service payments by a total of \$222,887, with an economic gain (difference between the present value of the debt service payments on the old and new debt present value of savings) of \$202,982.

Note 14 - INTERFUND BALANCES

Transfers to and from other funds during the year ended September 30, 2022 were as follows:

<u>Transfers From</u>	<u>Transfers To</u>	<u>Amount</u>	<u>Reason</u>
General Fund	Nonmajor Governmental Funds	\$ 202,499	Supplement operating grants
General Fund	Nonmajor Governmental Funds	414,803	Supplement operating deficits
General Fund	Internal Service Funds	1,500,000	Supplement operating deficits
General Fund	Internal Service Funds	8,674	Purchase capital assets
Nonmajor Governmental Funds	Nonmajor Governmental Funds	938,944	Fund debt service payment
Nonmajor Governmental Funds	Nonmajor Enterprise Funds	457,188	Purchase capital assets
Water and Sewer Fund	General Fund	1,823,429	Administrative overhead
Water and Sewer Fund	Nonmajor Governmental Funds	157,700	Fund debt service payment
Water and Sewer Fund	Sanitation Fund	574,149	Transfer capital assets
Water and Sewer Fund	Nonmajor Enterprise Funds	18,000	Transfer capital assets
Water and Sewer Fund	Internal Service Fund	60,465	Transfer capital assets
Sanitation Fund	General Fund	1,710,001	Administrative overhead
Sanitation Fund	Internal Service Funds	2,337,235	Purchase capital assets
Regional Airport Fund	Nonmajor Governmental Funds	9,845	Supplement capital grants
Regional Airport Fund	Internal Service Fund	47,374	Purchase capital assets
Nonmajor Enterprise Funds	Nonmajor Governmental Funds	409,312	Fund debt service payment
Nonmajor Enterprise Funds	Nonmajor Governmental Funds	23,878	Supplement capital grants
Internal Service Funds	General Fund	312,000	Administrative overhead
Internal Service Funds	Nonmajor Enterprise Funds	69,529	Administrative overhead
	Total	<u>\$11,075,025</u>	

Balances due to and from other funds as of September 30, 2022 were as follows:

<u>Due To Fund</u>	<u>Due From Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Nonmajor Governmental Funds	\$3,339,093	Short-term loan
General Fund	Regional Airport Fund	141,833	Short-term loan
General Fund	Nonmajor Enterprise Funds	1,703,162	Short-term loan
General Fund	Internal Service Funds	462,283	Short-term loan
	Total	<u>\$5,646,371</u>	

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

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

SEPTEMBER 30, 2022

Note 15 - 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, 2022 is as follows:

	Wichita Falls Economic Development Corporation	Wichita Falls 4B Sales Tax Corporation	Wichita Falls Reinvestment			
			Zone #2	Zone #3	Zone #4	Totals
Condensed statement of net position:						
Cash, investments and other current assets	\$27,084,569	\$23,819,671	\$2,994,806	\$913,108	\$804,222	\$55,616,376
Capital assets, net of accumulated depreciation	<u>2,429,495</u>	<u>8,555,075</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,984,570</u>
Total assets	<u>29,514,064</u>	<u>32,374,746</u>	<u>2,994,806</u>	<u>913,108</u>	<u>804,222</u>	<u>66,600,946</u>
Accounts payable and other current liabilities						
Long-term liabilities	<u>686,179</u>	<u>2,676,468</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,362,647</u>
Total liabilities	<u>9,948,264</u>	<u>18,495,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,443,264</u>
Net position	<u>10,634,443</u>	<u>21,171,468</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,805,911</u>
Net position	<u>\$18,879,621</u>	<u>\$11,203,278</u>	<u>\$2,994,806</u>	<u>\$913,108</u>	<u>\$804,222</u>	<u>\$34,795,035</u>
Condensed statement of activities:						
Expenses:						
Community development	<u>\$ 5,259,532</u>	<u>\$ 2,913,129</u>	<u>\$ 718,622</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,891,283</u>
Program revenues:						
Charges for services	720	-	-	-	-	720
Operating grants and contributions	<u>1,045,845</u>	<u>718,622</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,764,467</u>
Total program revenues	<u>1,046,565</u>	<u>718,622</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,765,187</u>
Net program expense	<u>(4,212,967)</u>	<u>(2,194,507)</u>	<u>(718,622)</u>	<u>-</u>	<u>-</u>	<u>(7,126,096)</u>
General revenues:						
Tax revenues	5,183,398	5,183,398	796,503	96,029	222,472	11,481,800
Non-tax general revenues	<u>612,035</u>	<u>241,406</u>	<u>14,791</u>	<u>13,403</u>	<u>3,256</u>	<u>884,891</u>
Total general revenues	<u>5,795,433</u>	<u>5,424,804</u>	<u>811,294</u>	<u>109,432</u>	<u>225,728</u>	<u>12,366,691</u>
Change in net position	1,582,466	3,230,297	92,672	109,432	225,728	5,240,595
Beginning net position	<u>17,297,155</u>	<u>7,972,981</u>	<u>2,902,134</u>	<u>803,676</u>	<u>578,494</u>	<u>29,554,440</u>
Ending net position	<u>\$18,879,621</u>	<u>\$11,203,278</u>	<u>\$2,994,806</u>	<u>\$913,108</u>	<u>\$804,222</u>	<u>\$34,795,035</u>

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2022

Note 16 - 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, 2022, the City abated property taxes totaling \$1,718,655 under this program and received payments in lieu of taxes totaling \$1,439,374.

Note 17 - COMMITMENTS AND CONTINGENCIES

Litigation

The City is a defendant in various 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, 2022 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.

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2022

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

Contract Commitments

At September 30, 2022, the City was committed to various contracts. The amounts for which the various funds are committed to complete these contracts are as follows:

General Fund	\$ 3,125,208
Nonmajor Governmental Funds	2,569,345
Water and Sewer Fund	6,945,536
Sanitation Fund	166,504
Nonmajor Enterprise Funds	<u>2,580,045</u>
 Total contract commitments - City	 <u>\$15,386,638</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 18 - PRIOR PERIOD ADJUSTMENT

During fiscal year 2022, the City adopted GASB Statement No. 87, Leases. Prior to the implementation of GASB 87, certain City leases with an initial noncancelable period of more than one year were reported as operating leases. After the implementation of GASB 87, these leases and related assets were reported as right-to-use leased assets and right-to-use leased liabilities. The City's lease related to Regional Airport facilities was required to be reclassified under this new standard. The effect of reporting this lease as a right-to-use leased asset and right-to-use lease liability was an increase to right-to-use leased assets, net by \$2,300,076 and an increase to right-to-use leased liabilities by \$2,901,496 in the statement of net position for the Regional Airport Fund and Business-type Activities. Amounts reported as prepaid expenses as of September 30, 2021 were also reduced by \$32,730 as part of this restatement. Therefore, the total prior period adjustment was a reduction in the beginning net position for the Regional Airport Fund and Business-type Activities of \$634,151.

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) **SEPTEMBER 30, 2022**

Note 19 - SUBSEQUENT EVENT

Purchase of Fire Apparatus via Financing Arrangement

In December 2021, the City approved the replacement of front-line fire apparatus. This purchase will be financed through the issuance of a note payable. However, the equipment was not delivered by September 30, 2022. Therefore, no assets or liabilities related to this transaction have been reflected during the year ended September 30, 2022. The total principal and interest 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, 2022

	Budgeted Amounts			Variance With Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Taxes	\$ 74,429,860	\$ 74,429,860	\$ 80,448,805	\$ 6,018,945
Charges for services	2,786,297	2,786,297	2,974,901	188,604
Licenses and permits	1,932,100	1,932,100	2,303,431	371,331
Fines and forfeitures	2,548,781	2,548,781	2,303,149	(245,632)
Contributions	185,696	185,696	239,454	53,758
Miscellaneous revenue	2,205,078	2,205,078	2,864,211	659,133
Total revenues	84,087,812	84,087,812	91,133,951	7,046,139
Expenditures:				
Current:				
Administrative services	14,635,299	16,571,978	15,320,078	1,251,900
Police	28,909,301	28,909,301	27,830,038	1,079,263
Fire	18,645,596	18,684,466	18,427,056	257,410
Parks and recreation	6,495,407	6,495,407	5,755,938	739,469
Accounting/finance	894,155	894,155	836,651	57,504
Community development	2,541,552	2,541,552	2,405,539	136,013
Public works	5,825,328	5,837,328	5,407,106	430,222
Health	3,677,046	3,622,196	3,448,077	174,119
Traffic and transportation	1,876,929	1,850,899	2,007,744	(156,845)
Capital outlay	3,640,369	4,905,103	2,785,656	2,119,447
Total expenditures	87,140,982	90,312,385	84,223,883	6,088,502
Excess of revenues over (under) expenditures	(3,053,170)	(6,224,573)	6,910,068	13,134,641
Other financing sources (uses):				
Transfers in	3,883,430	3,883,430	3,845,430	(38,000)
Transfers out	(671,463)	(671,463)	(2,125,976)	(1,454,513)
Total other financing sources (uses)	3,211,967	3,211,967	1,719,454	(1,492,513)
Excess of revenues and other sources over (under) expenditures and other uses	158,797	(3,012,606)	8,629,522	11,642,128
Fund balance - beginning	37,431,705	37,431,705	37,431,705	-
Fund balance - ending	\$ 37,590,502	\$ 34,419,099	\$ 46,061,227	\$ 11,642,128

CITY OF WICHITA FALLS, TEXAS

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

	2021	2020	2019
Total Pension Liability			
Service cost	\$ 6,571,147	\$ 6,472,668	\$ 6,447,967
Interest on total pension liability	20,199,933	19,539,894	18,913,918
Changes of benefit terms	-	-	12,613,317
Difference between expected and actual experience	937,276	(1,175,031)	(1,475,630)
Changes of assumptions	-	-	(26,378)
Benefit payments/refunds of contributions	(15,388,693)	(14,828,151)	(14,368,878)
Net change in total pension liability	<u>12,319,663</u>	<u>10,009,380</u>	<u>22,104,316</u>
Total pension liability, beginning	303,667,034	293,657,654	271,553,338
Total pension liability, ending (a)	<u>\$ 315,986,697</u>	<u>\$ 303,667,034</u>	<u>\$ 293,657,654</u>
Fiduciary Net Position			
Contributions - employer	\$ 7,844,017	\$ 7,598,124	\$ 5,913,578
Contributions - employee	3,311,593	3,257,273	2,590,541
Net investment income	33,864,112	18,618,015	33,663,780
Benefit payments/refunds of contributions	(15,388,693)	(14,828,151)	(14,368,878)
Administrative expenses	(156,861)	(120,598)	(190,372)
Other	1,072	(4,705)	(5,719)
Net change in fiduciary net position	<u>29,475,240</u>	<u>14,519,958</u>	<u>27,602,930</u>
Fiduciary net position, beginning	260,052,262	245,532,304	217,929,374
Fiduciary net position, ending (b)	<u>\$ 289,527,502</u>	<u>\$ 260,052,262</u>	<u>\$ 245,532,304</u>
Net pension liability, ending = (a) - (b)	<u>\$ 26,459,195</u>	<u>\$ 43,614,772</u>	<u>\$ 48,125,350</u>
Fiduciary net position as a % of total pension liability	<u>91.63%</u>	<u>85.64%</u>	<u>83.61%</u>
Covered payroll	<u>\$ 47,308,476</u>	<u>\$ 46,532,477</u>	<u>\$ 46,321,599</u>
Net pension liability as a % of covered payroll	<u>55.93%</u>	<u>93.73%</u>	<u>103.89%</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.

2018	2017	2016	2015	2014
\$ 4,990,566 17,400,438	\$ 4,917,413 16,873,140	\$ 2,466,531 16,126,720	\$ 4,697,339 16,093,246	\$ 4,098,031 15,665,423
-	-	-	-	-
540,881 -	(1,117,057) -	3,641,511 -	203,406 1,340,184	(2,042,671) -
<u>(13,335,060)</u> <u>9,596,825</u>	<u>(12,461,447)</u> <u>8,212,049</u>	<u>(12,342,806)</u> <u>9,891,956</u>	<u>(12,073,025)</u> <u>10,261,150</u>	<u>(11,744,340)</u> <u>5,976,443</u>
<u>261,956,513</u> <u>\$ 271,553,338</u>	<u>253,744,464</u> <u>\$ 261,956,513</u>	<u>243,852,508</u> <u>\$ 253,744,464</u>	<u>233,591,358</u> <u>\$ 243,852,508</u>	<u>227,614,915</u> <u>\$ 233,591,358</u>
\$ 5,783,625 2,558,451 (6,883,878)	\$ 5,565,648 2,470,741 28,538,620	\$ 5,339,437 2,494,525 13,331,438	\$ 5,639,053 2,497,984 296,795	\$ 5,379,333 2,303,770 11,109,980
(13,335,060) (133,122) (6,955)	(12,461,447) (147,954) (7,498)	(12,342,806) (150,608) (8,114)	(12,073,025) (180,789) (8,931)	(11,744,340) (116,005) (9,538)
<u>(12,016,939)</u> <u>229,946,313</u> <u>\$ 217,929,374</u>	<u>23,958,110</u> <u>205,988,203</u> <u>\$ 229,946,313</u>	<u>8,663,872</u> <u>197,324,331</u> <u>\$ 205,988,203</u>	<u>(3,828,913)</u> <u>201,153,244</u> <u>\$ 197,324,331</u>	<u>6,923,200</u> <u>194,230,044</u> <u>\$ 201,153,244</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>
<u>80.25%</u>	<u>87.78%</u>	<u>81.18%</u>	<u>80.92%</u>	<u>86.11%</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>
<u>118.95%</u>	<u>72.13%</u>	<u>106.61%</u>	<u>103.31%</u>	<u>78.09%</u>

CITY OF WICHITA FALLS, TEXAS

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CONTRIBUTIONS TEXAS MUNICIPAL RETIREMENT SYSTEM

	2022	2021	2020
Actuarial determined contribution	\$ 8,805,755	\$ 7,624,424	\$ 7,185,753
Contributions in relation to the actuarially determined contribution	<u>(8,805,755)</u>	<u>(7,624,424)</u>	<u>(7,185,753)</u>
Contribution deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 53,500,680	\$ 46,206,994	\$ 46,894,603
Contributions as a percentage of covered payroll	<u>16.46%</u>	<u>16.50%</u>	<u>15.32%</u>

Valuation Date:

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	24 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.

2019	2018	2017	2016	2015
\$ 5,877,907	\$ 5,675,065	\$ 5,521,772	\$ 5,427,145	\$ 5,422,031
<u>(5,877,907)</u>	<u>(5,675,065)</u>	<u>(5,521,772)</u>	<u>(5,427,145)</u>	<u>(5,422,031)</u>
<u>\$ -</u>				
\$ 45,968,759	\$ 44,522,000	\$ 44,687,123	\$ 44,674,967	\$ 42,951,296
<u>12.79%</u>	<u>12.75%</u>	<u>12.36%</u>	<u>12.15%</u>	<u>12.62%</u>

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

	2021	2020	2019
Total Pension Liability			
Service cost	\$ 3,462,346	\$ 3,066,397	\$ 2,916,767
Interest on total pension liability	6,175,999	6,287,518	6,110,936
Changes of benefit terms	-	-	-
Difference between expected and actual experience	(2,700,656)	-	(399,085)
Changes of assumptions	(20,894,841)	8,631,596	3,933,059
Benefit payments/refunds of contributions	(6,535,299)	(5,901,298)	(5,759,722)
Net change in total pension liability	<u>(20,492,451)</u>	<u>12,084,213</u>	<u>6,801,955</u>
Total pension liability, beginning	137,970,820	125,886,607	119,084,652
Total pension liability, ending (a)	<u>\$ 117,478,369</u>	<u>\$ 137,970,820</u>	<u>\$ 125,886,607</u>
Fiduciary Net Position			
Contributions - employer	\$ 1,615,588	\$ 1,551,830	\$ 1,442,485
Contributions - employee	1,583,797	1,551,830	1,468,465
Net investment income	8,128,492	7,864,359	9,142,584
Benefit payments/refunds of contributions	(6,535,299)	(5,901,298)	(5,759,722)
Administrative expenses	(266,037)	(115,915)	(111,432)
Other	3,386	-	-
Net change in fiduciary net position	4,529,927	4,950,806	6,182,380
Fiduciary net position, beginning	57,828,760	52,877,954	46,695,574
Fiduciary net position, ending (b)	<u>\$ 62,358,687</u>	<u>\$ 57,828,760</u>	<u>\$ 52,877,954</u>
Net pension liability, ending = (a)-(b)	<u>\$ 55,119,682</u>	<u>\$ 80,142,060</u>	<u>\$ 73,008,653</u>
Fiduciary net position as a % of total pension liability	<u>53.08%</u>	<u>41.91%</u>	<u>42.00%</u>
Covered payroll	\$ 12,183,054	\$ 11,937,154	\$ 11,295,885
Net pension liability (asset) as a % of covered payroll	<u>452.43%</u>	<u>671.37%</u>	<u>646.33%</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.

2018	2017	2016	2015	2014
\$ 3,073,858	\$ 2,859,969	\$ 1,560,472	\$ 1,493,672	\$ 1,447,068
5,899,445	5,728,347	5,827,804	5,298,361	5,537,931
(5,007,726)	-	-	7,781	-
-	5,304,698	(2,151,748)	(1,542,023)	(320,862)
(1,453,521)	14,862,872	24,107,651	-	(423,984)
(5,292,918)	(5,250,040)	(4,543,166)	(3,950,906)	(3,616,549)
(2,780,862)	23,505,846	24,801,013	1,306,885	2,623,604
121,865,514	98,359,668	73,558,655	72,251,770	69,628,166
<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>
\$ 1,455,950	\$ 1,411,351	\$ 1,283,410	\$ 1,273,913	\$ 1,232,957
1,475,242	1,463,122	1,350,904	1,221,926	1,144,644
(2,225,595)	6,581,299	2,577,572	421,270	3,284,243
(5,292,918)	(5,250,040)	(4,543,166)	(3,950,906)	(3,616,549)
(96,102)	(124,267)	(115,843)	(87,245)	(85,636)
(4,683,423)	4,428,955	553,127	(1,121,042)	1,959,659
51,378,997	46,950,042	46,396,915	47,517,957	45,558,298
<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>\$ 72,389,078</u>	<u>\$ 70,486,517</u>	<u>\$ 51,409,626</u>	<u>\$ 27,161,740</u>	<u>\$ 24,733,813</u>
<u>39.21%</u>	<u>42.16%</u>	<u>47.73%</u>	<u>63.07%</u>	<u>65.77%</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>
<u>637.90%</u>	<u>626.28%</u>	<u>494.72%</u>	<u>266.74%</u>	<u>259.78%</u>

CITY OF WICHITA FALLS, TEXAS

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

	2022	2021	2020
Actuarial determined contribution	\$ 1,633,202	\$ 1,587,003	\$ 1,508,426
Contributions in relation to the actuarially determined contribution	<u>(1,633,202)</u>	<u>(1,587,003)</u>	<u>(1,508,426)</u>
Contribution deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 12,326,052	\$ 12,039,888	\$ 11,834,931
Contributions as a percentage of covered payroll	<u>13.25%</u>	<u>13.18%</u>	<u>12.75%</u>

Valuation Date: 1/1/2020

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Compensation
Remaining Amortization Period	43.3 years (as of 1/1/2020 valuation)
Mortality	PubS-2010 (amount-weighted) tables
Retirement Age	Based upon tables dependent upon hire date, in conjunction with an actuarial study dated October 2017.
Retirement Election	Members eligible for the DROP are assumed to elect either straight service retirement benefits or the DROP, whichever is more valuable. Other members are assumed to receive straight service retirement benefits.
Termination Rates	Based upon service table, in conjunction with an actuarial experience study dated October 2017.
Disability Rates	Based upon member age, in conjunction with an actuarial experience study dated October 2017.
Interest Rate:	7.75% per year, compounded annually, net of expenses. This is supported by the asset allocation of the trust and the long-term expected return by asset class.
Salary Increases	Based upon service table, in conjunction with an actuarial experience study dated October 2017.

2019	2018	2017	2016	2015
\$ 1,455,581	\$ 1,411,351	\$ 1,283,410	\$ 1,273,913	\$ 1,232,957
<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>
<u>\$ -</u>				
\$ 11,500,098	\$ 11,214,407	\$ 10,929,570	\$ 11,088,538	\$ 10,179,831
<u>12.66%</u>	<u>12.59%</u>	<u>11.74%</u>	<u>11.49%</u>	<u>12.11%</u>

Payroll Growth 4.00% per year for amortization of the Unfunded Actuarial Accrued Liability. The assumed payroll growth was approved in conjunction with an actuarial study dated October 2017.

Marital Status: 100% of actives are assumed to be married at time of benefit commencement. Males are assumed to be two years older than their spouses.

Dependent Children: Each member is assumed to have two children. The first child is assumed to have been born when the member was 25. The second child is assumed to be two years younger. It is also assumed that benefits will be paid until each child reaches the age of 20.

Contribution Rates: Members - 13.00%
City - 13.00%

Actuarial Asset Method: Fair Market Value

CITY OF WICHITA FALLS, TEXAS

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

	2021	2020
Total OPEB Liability		
Service cost	\$ 667,554	\$ 557,600
Interest on total OPEB liability	1,593,949	1,471,238
Changes of benefit terms	-	-
Difference between expected and actual experience	-	678,603
Changes of assumptions	-	733,999
Benefit payments/refunds of contributions	(1,667,492)	(1,689,454)
Net change in total OPEB liability	<u>594,011</u>	<u>1,751,986</u>
 Total OPEB liability, beginning	 24,114,034	 22,362,048
Total OPEB liability, ending (a)	<u><u>\$ 24,708,045</u></u>	<u><u>\$ 24,114,034</u></u>
 Fiduciary Net Position		
Contributions - employer	\$ 2,059,484	\$ 2,051,116
Contributions - employee	-	-
Net investment income	1,459,619	1,022,243
Benefit payments/refunds of contributions	(1,667,492)	(1,689,454)
Administrative expenses	-	-
Other	-	-
Net change in fiduciary net position	<u>1,851,611</u>	<u>1,383,905</u>
Fiduciary net position, beginning	7,959,928	6,576,023
Fiduciary net position, ending (b)	<u><u>\$ 9,811,539</u></u>	<u><u>\$ 7,959,928</u></u>
 Net OPEB liability / (asset), ending = (a) - (b)	<u><u>\$ 14,896,506</u></u>	<u><u>\$ 16,154,106</u></u>
 Fiduciary net position as a % of total OPEB liability	<u><u>39.71%</u></u>	<u><u>33.01%</u></u>
 Covered payroll	<u><u>\$ 63,620,585</u></u>	<u><u>\$ 59,760,545</u></u>
 Net OPEB liability (asset) as a % of covered payroll	<u><u>23.41%</u></u>	<u><u>27.03%</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.

2019	2018	2017
\$ 523,568	\$ 518,007	\$ 505,385
1,432,914	1,480,271	1,456,410
-	-	-
-	(705,047)	-
281,546	765,976	-
(1,685,098)	(1,679,932)	(1,584,144)
<u>552,930</u>	<u>379,275</u>	<u>377,651</u>
<u>21,809,118</u>	<u>21,429,843</u>	<u>21,052,192</u>
<u><u>\$ 22,362,048</u></u>	<u><u>\$ 21,809,118</u></u>	<u><u>\$ 21,429,843</u></u>
 \$ 2,214,088	 \$ 2,260,421	 \$ 2,029,653
-	-	-
1,204,836	(374,667)	737,181
(1,685,098)	(1,679,932)	(1,584,144)
-	(1,202)	(4,171)
(344,259)	-	-
<u>1,389,567</u>	<u>204,620</u>	<u>1,178,519</u>
<u>5,186,456</u>	<u>4,981,836</u>	<u>3,803,317</u>
<u><u>\$ 6,576,023</u></u>	<u><u>\$ 5,186,456</u></u>	<u><u>\$ 4,981,836</u></u>
<u><u>\$ 15,786,025</u></u>	<u><u>\$ 16,622,662</u></u>	<u><u>\$ 16,448,007</u></u>
<u><u>29.41%</u></u>	<u><u>23.78%</u></u>	<u><u>23.25%</u></u>
<u><u>\$ 58,259,148</u></u>	<u><u>\$ 57,044,011</u></u>	<u><u>\$ 55,647,372</u></u>
<u><u>27.10%</u></u>	<u><u>29.14%</u></u>	<u><u>29.56%</u></u>

CITY OF WICHITA FALLS, TEXAS

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

	2022	2021
Actuarial determined contribution	\$ 2,196,691	\$ 2,125,861
Contributions in relation to the actuarially determined contribution	<u>(2,292,372)</u>	<u>(1,966,977)</u>
Contribution deficiency (excess)	<u><u>\$ (95,681)</u></u>	<u><u>\$ 158,884</u></u>
Covered payroll	\$ 59,568,372	\$ 54,420,074
Contributions as a percentage of covered payroll	<u><u>3.85%</u></u>	<u><u>3.61%</u></u>

Valuation Date: December 31, 2020

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Individual Entry Age Normal
Amortization Method	Level Percentage of Pay
Remaining Amortization Period	11 years; closed
Asset Valuation	Market Value
Investment Rate of Return	6.75%, net of investment expenses, including inflation
Inflation	2.50%
Salary Increases	3.50% to 10.50% for TMRS and 3.50% to 12.00% for Fire, including inflation
Payroll Growth	3.00%
Demographic Assumptions	TMRS: Based on the experience study covering the four-year period ending December 31, 2014 as conducted for the TMRS. Fire: Based on the January 1, 2018 valuation for the Wichita Falls Firemen's Relief and Retirement Fund.

	2020	2019	2018
	\$ 2,198,413	\$ 2,134,381	\$ 2,072,215
	<u>(2,153,169)</u>	<u>(2,453,913)</u>	<u>(2,072,215)</u>
	<u><u>\$ 45,244</u></u>	<u><u>\$ (319,532)</u></u>	<u><u>\$ -</u></u>
	\$ 55,361,994	\$ 58,359,009	\$ 55,042,215
	<u><u>3.89%</u></u>	<u><u>4.20%</u></u>	<u><u>3.76%</u></u>

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.

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.

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

Other Information:

There were no benefit changes during the year.

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION SEPTEMBER 30, 2022

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 \$3,171,403 were approved by the City Council. The reported budgetary data includes amendments made during the year.

At the close of each fiscal year, any unencumbered appropriated balance lapses to the unreserved fund balance.

Texas Municipal Retirement System

Changes of benefit terms:

For measurement date 12/31/2019, amounts reported as changes of benefit terms resulted from the City adopting a 7% employee contribution rate for all employees.

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONT'D.) SEPTEMBER 30, 2022

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

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 2021. 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

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022**

	Special Revenue					
	Community Development Block Grant	Section 8 Housing	Home Investment Partnership Agreement	MPEC/ Hotel/ Motel Tax	Hotel/ Motel Venue Tax	Airport Improvement Grant
ASSETS						
Cash and cash equivalents	\$ -	\$ 1,905,619	\$ 156,341	\$ 1,561,805	\$ 1,248,404	\$ -
Receivables:						
Taxes and assessments	-	-	-	185,268	52,939	-
Government agencies	1,554,459	-	1,450,617	-	-	1,686,995
Other	8,455	-	-	(3,944)	-	-
Inventory	-	-	-	25,318	-	-
Prepaid items	-	-	-	2,680	-	-
Other assets	-	-	-	20,000	-	-
Total assets	\$ 1,562,914	\$ 1,905,619	\$ 1,606,958	\$ 1,791,127	\$ 1,301,343	\$ 1,686,995
LIABILITIES AND FUND BALANCE						
Liabilities						
Accounts payable - trade	\$ 8,614	\$ 707	\$ -	\$ 96,525	\$ -	\$ -
Accrued payroll	4,822	8,482	250	39,054	-	-
Payable to other City funds	381,343	-	-	1,192,613	-	1,767,762
Payable to government agencies	-	72,460	20,000	9,904	-	-
Other liabilities	2,725	1	24,744	24,797	-	5,614
Unearned revenue	-	-	-	18,750	-	-
Total liabilities	397,504	81,650	44,994	1,381,643	-	1,773,376
Deferred inflows of resources						
Unavailable revenues	-	-	-	-	-	-
Fund balance:						
Nonspendable:						
Permanent fund principal	-	-	-	-	-	-
Restricted for:						
Debt service	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-
Federal and state grant programs	1,165,410	1,823,969	1,561,964	-	-	-
Tourism	-	-	-	409,484	1,301,343	-
Committed for:						
Golf course	-	-	-	-	-	-
Local projects	-	-	-	-	-	-
Unassigned	-	-	-	-	-	(86,381)
Total fund balance	1,165,410	1,823,969	1,561,964	409,484	1,301,343	(86,381)
Total liabilities, deferred inflows of resources and fund balances	\$ 1,562,914	\$ 1,905,619	\$ 1,606,958	\$ 1,791,127	\$ 1,301,343	\$ 1,686,995

Golf Fund	Miscellaneous Special Revenue	Debt Service		Capital Projects			Permanent Fund	Total Nonmajor Governmental Funds
		Debt Service	Excess Sales Tax	2018-A Bond Projects	Venue Tax Bond Projects	Miscellaneous Capital Projects		
\$ 449,615	\$ 1,441,602	\$ 638,329	\$ 435,549	\$ 3,655,186	\$ 1,977,411	\$ 722,351	\$ 1,639,863	\$ 15,832,075
-	-	45,261	-	-	-	-	-	283,468
-	1,866,791	2,006	-	-	-	-	-	6,560,868
(126,988)	38,866	-	-	-	-	-	-	(83,611)
-	-	-	-	-	-	-	-	25,318
-	1,214	655,000	-	-	-	-	-	658,894
80,640	3,000	-	-	-	-	-	-	103,640
\$ 403,267	\$ 3,351,473	\$ 1,340,596	\$ 435,549	\$ 3,655,186	\$ 1,977,411	\$ 722,351	\$ 1,639,863	\$ 23,380,652
\$ 83,665	\$ 253,943	\$ 6,625	\$ -	\$ 272,014	\$ 173,548	\$ 8,250	\$ -	\$ 903,891
-	59,761	-	-	-	-	-	-	112,369
-	-	-	-	-	-	(2,625)	-	3,339,093
-	2,302	-	-	-	-	-	-	104,666
682	106,976	-	-	209,353	-	58,662	-	433,554
-	37,236	-	-	-	-	-	-	55,986
84,347	460,218	6,625	-	481,367	173,548	64,287	-	4,949,559
 	 	 	43,283	 	 	 	 	
-	-	-	-	-	-	-	1,639,863	1,639,863
-	-	1,290,688	435,549	-	-	-	-	1,726,237
-	-	-	-	3,173,819	1,803,863	658,064	-	5,635,746
-	-	-	-	-	-	-	-	4,551,343
-	-	-	-	-	-	-	-	1,710,827
318,920	-	-	-	-	-	-	-	318,920
-	2,891,255	-	-	-	-	-	-	2,891,255
-	-	-	-	-	-	-	-	(86,381)
318,920	2,891,255	1,290,688	435,549	3,173,819	1,803,863	658,064	1,639,863	18,387,810
\$ 403,267	\$ 3,351,473	\$ 1,340,596	\$ 435,549	\$ 3,655,186	\$ 1,977,411	\$ 722,351	\$ 1,639,863	\$ 23,380,652

CITY OF WICHITA FALLS, TEXAS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	Special Revenue					
	Community Development Block Grant	Section 8 Housing	Home Investment Partnership Agreement	MPEC/ Hotel/ Motel Tax	Hotel/ Motel Venue Tax	Airport Improvement Grant
Revenues:						
Taxes	\$ -	\$ -	\$ -	\$ 2,199,277	\$ 624,886	\$ -
Charges for services	5,516	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Intergovernmental revenue	1,244,016	4,347,420	434,184	-	-	1,686,995
Contributions	-	-	-	35,500	-	-
Miscellaneous revenue	5,768	43,997	23,400	1,704,673	-	-
Total revenues	1,255,300	4,391,417	457,584	3,939,450	624,886	1,686,995
Expenditures:						
Current:						
Administrative services	130,622	-	-	58,325	3,000	-
Police	-	-	-	-	-	-
Fire	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-
Accounting/finance	-	-	-	-	-	-
Community development	880,828	4,288,948	100,832	-	-	-
Public works	-	-	-	-	-	-
Health	-	-	-	-	-	-
Traffic and transportation	-	-	-	-	-	54,466
Multi-Purpose Events Center	-	-	-	4,295,907	-	-
Capital outlay	-	-	-	-	-	-
Debt service:						
Principal retirement	-	-	-	-	50,000	-
Interest and paying agent fees	-	-	-	-	105,400	-
Bond issuance costs	-	-	-	-	-	-
Total expenditures	1,011,450	4,288,948	100,832	4,354,232	158,400	54,466
Excess of revenues over (under) expenditures	243,850	102,469	356,752	(414,782)	466,486	1,632,529
Other financing sources (uses):						
Bond proceeds - refunding bonds	-	-	-	-	-	-
Premium on refunding bond proceeds	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-
Transfers in	-	-	-	414,803	-	-
Transfers out	-	-	-	-	-	(938,944)
Total other financing sources (uses)	-	-	-	414,803	-	(938,944)
Net change in fund balance	243,850	102,469	356,752	21	466,486	693,585
Fund balance - beginning	921,560	1,721,500	1,205,212	409,463	834,857	(779,966)
Fund balance - ending	\$ 1,165,410	\$ 1,823,969	\$ 1,561,964	\$ 409,484	\$ 1,301,343	\$ (86,381)

Golf Fund	Miscellaneous Special Revenue	Debt Service		Capital Projects			Permanent Fund		Total Nonmajor Governmental Funds
		Debt Service	Excess Sales Tax	2018-A Bond Projects	Venue Tax Bond Projects	Miscellaneous Capital Projects	Perpetual Care		
\$ -	\$ -	\$ 1,928,288	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,752,451
585,018	63,050	-	-	-	-	-	-	-	653,584
-	364,829	-	-	-	-	-	-	-	364,829
-	5,390,169	-	-	-	-	461,061	-	-	13,563,845
-	872,941	1,492,654	-	-	-	413,965	-	-	2,815,060
480,253	397,331	37,172	3	27,200	17,922	7,471	169,302	-	2,914,492
<u>1,065,271</u>	<u>7,088,320</u>	<u>3,458,114</u>	<u>3</u>	<u>27,200</u>	<u>17,922</u>	<u>882,497</u>	<u>169,302</u>	-	<u>25,064,261</u>
890,424	198,660	-	-	-	134,179	-	-	-	1,415,210
-	348,619	-	-	-	-	-	-	-	348,619
-	789,241	-	-	-	-	-	-	-	789,241
-	19,811	-	-	-	-	-	-	-	19,811
-	-	12,625	-	-	-	-	-	-	12,625
-	272,955	-	-	-	-	-	-	-	5,543,563
-	4,978	-	-	265	-	-	-	-	5,243
-	3,647,765	-	-	-	-	-	-	-	3,647,765
-	611,433	-	-	-	-	-	-	-	665,899
-	-	-	-	-	-	-	-	-	4,295,907
-	319,200	-	-	3,736,426	457,562	968,775	-	-	5,481,963
-	-	3,563,482	-	-	-	-	-	-	3,613,482
-	-	1,546,208	-	-	-	-	-	-	1,651,608
-	-	82,713	-	-	750	-	-	-	83,463
<u>890,424</u>	<u>6,212,662</u>	<u>5,205,028</u>	<u>-</u>	<u>3,736,691</u>	<u>592,491</u>	<u>968,775</u>	<u>-</u>	-	<u>27,574,399</u>
174,847	875,658	(1,746,914)	3	(3,709,491)	(574,569)	(86,278)	169,302	-	(2,510,138)
-	-	3,099,822	-	-	-	-	-	-	3,099,822
-	-	275,205	-	-	-	-	-	-	275,205
-	-	(3,292,314)	-	-	-	-	-	-	(3,292,314)
-	236,222	1,505,956	-	-	-	-	-	-	2,156,981
-	(457,188)	-	-	-	-	-	-	-	(1,396,132)
-	(220,966)	1,588,669	-	-	-	-	-	-	843,562
174,847	654,692	(158,245)	3	(3,709,491)	(574,569)	(86,278)	169,302	-	(1,666,576)
144,073	2,236,563	1,448,933	435,546	6,883,310	2,378,432	744,342	1,470,561	-	20,054,386
<u>\$ 318,920</u>	<u>\$ 2,891,255</u>	<u>\$ 1,290,688</u>	<u>\$ 435,549</u>	<u>\$ 3,173,819</u>	<u>\$ 1,803,863</u>	<u>\$ 658,064</u>	<u>\$ 1,639,863</u>	-	<u>\$ 18,387,810</u>

CITY OF WICHITA FALLS, TEXAS

BUDGETARY COMPARISON SCHEDULE - COMMUNITY DEVELOPMENT BLOCK GRANT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts			Variance With Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Charges for services	\$ -	\$ -	\$ 5,516	\$ 5,516
Intergovernmental revenue	1,544,016	1,544,016	1,244,016	(300,000)
Miscellaneous revenue	-	-	5,768	5,768
Total revenues	1,544,016	1,544,016	1,255,300	(288,716)
Expenditures:				
Administrative services	191,756	191,756	130,622	61,134
Parks and recreation	235,300	235,300	-	235,300
Community development	1,116,960	1,122,310	880,828	241,482
Total expenditures	1,544,016	1,549,366	1,011,450	537,916
Excess of revenues over (under) expenditures	-	(5,350)	243,850	249,200
Fund balance - beginning	921,560	921,560	921,560	-
Fund balance - ending	\$ 921,560	\$ 916,210	\$ 1,165,410	\$ 249,200

CITY OF WICHITA FALLS, TEXAS**BUDGETARY COMPARISON SCHEDULE - SECTION 8 HOUSING FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	Budgeted Amounts			Variance With Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental revenue	\$ 3,268,302	\$ 3,268,302	\$ 4,347,420	\$ 1,079,118
Miscellaneous revenue	-	-	43,997	43,997
Total revenues	<u>3,268,302</u>	<u>3,268,302</u>	<u>4,391,417</u>	<u>1,123,115</u>
Expenditures:				
Community development	<u>3,273,302</u>	<u>3,273,302</u>	<u>4,288,948</u>	<u>(1,015,646)</u>
Total expenditures	<u>3,273,302</u>	<u>3,273,302</u>	<u>4,288,948</u>	<u>(1,015,646)</u>
Excess of revenues over (under) expenditures	(5,000)	(5,000)	102,469	107,469
Fund balance - beginning	<u>1,721,500</u>	<u>1,721,500</u>	<u>1,721,500</u>	-
Fund balance - ending	<u>\$ 1,716,500</u>	<u>\$ 1,716,500</u>	<u>\$ 1,823,969</u>	<u>\$ 107,469</u>

CITY OF WICHITA FALLS, TEXAS

BUDGETARY COMPARISON SCHEDULE - HOME INVESTMENT PARTNERSHIP AGREEMENT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts			Variance With Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental revenue	\$ 434,184	\$ 434,184	\$ 434,184	\$ -
Miscellaneous revenue	-	-	23,400	23,400
Total revenues	<u>434,184</u>	<u>434,184</u>	<u>457,584</u>	<u>23,400</u>
Expenditures:				
Community development	<u>434,183</u>	<u>434,184</u>	<u>100,832</u>	<u>333,352</u>
Total expenditures	<u>434,183</u>	<u>434,184</u>	<u>100,832</u>	<u>333,352</u>
Excess of revenues over (under) expenditures	1	-	356,752	356,752
Fund balance - beginning	<u>1,205,212</u>	<u>1,205,212</u>	<u>1,205,212</u>	<u>-</u>
Fund balance - ending	<u>\$ 1,205,213</u>	<u>\$ 1,205,212</u>	<u>\$ 1,561,964</u>	<u>\$ 356,752</u>

CITY OF WICHITA FALLS, TEXAS

BUDGETARY COMPARISON SCHEDULE - MPEC/HOTEL/MOTEL TAX FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts			Variance With Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Taxes	\$ 2,100,000	\$ 2,100,000	\$ 2,199,277	\$ 99,277
Contributions	-	-	35,500	35,500
Miscellaneous revenue	1,409,671	1,409,671	1,704,673	295,002
Total revenues	<u>3,509,671</u>	<u>3,509,671</u>	<u>3,939,450</u>	<u>429,779</u>
Expenditures:				
Administrative services	60,500	60,500	58,325	2,175
Multi-Purpose Events Center	3,849,171	3,849,171	4,295,907	(446,736)
Total expenditures	<u>3,909,671</u>	<u>3,909,671</u>	<u>4,354,232</u>	<u>(444,561)</u>
Excess of revenues over (under) expenditures	<u>(400,000)</u>	<u>(400,000)</u>	<u>(414,782)</u>	<u>(14,782)</u>
Other financing sources (uses):				
Transfers in	400,000	400,000	414,803	14,803
Excess of revenues and other sources over (under) expenditures and other uses	-	-	21	21
Fund balance - beginning	<u>871</u>	<u>871</u>	<u>409,463</u>	<u>408,592</u>
Fund balance - ending	<u>\$ 871</u>	<u>\$ 871</u>	<u>\$ 409,484</u>	<u>\$ 408,613</u>

CITY OF WICHITA FALLS, TEXAS

BUDGETARY COMPARISON SCHEDULE - GOLF FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts			Variance With Final Budget -
	Original	Final	Actual	Positive (Negative)
Revenues:				
Charges for services	\$ 830,000	\$ 830,000	\$ 585,018	\$ (244,982)
Miscellaneous revenue	-	-	480,253	480,253
Total revenues	<u>830,000</u>	<u>830,000</u>	<u>1,065,271</u>	<u>235,271</u>
Expenditures:				
Administrative services	910,000	910,000	890,424	19,576
Total expenditures	<u>910,000</u>	<u>910,000</u>	<u>890,424</u>	<u>19,576</u>
Excess of revenues over (under) expenditures	<u>(80,000)</u>	<u>(80,000)</u>	<u>174,847</u>	<u>254,847</u>
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	-	-	174,847	174,847
Fund balance - beginning	<u>144,073</u>	<u>144,073</u>	<u>144,073</u>	<u>-</u>
Fund balance - ending	<u>\$ 144,073</u>	<u>\$ 144,073</u>	<u>\$ 318,920</u>	<u>\$ 174,847</u>

CITY OF WICHITA FALLS, TEXAS

BUDGETARY COMPARISON SCHEDULE - DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts			Variance With Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Taxes	\$ 2,033,384	\$ 2,033,384	\$ 1,928,288	\$ (105,096)
Contributions	1,881,254	1,881,254	1,492,654	(388,600)
Miscellaneous revenue	-	-	37,172	37,172
Total revenues	<u>3,914,638</u>	<u>3,914,638</u>	<u>3,458,114</u>	<u>(456,524)</u>
Expenditures:				
Accounting/finance	-	-	12,625	(12,625)
Debt service - principal	3,815,000	3,815,000	3,563,482	251,518
Debt service - interest and paying agent fees	1,605,594	1,605,594	1,546,208	59,386
Debt service - bond issuance costs	-	-	82,713	(82,713)
Total expenditures	<u>5,420,594</u>	<u>5,420,594</u>	<u>5,205,028</u>	<u>215,566</u>
Excess of revenues over (under) expenditures	<u>(1,505,956)</u>	<u>(1,505,956)</u>	<u>(1,746,914)</u>	<u>(240,958)</u>
Other financing sources (uses):				
Bond proceeds - refunding bonds	-	-	3,099,822	3,099,822
Premium on refunding bond proceeds	-	-	275,205	275,205
Payment to refunded bond escrow agent	-	-	(3,292,314)	(3,292,314)
Transfers in	<u>1,505,956</u>	<u>1,505,956</u>	<u>1,505,956</u>	<u>-</u>
Total other financing sources (uses)	<u>1,505,956</u>	<u>1,505,956</u>	<u>1,588,669</u>	<u>82,713</u>
Excess of revenues and other sources over (under) expenditures and other uses	-	-	(158,245)	(158,245)
Fund balance - beginning	<u>1,448,933</u>	<u>1,448,933</u>	<u>1,448,933</u>	<u>-</u>
Fund balance - ending	<u>\$ 1,448,933</u>	<u>\$ 1,448,933</u>	<u>\$ 1,290,688</u>	<u>\$ (158,245)</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, 2022

	Kickapoo Airport	Transit
Assets		
Current assets:		
Cash and cash equivalents	\$ (134,690)	\$ (7,310)
Receivables (net of allowance for uncollectible accounts):		
Customer and trade	-	-
Government agencies	-	629,372
Other	75,505	10,129
Inventory	81,592	69,529
Prepaid items	6	-
Total current assets	<u>22,413</u>	<u>701,720</u>
Capital assets, net of accumulated depreciation	11,501,507	18,177,028
Total assets	<u>11,523,920</u>	<u>18,878,748</u>
Deferred outflows of resources		
Pension-related	25,522	148,157
OPEB-related	<u>7,506</u>	<u>46,236</u>
Total deferred outflows of resources	<u>33,028</u>	<u>194,393</u>
Liabilities		
Current liabilities payable from current assets:		
Accounts payable - trade	3,425	7,505
Accrued payroll	5,868	29,597
Accrued vacation and sick leave	9,531	62,535
Payable to other City funds	-	1,703,162
Payable to government agencies	4	-
Other liabilities	<u>20,057</u>	<u>1,116,150</u>
Total current liabilities payable from current assets	<u>38,885</u>	<u>2,918,949</u>
Long-term liabilities:		
Net pension liability	94,384	547,917
Net OPEB liability	<u>37,241</u>	<u>229,406</u>
Total long-term liabilities	<u>131,625</u>	<u>777,323</u>
Total liabilities	<u>170,510</u>	<u>3,696,272</u>
Deferred inflows of resources		
Pension-related	64,867	376,564
OPEB-related	<u>3,637</u>	<u>22,405</u>
Total deferred inflows of resources	<u>68,504</u>	<u>398,969</u>
Net position		
Net investment in capital assets	11,501,507	18,177,028
Unrestricted	<u>(183,573)</u>	<u>(3,199,128)</u>
Total net position	<u><u>\$ 11,317,934</u></u>	<u><u>\$ 14,977,900</u></u>

Stormwater Drainage	Waterpark	Total Nonmajor Enterprise Funds
\$ 11,251,603	\$ 1,074,907	\$ 12,184,510
402,242	-	402,242
-	-	629,372
-	(11,626)	74,008
-	-	151,121
-	11,812	11,818
<u>11,653,845</u>	<u>1,075,093</u>	<u>13,453,071</u>
30,323,038	2,444,629	62,446,202
41,976,883	3,519,722	75,899,273
35,463	6,914	216,056
<u>12,009</u>	<u>8,106</u>	<u>73,857</u>
<u>47,472</u>	<u>15,020</u>	<u>289,913</u>
195,010	-	205,940
6,458	-	41,923
18,243	-	90,309
-	-	1,703,162
-	1,140	1,144
<u>7,605</u>	<u>2,786</u>	<u>1,146,598</u>
<u>227,316</u>	<u>3,926</u>	<u>3,189,076</u>
131,149	25,572	799,022
<u>59,586</u>	<u>40,221</u>	<u>366,454</u>
<u>190,735</u>	<u>65,793</u>	<u>1,165,476</u>
<u>418,051</u>	<u>69,719</u>	<u>4,354,552</u>
90,134	17,574	549,139
<u>5,820</u>	<u>3,928</u>	<u>35,790</u>
<u>95,954</u>	<u>21,502</u>	<u>584,929</u>
30,323,038	2,444,629	62,446,202
11,187,312	998,892	8,803,503
<u><u>\$ 41,510,350</u></u>	<u><u>\$ 3,443,521</u></u>	<u><u>\$ 71,249,705</u></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, 2022

	Kickapoo Airport	Transit
Operating revenues:		
Charges for services	\$ -	\$ 488,259
Rents, concessions and other	1,127,421	50,378
Total operating revenues	<u>1,127,421</u>	<u>538,637</u>
Operating expenses:		
Personnel services	236,890	1,478,813
Supplies and materials	734,853	686,247
Maintenance and repairs	17,603	297,144
Utilities and other services	78,355	246,590
Insurance and contract support	37,570	53,671
Other expenses	53,134	85,750
Depreciation and amortization	<u>514,331</u>	<u>311,889</u>
Total operating expenses	<u>1,672,736</u>	<u>3,160,104</u>
Operating income (loss)	<u>(545,315)</u>	<u>(2,621,467)</u>
Nonoperating revenues (expenses):		
Investment earnings	575	-
Intergovernmental operating grants	-	3,861,105
Total nonoperating revenues (expenses)	<u>575</u>	<u>3,861,105</u>
Income (loss) before capital contributions and transfers	<u>(544,740)</u>	<u>1,239,638</u>
Capital contributions	-	-
Transfers in	453,744	72,973
Transfers out	<u>(23,878)</u>	<u>-</u>
Change in net position	(114,874)	1,312,611
Net position - beginning	11,432,808	13,665,289
Net position - ending	<u>\$ 11,317,934</u>	<u>\$ 14,977,900</u>

Stormwater Drainage	Waterpark	Total Nonmajor Enterprise Funds
\$ 3,751,220	\$ 1,170,531	\$ 5,410,010
-	506,868	1,684,667
<u>3,751,220</u>	<u>1,677,399</u>	<u>7,094,677</u>
372,718	474,321	2,562,742
10,144	278,286	1,709,530
90,783	63,318	468,848
213,090	521,398	1,059,433
100	66,000	157,341
13,457	34,562	186,903
<u>412,450</u>	<u>245,612</u>	<u>1,484,282</u>
<u>1,112,742</u>	<u>1,683,497</u>	<u>7,629,079</u>
2,638,478	(6,098)	(534,402)
45,015	6,932	52,522
-	-	3,861,105
<u>45,015</u>	<u>6,932</u>	<u>3,913,627</u>
<u>2,683,493</u>	<u>834</u>	<u>3,379,225</u>
2,337,093	-	2,337,093
18,000	-	544,717
(409,312)	-	(433,190)
4,629,274	834	5,827,845
36,881,076	3,442,687	65,421,860
<u>\$ 41,510,350</u>	<u>\$ 3,443,521</u>	<u>\$ 71,249,705</u>

CITY OF WICHITA FALLS, TEXAS

**COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	Kickapoo Airport	Transit
Cash flows from operating activities:		
Receipts from customers and users	\$ 1,199,449	\$ 524,755
Payments to suppliers	(934,756)	(972,069)
Payments for interfund services	(93,338)	(1,126,217)
Payments to employees	(203,962)	(1,208,231)
Net cash provided (used) by operating activities	<u>(32,607)</u>	<u>(2,781,762)</u>
Cash flows from noncapital financing activities:		
Intergovernmental operating grants	-	5,082,108
Interfund loan received (repaid)	-	250,042
Transfers out to other funds	(23,878)	-
Transfers from other funds	-	72,973
Net cash provided (used) by noncapital financing activities	<u>(23,878)</u>	<u>5,405,123</u>
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	-	(2,633,671)
Proceeds from sale of capital assets	-	-
Net cash provided (used) for capital and related financing activities	<u>-</u>	<u>(2,633,671)</u>
Cash flows from investing activities:		
Interest on investments	<u>575</u>	<u>-</u>
Net cash provided by investing activities	<u>575</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(55,910)	(10,310)
Cash and Cash Equivalents - Beginning	<u>(78,780)</u>	<u>3,000</u>
Cash and Cash Equivalents - Ending	<u>\$ (134,690)</u>	<u>\$ (7,310)</u>

Stormwater Drainage	Waterpark	Total Nonmajor Enterprise Funds
\$ 3,744,753	\$ 1,686,418	\$ 7,155,375
(84,343)	(999,759)	(2,990,927)
(251,653)	(29,798)	(1,501,006)
(269,240)	(420,550)	(2,101,983)
<u>3,139,517</u>	<u>236,311</u>	<u>561,459</u>
-	-	5,082,108
-	-	250,042
(409,312)	-	(433,190)
-	-	72,973
<u>(409,312)</u>	<u>-</u>	<u>4,971,933</u>
(567,063)	(28,612)	(3,229,346)
<u>-</u>	<u>-</u>	<u>-</u>
<u>(567,063)</u>	<u>(28,612)</u>	<u>(3,229,346)</u>
45,015	6,932	52,522
<u>45,015</u>	<u>6,932</u>	<u>52,522</u>
2,208,157	214,631	2,356,568
9,043,446	860,276	9,827,942
<u>\$ 11,251,603</u>	<u>\$ 1,074,907</u>	<u>\$ 12,184,510</u>

CITY OF WICHITA FALLS, TEXAS

COMBINING STATEMENT OF CASH FLOWS (CONT'D.) NONMAJOR ENTERPRISE FUNDS FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Kickapoo Airport	Transit
Cash flows from operating activities:		
Operating income (loss)	<u>\$ (545,315)</u>	<u>\$ (2,621,467)</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	514,331	311,889
(Increase) decrease in assets and deferred outflows of resources:		
Receivables:		
Customer and trade	-	-
Other	72,028	(13,882)
Inventory	<u>(34,837)</u>	<u>(69,529)</u>
Prepaid items	-	-
Deferred outflows - pension-related	(5,343)	(43,674)
Deferred outflows - OPEB-related	1,526	13,438
Increase (decrease) in liabilities and deferred inflows of resources:		
Accounts payable - trade	2,083	(462,269)
Accrued payroll	(4,911)	(37,945)
Accrued vacation and sick leave	2,099	7,770
Payable to government agencies	-	-
Other liabilities	-	240,224
Net pension liability	(61,327)	(258,325)
Net OPEB liability	(7,991)	(69,445)
Deferred inflows - pension-related	34,421	218,922
Deferred inflows - OPEB-related	<u>629</u>	<u>2,531</u>
Total adjustments	<u>512,708</u>	<u>(160,295)</u>
Net cash provided by (used in) operating activities	<u>\$ (32,607)</u>	<u>\$ (2,781,762)</u>
Noncash capital and financing activities:		
Capital assets transferred (to) from other funds	\$ 453,744	\$ -
Capital assets contributed by component units	-	-

Stormwater Drainage	Waterpark	Total Nonmajor Enterprise Funds
<u>\$ 2,638,478</u>	<u>\$ (6,098)</u>	<u>\$ (534,402)</u>
412,450	245,612	1,484,282
(6,467)	-	(6,467)
-	9,019	67,165
-	-	(104,366)
-	1,944	1,944
(12,522)	(144)	(61,683)
(397)	(1,977)	12,590
99,471	(282)	(360,997)
(11,212)	(3,650)	(57,718)
7,508	(2,103)	15,274
-	63	63
(823)	1,818	241,219
(45,874)	(26,666)	(392,192)
1,431	9,528	(66,477)
55,521	7,360	316,224
1,953	1,887	7,000
<u>501,039</u>	<u>242,409</u>	<u>1,095,861</u>
<u>\$ 3,139,517</u>	<u>\$ 236,311</u>	<u>\$ 561,459</u>
\$ 18,000	\$ -	\$ 471,744
2,337,093	-	2,337,093

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, 2022

	Fleet Maintenance	Duplicating Services	Employee Benefit Trust	Information Technology Fund	Totals
Assets					
Current assets:					
Cash and cash equivalents	\$ 2,052,146	\$ 109,590	\$ 3,457,282	\$ 4,684,913	\$ 10,303,931
Restricted cash and cash equivalents	-	-	8,114,799	-	8,114,799
Receivables:					
Other	34,062	-	9,182	-	43,244
Inventory	698,394	-	-	-	698,394
Prepaid items	474,490	327	-	-	474,817
Total current assets	<u>3,259,092</u>	<u>109,917</u>	<u>11,581,263</u>	<u>4,684,913</u>	<u>19,635,185</u>
Capital assets, net of accumulated depreciation	<u>22,099,128</u>	<u>-</u>	<u>-</u>	<u>4,409,323</u>	<u>26,508,451</u>
Total assets	<u>25,358,220</u>	<u>109,917</u>	<u>11,581,263</u>	<u>9,094,236</u>	<u>46,143,636</u>
Deferred outflows of resources					
Pension-related	212,156	2,256	6,826	128,387	349,625
OPEB-related	<u>76,859</u>	<u>901</u>	<u>-</u>	<u>34,226</u>	<u>111,986</u>
Total deferred outflows of resources	<u>289,015</u>	<u>3,157</u>	<u>6,826</u>	<u>162,613</u>	<u>461,611</u>
Liabilities					
Current liabilities:					
Accounts payable - trade	309,543	3,366	(3,967)	90,076	399,018
Accrued payroll	38,051	420	1,182	24,794	64,447
Accrued vacation and sick leave	122,981	-	-	76,406	199,387
Payable to other City funds	-	-	462,283	-	462,283
Estimated health claims payable	-	-	891,315	-	891,315
Other liabilities	-	-	10,555	-	10,555
Notes payable - current maturities	<u>465,597</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>465,597</u>
Total current liabilities	<u>936,172</u>	<u>3,786</u>	<u>1,361,368</u>	<u>191,276</u>	<u>2,492,602</u>
Long-term liabilities:					
Net pension liability	784,597	8,345	25,244	474,801	1,292,987
Net OPEB liability	<u>381,351</u>	<u>4,469</u>	<u>-</u>	<u>169,820</u>	<u>555,640</u>
Total long-term liabilities	<u>1,165,948</u>	<u>12,814</u>	<u>25,244</u>	<u>644,621</u>	<u>1,848,627</u>
Total liabilities	<u>2,102,120</u>	<u>16,600</u>	<u>1,386,612</u>	<u>835,897</u>	<u>4,341,229</u>
Deferred inflows of resources					
Pension-related	539,225	5,735	17,349	326,313	888,622
OPEB-related	<u>37,245</u>	<u>436</u>	<u>-</u>	<u>16,586</u>	<u>54,267</u>
Total deferred inflows of resources	<u>576,470</u>	<u>6,171</u>	<u>17,349</u>	<u>342,899</u>	<u>942,889</u>
Net position					
Net investment in capital assets	21,633,531	-	-	4,409,323	26,042,854
Unrestricted	<u>1,335,114</u>	<u>90,303</u>	<u>10,184,128</u>	<u>3,668,730</u>	<u>15,278,275</u>
Total net position	<u>\$ 22,968,645</u>	<u>\$ 90,303</u>	<u>\$ 10,184,128</u>	<u>\$ 8,078,053</u>	<u>\$ 41,321,129</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, 2022**

	Fleet Maintenance	Duplicating Services	Employee Benefit Trust	Information Technology Fund	Totals
Operating revenues:					
Charges for services	\$ 10,891,479	\$ 118,066	\$ -	\$ 3,512,457	\$ 14,522,002
Rents, concessions and other	12,000	-	948,247	-	960,247
Contributions	-	-	15,186,716	-	15,186,716
Total operating revenues	<u>10,903,479</u>	<u>118,066</u>	<u>16,134,963</u>	<u>3,512,457</u>	<u>30,668,965</u>
Operating expenses:					
Personnel services	1,746,530	18,082	14,918	1,105,315	2,884,845
Supplies and materials	4,072,692	1,040	-	158,004	4,231,736
Maintenance and repairs	2,283,737	232	-	1,044,281	3,328,250
Utilities and other services	123,925	747	80,910	185,391	390,973
Insurance and contract support	73,566	-	11,955,147	15	12,028,728
Other expenses	220,673	70,086	1,718,844	6,936	2,016,539
Depreciation and amortization	4,399,120	-	-	989,674	5,388,794
Total operating expenses	<u>12,920,243</u>	<u>90,187</u>	<u>13,769,819</u>	<u>3,489,616</u>	<u>30,269,865</u>
Operating income (loss)	<u>(2,016,764)</u>	<u>27,879</u>	<u>2,365,144</u>	<u>22,841</u>	<u>399,100</u>
Nonoperating revenues (expenses):					
Investment earnings (loss)	-	-	(1,590,615)	-	(1,590,615)
Gain (loss) on sale of capital assets	110,275	-	-	-	110,275
Interest expense	(18,259)	-	-	-	(18,259)
Total nonoperating revenues (expenses)	<u>92,016</u>	<u>-</u>	<u>(1,590,615)</u>	<u>-</u>	<u>(1,498,599)</u>
Income (loss) before transfers	<u>(1,924,748)</u>	<u>27,879</u>	<u>774,529</u>	<u>22,841</u>	<u>(1,099,499)</u>
Transfers in	3,953,748	-	-	-	3,953,748
Transfers out	(381,529)	-	-	-	(381,529)
Change in net position	1,647,471	27,879	774,529	22,841	2,472,720
Net position - beginning	21,321,174	62,424	9,409,599	8,055,212	38,848,409
Net position - ending	<u>\$ 22,968,645</u>	<u>\$ 90,303</u>	<u>\$ 10,184,128</u>	<u>\$ 8,078,053</u>	<u>\$ 41,321,129</u>

CITY OF WICHITA FALLS, TEXAS

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Fleet Maintenance	Duplicating Services	Employee Benefit Trust	Information Technology Fund	Totals
Cash flows from operating activities:					
Received from customers and users	\$ 289,014	\$ -	\$ 4,110,183	\$ -	\$ 4,399,197
Received from interfund charges	10,615,279	118,066	11,348,617	3,512,457	25,594,419
Other operating receipts	-	-	677,636	-	677,636
Payments to suppliers	(6,693,105)	(74,097)	(14,365,180)	(1,548,994)	(22,681,376)
Payments for interfund services	(527,932)	(5,771)	-	(127,477)	(661,180)
Payments to employees	(1,600,198)	(17,047)	(53,288)	(965,783)	(2,636,316)
Net cash provided by operating activities	<u>2,083,058</u>	<u>21,151</u>	<u>1,717,968</u>	<u>870,203</u>	<u>4,692,380</u>
Cash flows from noncapital financing activities:					
Interfund loans received (repaid)	-	-	(703,938)	-	(703,938)
Transfers in from other funds	3,953,748	-	-	-	3,953,748
Transfers out to other funds	(381,529)	-	-	-	(381,529)
Net cash provided (used) by noncapital financing activities	<u>3,572,219</u>	<u>-</u>	<u>(703,938)</u>	<u>-</u>	<u>2,868,281</u>
Cash flows from capital and related financing activities:					
Acquisition of capital assets	(5,018,993)	-	-	(303,617)	(5,322,610)
Proceeds from sale of capital assets	110,275	-	-	-	110,275
Principal paid on long-term debt	(456,557)	-	-	-	(456,557)
Interest and fees paid on long-term debt	(18,259)	-	-	-	(18,259)
Net cash used for capital and related financing activities	<u>(5,383,534)</u>	<u>-</u>	<u>-</u>	<u>(303,617)</u>	<u>(5,687,151)</u>
Cash flows from investing activities:					
Income (loss) on investments	-	-	(1,590,615)	-	(1,590,615)
Net cash used by investing activities	<u>-</u>	<u>-</u>	<u>(1,590,615)</u>	<u>-</u>	<u>(1,590,615)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>271,743</u>	<u>21,151</u>	<u>(576,585)</u>	<u>566,586</u>	<u>282,895</u>
Cash and Cash Equivalents - Beginning	<u>1,780,403</u>	<u>88,439</u>	<u>12,148,666</u>	<u>4,118,327</u>	<u>18,135,835</u>
Cash and Cash Equivalents - Ending	<u>\$ 2,052,146</u>	<u>\$ 109,590</u>	<u>\$ 11,572,081</u>	<u>\$ 4,684,913</u>	<u>\$ 18,418,730</u>
Cash flows from operating activities:					
Operating income (loss)	<u>\$ (2,016,764)</u>	<u>\$ 27,879</u>	<u>\$ 2,365,144</u>	<u>\$ 22,841</u>	<u>\$ 399,100</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation and amortization	4,399,120	-	-	989,674	5,388,794
(Increase) decrease in assets and deferred outflows:					
Receivables:					
Other	814	-	(150)	-	664
Inventory	28,323	-	-	-	28,323
Prepaid items	325	-	-	-	325
Deferred outflows - pension-related	(33,428)	(385)	3,207	(25,164)	(55,770)
Deferred outflows - OPEB-related	26,684	389	-	4,804	31,877
Increase (decrease) in liabilities and deferred inflows:					
Accounts payable - trade	180,932	(938)	(108,622)	73,788	145,160
Accrued payroll	(56,561)	(627)	(3,629)	(31,686)	(92,503)
Accrued vacation and sick leave	13,034	-	-	9,147	22,181
Estimated health claims payable	-	-	(489,640)	-	(489,640)
Other liabilities	-	-	1,623	-	1,623
Net pension liability	(594,551)	(6,092)	(52,176)	(321,716)	(974,535)
Net OPEB liability	(137,196)	(1,993)	-	(25,645)	(164,834)
Deferred inflows - pension-related	269,564	2,912	2,211	170,572	445,259
Deferred inflows - OPEB-related	2,762	6	-	3,588	6,356
Total adjustments	<u>4,099,822</u>	<u>(6,728)</u>	<u>(647,176)</u>	<u>847,362</u>	<u>4,293,280</u>
Net cash provided (used) by operating activities	<u>\$ 2,083,058</u>	<u>\$ 21,151</u>	<u>\$ 1,717,968</u>	<u>\$ 870,203</u>	<u>\$ 4,692,380</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, 2022

	Wichita Falls					
	Economic Development Corporation	Wichita Falls 4B Sales Tax Corporation	Wichita Falls Reinvestment Zone #2	Wichita Falls Reinvestment Zone #3	Wichita Falls Reinvestment Zone #4	Totals
Assets						
Cash and cash equivalents	\$ 26,117,290	\$ 22,499,633	\$ 2,994,806	\$ 915,002	\$ 804,222	\$ 53,330,953
Receivables:						
Government agencies	952,968	931,438	-	(1,894)	-	1,882,512
Other	-	388,600	-	-	-	388,600
Prepaid items	14,311	-	-	-	-	14,311
Capital assets, net of accumulated depreciation	<u>2,429,495</u>	<u>8,555,075</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,984,570</u>
Total assets	<u>29,514,064</u>	<u>32,374,746</u>	<u>2,994,806</u>	<u>913,108</u>	<u>804,222</u>	<u>66,600,946</u>
Liabilities						
Accounts payable - trade	549,745	1,944,760	-	-	-	2,494,505
Other liabilities	136,434	731,708	-	-	-	868,142
Long-term liabilities:						
Portion due or payable within one year	85,000	475,000	-	-	-	560,000
Portion due or payable after one year	<u>9,863,264</u>	<u>18,020,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,883,264</u>
Total liabilities	<u>10,634,443</u>	<u>21,171,468</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,805,911</u>
Net position						
Net investment in capital assets	175,548	-	-	-	-	175,548
Unrestricted	<u>18,704,073</u>	<u>11,203,278</u>	<u>2,994,806</u>	<u>913,108</u>	<u>804,222</u>	<u>34,619,487</u>
Total net position	<u><u>\$ 18,879,621</u></u>	<u><u>\$ 11,203,278</u></u>	<u><u>\$ 2,994,806</u></u>	<u><u>\$ 913,108</u></u>	<u><u>\$ 804,222</u></u>	<u><u>\$ 34,795,035</u></u>

CITY OF WICHITA FALLS, TEXAS

COMBINING STATEMENT OF ACTIVITIES COMPONENT UNITS FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Program Revenue		
	Expenses	Charges for Services	Operating Grants and Contributions
Community development			
Wichita Falls Economic Development Corporation	\$ 5,259,532	\$ 720	\$ 1,045,845
Wichita Falls 4B Sales Tax Corporation	2,913,129	-	718,622
Wichita Falls Reinvestment Zone #2	718,622	-	-
Wichita Falls Reinvestment Zone #3	-	-	-
Wichita Falls Reinvestment Zone #4	-	-	-
Total component units	\$ 8,891,283	\$ 720	\$ 1,764,467

General revenues:

Taxes:

Property tax

Sales tax

Investment earnings

Miscellaneous

Total general revenues

Change in net position

Net position - beginning

Net position - ending

Net (Expense) Revenue and Changes in Net Position

Changes in Assets Section					
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
\$ (4,212,967)	\$ -	\$ -	\$ -	\$ -	\$ (4,212,967)
-	(2,194,507)	-	-	-	(2,194,507)
-	-	(718,622)	-	-	(718,622)
-	-	-	-	-	-
-	-	-	-	-	-
<u>(4,212,967)</u>	<u>(2,194,507)</u>	<u>(718,622)</u>	<u>-</u>	<u>-</u>	<u>(7,126,096)</u>

-	-	796,503	96,029	222,472	1,115,004
5,183,398	5,183,398	-	-	-	10,366,796
184,035	180,211	14,791	13,403	3,256	395,696
428,000	61,195	-	-	-	489,195
<u>5,795,433</u>	<u>5,424,804</u>	<u>811,294</u>	<u>109,432</u>	<u>225,728</u>	<u>12,366,691</u>
1,582,466	3,230,297	92,672	109,432	225,728	5,240,595
17,297,155	7,972,981	2,902,134	803,676	578,494	29,554,440
<u>\$ 18,879,621</u>	<u>\$ 11,203,278</u>	<u>\$ 2,994,806</u>	<u>\$ 913,108</u>	<u>\$ 804,222</u>	<u>\$ 34,795,035</u>

SUPPORTING SCHEDULES

CITY OF WICHITA FALLS, TEXAS

COMBINED SCHEDULE OF BONDED DEBT AND INTEREST MATURITIES SEPTEMBER 30, 2022

Fiscal Year Ending September 30,	General Obligation Bonds			Combination Tax and Revenue Bonds		
	Serial Bond Maturities	Interest on Bonds	Total Bonds and Interest	Serial Bond Maturities	Interest on Bonds	Total Bonds and Interest
2023	\$ 3,055,000	\$ 1,118,692	\$ 4,173,692	\$ 2,565,000	\$ 1,203,281	\$ 3,768,281
2024	3,165,000	1,019,767	4,184,767	2,620,000	1,144,076	3,764,076
2025	3,265,000	923,971	4,188,971	2,685,000	1,081,376	3,766,376
2026	3,020,000	797,928	3,817,928	2,750,000	1,013,327	3,763,327
2027	2,380,000	669,347	3,049,347	2,120,000	695,270	2,815,270
2028	2,450,000	594,991	3,044,991	2,165,000	647,043	2,812,043
2029	2,525,000	516,915	3,041,915	2,220,000	596,910	2,816,910
2030	1,855,000	449,952	2,304,952	2,275,000	541,927	2,816,927
2031	1,910,000	393,522	2,303,522	2,325,000	485,023	2,810,023
2032	1,765,000	335,216	2,100,216	2,385,000	426,018	2,811,018
2033	1,815,000	281,336	2,096,336	2,445,000	364,810	2,809,810
2034	990,000	225,750	1,215,750	1,145,000	299,781	1,444,781
2035	1,030,000	186,150	1,216,150	1,170,000	278,191	1,448,191
2036	1,070,000	144,950	1,214,950	1,185,000	255,699	1,440,699
2037	1,110,000	102,150	1,212,150	1,215,000	232,357	1,447,357
2038	1,155,000	57,750	1,212,750	1,235,000	208,162	1,443,162
2039	-	-	-	1,260,000	183,148	1,443,148
2040	-	-	-	1,285,000	157,250	1,442,250
2041	-	-	-	1,310,000	130,455	1,440,455
2042	-	-	-	1,340,000	102,761	1,442,761
2043	-	-	-	1,370,000	74,237	1,444,237
2044	-	-	-	1,395,000	44,997	1,439,997
2045	-	-	-	1,425,000	15,105	1,440,105
2046	-	-	-	-	-	-
2047	-	-	-	-	-	-
2048	-	-	-	-	-	-
2049	-	-	-	-	-	-
2050	-	-	-	-	-	-
	<u>\$ 32,560,000</u>	<u>\$ 7,818,387</u>	<u>\$ 40,378,387</u>	<u>\$ 41,890,000</u>	<u>\$ 10,181,204</u>	<u>\$ 52,071,204</u>

EXHIBIT G-1

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
\$ 8,460,000	\$ 2,003,150	\$ 10,463,150	\$ 14,080,000	\$ 4,325,123	\$ 18,405,123
8,890,000	1,580,650	10,470,650	14,675,000	3,744,493	18,419,493
9,330,000	1,136,700	10,466,700	15,280,000	3,142,047	18,422,047
9,765,000	704,000	10,469,000	15,535,000	2,515,255	18,050,255
2,495,000	216,350	2,711,350	6,995,000	1,580,967	8,575,967
65,000	92,200	157,200	4,680,000	1,334,234	6,014,234
65,000	89,600	154,600	4,810,000	1,203,425	6,013,425
70,000	87,000	157,000	4,200,000	1,078,879	5,278,879
70,000	84,200	154,200	4,305,000	962,745	5,267,745
75,000	81,400	156,400	4,225,000	842,634	5,067,634
75,000	78,400	153,400	4,335,000	724,546	5,059,546
80,000	75,400	155,400	2,215,000	600,931	2,815,931
85,000	72,200	157,200	2,285,000	536,541	2,821,541
85,000	68,800	153,800	2,340,000	469,449	2,809,449
90,000	65,400	155,400	2,415,000	399,907	2,814,907
95,000	61,800	156,800	2,485,000	327,712	2,812,712
95,000	58,000	153,000	1,355,000	241,148	1,596,148
100,000	54,200	154,200	1,385,000	211,450	1,596,450
105,000	50,200	155,200	1,415,000	180,655	1,595,655
110,000	46,000	156,000	1,450,000	148,761	1,598,761
115,000	41,600	156,600	1,485,000	115,837	1,600,837
120,000	37,000	157,000	1,515,000	81,997	1,596,997
120,000	32,200	152,200	1,545,000	47,305	1,592,305
125,000	27,400	152,400	125,000	27,400	152,400
130,000	22,400	152,400	130,000	22,400	152,400
135,000	17,200	152,200	135,000	17,200	152,200
145,000	11,800	156,800	145,000	11,800	156,800
150,000	6,000	156,000	150,000	6,000	156,000
\$ 41,245,000	\$ 6,901,250	\$ 48,146,250	\$ 115,695,000	\$ 24,900,841	\$ 140,595,841

CITY OF WICHITA FALLS, TEXAS

COMBINED SCHEDULE OF BONDS PAYABLE SEPTEMBER 30, 2022

	Interest Rates and (Dates)	Issue Date	Final Maturity Date	Annual Serial Payments
General Obligation Bonds:				
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)
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)
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)

EXHIBIT G-2
(Page 1 of 5)

Bonds			
<u>Authorized</u>	<u>Issued</u>	<u>Retired or Refunded</u>	<u>Outstanding</u>
\$ 9,650,000	\$ 9,650,000	\$ 5,470,000	\$ 4,180,000
2,885,000	2,885,000	1,690,000	1,195,000
16,345,000	16,345,000	2,335,000	14,010,000

CITY OF WICHITA FALLS, TEXAS

COMBINED SCHEDULE OF BONDS PAYABLE (CONT'D.)

SEPTEMBER 30, 2022

	Interest Rates and (Dates)	Issue Date	Final Maturity Date	Annual Serial Payments
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)
General Obligation Refunding Bonds, Taxable Series 2021	0.398, 0.686, 0.959, 1.109, 1.281, 1.431, 1.573, 1.833, 2.033 (3/1, 9/1)	10/01/21	09/01/33	445,000 (2022) 435,000 (2023) 435,000 (2024) 440,000 (2025) 85,000 (2026) 785,000 (2027) 795,000 (2028) 805,000 (2029) 820,000 (2030) 835,000 (2031) 850,000 (2032) 865,000 (2033)
General Obligation Refunding Bonds, Series 2021	4.00 (3/1, 9/1)	10/01/21	09/01/31	150,000 (2022) 140,000 (2023) 145,000 (2024) 160,000 (2025) 165,000 (2026) 170,000 (2027) 175,000 (2028) 185,000 (2029) 190,000 (2030) 195,000 (2031)
Total General Obligation Bonds				

EXHIBIT G-2
(Page 2 of 5)

Bonds			
Authorized	Issued	Retired or Refunded	Outstanding
6,170,000	6,170,000	1,670,000	4,500,000
7,595,000	7,595,000	445,000	7,150,000
1,675,000	1,675,000	150,000	1,525,000
<hr/>	<hr/>	<hr/>	<hr/>
<u>44,320,000</u>	<u>44,320,000</u>	<u>11,760,000</u>	<u>32,560,000</u>

CITY OF WICHITA FALLS, TEXAS

COMBINED SCHEDULE OF BONDS PAYABLE (CONT'D.)

SEPTEMBER 30, 2022

	Interest Rates and (Dates)	Issue Date	Final Maturity Date	Annual Serial Payments
Combination Tax and Revenue Bonds:				
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)
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)*

* Refunded

EXHIBIT G-2
(Page 3 of 5)

Bonds			
Authorized	Issued	Retired or Refunded	Outstanding
19,875,000	19,875,000	7,420,000	12,455,000
13,000,000	13,000,000	10,430,000	2,570,000

CITY OF WICHITA FALLS, TEXAS

COMBINED SCHEDULE OF BONDS PAYABLE (CONT'D.)

SEPTEMBER 30, 2022

	Interest Rates and (Dates)	Issue Date	Final Maturity Date	Annual Serial Payments
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)

Total Combination Tax and Revenue Bonds

Revenue Bonds:				
Water and Sewer System Revenue Refunding Bonds, Series 2016	2.00, 4.00, 5.00 (2/1, 8/1)	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)

EXHIBIT G-2
(Page 4 of 5)

Bonds			
Authorized	Issued	Retired or Refunded	Outstanding
33,545,000	33,545,000	6,680,000	26,865,000
66,420,000	66,420,000	24,530,000	41,890,000
74,005,000	74,005,000	35,345,000	38,660,000

CITY OF WICHITA FALLS, TEXAS
COMBINED SCHEDULE OF BONDS PAYABLE (CONT'D.)
SEPTEMBER 30, 2022

Interest Rates and (Dates)	Issue Date	Final Maturity Date	Annual Serial Payments
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)

Total Revenue Bonds

Total All Bonds

Bonds			
<u>Authorized</u>	<u>Issued</u>	<u>Retired or Refunded</u>	<u>Outstanding</u>
2,680,000	2,680,000	95,000	2,585,000
 <hr/>	 <hr/>	 <hr/>	 <hr/>
76,685,000	76,685,000	35,440,000	41,245,000
<u>\$ 187,425,000</u>	<u>\$ 187,425,000</u>	<u>\$ 71,730,000</u>	<u>\$ 115,695,000</u>

CITY OF WICHITA FALLS, TEXAS**DEBT SERVICE COVERAGE - REVENUE BONDS**
SEPTEMBER 30, 2022

Water and Sewer Revenue Bonds:

Change in net position (Exhibit A-8)		\$ 13,690,420
Add:		
Depreciation and amortization	\$ 8,845,792	
Interest expense and paying agent fees	2,493,662	
Transfers out	<u>2,633,743</u>	13,973,197
Subtract:		
West Texas Utilities water revenues	745,461	
Gain (loss) on sale/abandonment of capital assets	2,099	
Capital contributions from developers	666,819	
Transfers in	<u>-</u>	<u>(1,414,379)</u>
Net earnings for determining debt service coverage		<u>\$ 26,249,238</u>

	Priority Lien Bonds	Subordinate Lien Bonds	
Net earnings for determining debt service coverage			\$ 26,249,238
Principal and interest requirements to maturity	\$ 48,146,250	\$ -	
Number of years remaining to pay bonds	<u>5</u>	<u>N/A</u>	
Average annual principal and interest requirement	9,629,250	N/A	
Minimum bond covenant debt service coverage	<u>1.25</u>	<u>1.10</u>	
Minimum debt service coverage requirement	<u>\$ 12,036,563</u>	<u>\$ -</u>	<u>12,036,563</u>
Excess over debt service coverage requirements			<u>\$ 14,212,676</u>

CITY OF WICHITA FALLS, TEXAS

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS SCHEDULE BY FUNCTION AND ACTIVITY SEPTEMBER 30, 2022

	Land and Betterments	Buildings and Improvements	Machinery and Equipment
Administrative services:			
Mayor and City Council	\$ -	\$ -	\$ -
City Manager	- -	265,898	2,020
Personnel/Risk Management	- -	- -	2,963
Martin Luther King Center	- -	749,447	- -
Library	477,942	4,495,425	572,630
General Public Information	- -	510,676	229,892
Building Maintenance	- -	2,770,246	136,877
Nondepartmental	46,347	380,754	85,497
Municipal Court	230,000	310,819	75,951
Legal	- -	- -	1,518
Homeland security	- -	- -	584,968
Training Center	- -	- -	2,271
Golf course	3,808,375	786,801	93,430
Total administrative services	<u>4,562,664</u>	<u>10,270,066</u>	<u>1,788,017</u>
Police	<u>1,131,749</u>	<u>10,231,507</u>	<u>15,382,904</u>
Fire	<u>190,565</u>	<u>7,051,522</u>	<u>864,048</u>
Parks and recreation:			
Recreation	754,606	1,660,599	201,645
Park maintenance	4,640,462	541,598	60,444
Cemetery	141,685	- -	6,448
Lake Wichita Revitalization - Boardwalk	1,261,180	- -	- -
Lynwood Community Center	- -	214,895	- -
Total parks and recreation	<u>6,797,933</u>	<u>2,417,092</u>	<u>268,537</u>
Accounting/finance:			
Information Systems	- -	- -	10,074,994
Total accounting/finance	<u>10,074,994</u>	<u>10,074,994</u>	<u>10,074,994</u>
Community development:			
Planning	- -	- -	20,438
Inspection	- -	- -	1,360
Property management	10,334,824	420,892	9,274
Hazard Mitigation grant	170,800	- -	- -
Total community development	<u>10,505,624</u>	<u>420,892</u>	<u>31,072</u>
Public works:			
Engineering	- -	61,948	183,229
Street maintenance	99,796	100,108	30,606
Lake Wichita Revitalization	- -	- -	- -
Infrastructure	1,365,633	- -	- -
Total public works	<u>1,465,429</u>	<u>162,056</u>	<u>213,835</u>
Health:			
Administration	34,820	2,996,016	298,903
General City nursing	76,411	1,123	10,108
Environmental health	- -	- -	69,596
Lab water pollution	- -	- -	45,235
Animal reclaim center	150,737	4,114,850	26,772
Total health	<u>261,968</u>	<u>7,111,989</u>	<u>450,614</u>
Traffic and transportation	- -	31,045	109,683
Multi-Purpose Events Center	9,560,210	38,473,465	505,142
Wichita Falls Business Park	1,099,507	- -	- -
Total capital assets used in the operation of governmental funds	<u>\$ 35,575,649</u>	<u>\$ 76,169,634</u>	<u>\$ 29,688,846</u>

Furniture and Fixtures	Infrastructure	Construction in Progress	Totals
\$ 5,218	\$ -	\$ -	\$ 5,218
13,644	-	-	281,562
4,660	-	-	7,623
-	-	-	749,447
73,266	-	-	5,619,263
3,184	-	99,900	843,652
-	-	-	2,907,123
-	-	-	512,598
-	-	-	616,770
-	-	-	1,518
-	-	-	584,968
-	-	-	2,271
-	-	-	4,688,606
<u>99,972</u>	<u>-</u>	<u>99,900</u>	<u>16,820,619</u>
<u>8,759</u>	<u>-</u>	<u>205,700</u>	<u>26,960,619</u>
<u>-</u>	<u>-</u>	<u>2,111</u>	<u>8,108,246</u>
-	-	-	2,616,850
-	-	-	5,242,504
-	-	-	148,133
-	-	-	1,261,180
-	-	-	214,895
<u>-</u>	<u>-</u>	<u>-</u>	<u>9,483,562</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>10,074,994</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>10,074,994</u>
-	-	-	20,438
-	-	-	1,360
-	-	-	10,764,990
-	-	-	170,800
<u>-</u>	<u>-</u>	<u>-</u>	<u>10,957,588</u>
-	-	-	245,177
-	-	-	230,510
-	-	900,925	900,925
-	<u>197,354,017</u>	<u>7,096,131</u>	<u>205,815,781</u>
<u>-</u>	<u>197,354,017</u>	<u>7,997,056</u>	<u>207,192,393</u>
-	-	-	3,329,739
-	-	-	87,642
-	-	-	69,596
-	-	-	45,235
-	-	-	4,292,359
<u>-</u>	<u>-</u>	<u>-</u>	<u>7,824,571</u>
<u>-</u>	<u>15,908,368</u>	<u>-</u>	<u>16,049,096</u>
<u>22,117</u>	<u>-</u>	<u>1,291,679</u>	<u>49,852,613</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>1,099,507</u>
<u>\$ 130,848</u>	<u>\$ 213,262,385</u>	<u>\$ 9,596,446</u>	<u>\$ 364,423,808</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, 2022

	Beginning Balance 10/1/2021	Additions	Deletions	Ending Balance 9/30/2022
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	5,619,263	-	-	5,619,263
General Public Information	709,837	133,815	-	843,652
Building Maintenance	2,907,123	-	-	2,907,123
Nondepartmental	512,598	-	-	512,598
Municipal Court	585,085	31,685	-	616,770
Legal	1,518	-	-	1,518
Homeland security	584,968	-	-	584,968
Training center	2,271	-	-	2,271
Golf course	4,688,606	-	-	4,688,606
Total administrative services	<u>16,655,119</u>	<u>165,500</u>	<u>-</u>	<u>16,820,619</u>
Police	26,468,119	492,500	-	26,960,619
Fire	8,106,135	2,111	-	8,108,246
Parks and recreation:				
Recreation	2,616,850	-	-	2,616,850
Park maintenance	5,195,509	46,995	-	5,242,504
Cemetery	148,133	-	-	148,133
Lake Wichita Revitalization	1,261,180	-	-	1,261,180
Lynwood Community Center	214,895	-	-	214,895
Total parks and recreation	<u>9,436,567</u>	<u>46,995</u>	<u>-</u>	<u>9,483,562</u>
Accounting/finance:				
Information Systems	9,771,377	303,617	-	10,074,994
Total accounting/finance	<u>9,771,377</u>	<u>303,617</u>	<u>-</u>	<u>10,074,994</u>
Community development:				
Planning	20,438	-	-	20,438
Inspection	1,360	-	-	1,360
Property management	10,764,990	-	-	10,764,990
Hazard Mitigation Grant	170,800	-	-	170,800
Total community development	<u>10,957,588</u>	<u>-</u>	<u>-</u>	<u>10,957,588</u>
Public works:				
Engineering	245,177	-	-	245,177
Street maintenance	230,510	-	-	230,510
Lake Wichita Revitalization	807,175	93,750	-	900,925
Infrastructure	198,402,757	7,507,036	94,012	205,815,781
Total public works	<u>199,685,619</u>	<u>7,600,786</u>	<u>94,012</u>	<u>207,192,393</u>
Health:				
Administration	3,218,086	111,653	-	3,329,739
General city nursing	87,642	-	-	87,642
Environmental health	69,596	-	-	69,596
Lab water pollution	45,235	-	-	45,235
Animal reclaim center	4,292,359	-	-	4,292,359
Total health	<u>7,712,918</u>	<u>111,653</u>	<u>-</u>	<u>7,824,571</u>
Traffic and transportation	15,885,679	283,606	120,189	16,049,096
Multi-Purpose Events Center	48,492,768	1,440,517	80,672	49,852,613
Wichita Falls Business Park	1,099,507	-	-	1,099,507
Total capital assets	<u>\$ 354,271,396</u>	<u>\$ 10,447,285</u>	<u>\$ 294,873</u>	<u>\$ 364,423,808</u>

CITY OF WICHITA FALLS, TEXAS

REGIONAL AIRPORT FUND
CAPITAL ASSETS AND ACCUMULATED DEPRECIATION
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>Balance</u> <u>10/1/2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>9/30/2022</u>
<u>Capital Assets:</u>				
Land and betterments	\$ 20,389,856	\$ 73,750	\$ -	\$ 20,463,606
Buildings and improvements	34,104,170	-	-	34,104,170
Machinery and equipment	219,529	-	-	219,529
Furniture and fixtures	12,829	-	-	12,829
Infrastructure	1,308,101	-	-	1,308,101
Right-to-use leased assets	3,066,768	-	-	3,066,768
Construction in progress	-	44,000	-	44,000
Total capital assets	59,101,253	117,750	-	59,219,003
<u>Accumulated Depreciation:</u>				
Land and betterments	6,041,908	819,331	-	6,861,239
Buildings and improvements	4,750,952	677,112	-	5,428,064
Machinery and equipment	103,429	19,011	-	122,440
Furniture and fixtures	12,830	-	-	12,830
Right-to-use leased assets	766,692	62,587	-	829,279
Infrastructure	26,162	17,441	-	43,603
Total accumulated depreciation	11,701,973	1,595,482	-	13,297,455
Net capital assets	\$ 47,399,280	\$ (1,477,732)	\$ -	\$ 45,921,548

CITY OF WICHITA FALLS, TEXAS

KICKAPOO AIRPORT FUND
CAPITAL ASSETS AND ACCUMULATED DEPRECIATION
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>Balance</u> <u>10/1/2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>9/30/2022</u>
<u>Capital Assets:</u>				
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>453,744</u>	<u>-</u>	<u>488,991</u>
Total capital assets	<u>17,526,547</u>	<u>453,744</u>	<u>-</u>	<u>17,980,291</u>
<u>Accumulated Depreciation:</u>				
Land and betterments	3,945,098	382,995	-	4,328,093
Buildings and improvements	1,519,561	107,433	-	1,626,994
Machinery and equipment	<u>499,794</u>	<u>23,903</u>	<u>-</u>	<u>523,697</u>
Total accumulated depreciation	<u>5,964,453</u>	<u>514,331</u>	<u>-</u>	<u>6,478,784</u>
Net capital assets	<u>\$ 11,562,094</u>	<u>\$ (60,587)</u>	<u>\$ -</u>	<u>\$ 11,501,507</u>

CITY OF WICHITA FALLS, TEXAS

TRANSIT FUND
CAPITAL ASSETS AND ACCUMULATED DEPRECIATION
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>Balance</u> <u>10/1/2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>9/30/2022</u>
<u>Capital Assets:</u>				
Land and betterments	\$ 2,001,247	\$ -	\$ -	\$ 2,001,247
Buildings and improvements	6,221,927	11,308,972	-	17,530,899
Machinery and equipment	521,446	25,294	-	546,740
Construction in progress	<u>8,774,033</u>	<u>2,608,379</u>	<u>11,308,972</u>	<u>73,440</u>
Total capital assets	<u>17,518,653</u>	<u>13,942,645</u>	<u>11,308,972</u>	<u>20,152,326</u>
<u>Accumulated Depreciation:</u>				
Land and betterments	89,668	10,549	-	100,217
Buildings and improvements	1,148,019	262,461	-	1,410,480
Machinery and equipment	425,722	38,879	-	464,601
Total accumulated depreciation	<u>1,663,409</u>	<u>311,889</u>	<u>-</u>	<u>1,975,298</u>
Net capital assets	<u>\$ 15,855,244</u>	<u>\$ 13,630,756</u>	<u>\$ 11,308,972</u>	<u>\$ 18,177,028</u>

CITY OF WICHITA FALLS, TEXAS

STORMWATER DRAINAGE FUND
CAPITAL ASSETS AND ACCUMULATED DEPRECIATION
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>Balance</u> <u>10/1/2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>9/30/2022</u>
<u>Capital Assets:</u>				
Drainage	\$ 30,164,154	\$ 186,509	\$ -	\$ 30,350,663
Land and betterments	686,529	-	-	686,529
Machinery and equipment	60,395	-	-	60,395
Construction in progress	<u>262,275</u>	<u>2,735,647</u>	<u>-</u>	<u>2,997,922</u>
Total capital assets	<u>31,173,353</u>	<u>2,922,156</u>	<u>-</u>	<u>34,095,509</u>
<u>Accumulated Depreciation:</u>				
Drainage	3,270,319	402,724	-	3,673,043
Land betterments	46,246	6,355	-	52,601
Machinery and equipment	<u>43,456</u>	<u>3,371</u>	<u>-</u>	<u>46,827</u>
Total accumulated depreciation	<u>3,360,021</u>	<u>412,450</u>	<u>-</u>	<u>3,772,471</u>
Net capital assets	<u>\$ 27,813,332</u>	<u>\$ 2,509,706</u>	<u>\$ -</u>	<u>\$ 30,323,038</u>

CITY OF WICHITA FALLS, TEXAS

SANITATION FUND
CAPITAL ASSETS AND ACCUMULATED DEPRECIATION
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>Balance</u> <u>10/1/2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>9/30/2022</u>
<u>Capital Assets:</u>				
Land and betterments	\$ 8,748,688	\$ 866,574	\$ -	\$ 9,615,262
Buildings and improvements	3,571,328	-	-	3,571,328
Machinery and equipment	687,898	-	2,890	685,008
Construction in progress	<u>141,701</u>	<u>764,308</u>	<u>866,574</u>	<u>39,435</u>
Total capital assets	<u>13,149,615</u>	<u>1,630,882</u>	<u>869,464</u>	<u>13,911,033</u>
<u>Accumulated Depreciation:</u>				
Land and betterments	1,895,581	176,272	-	2,071,853
Buildings and improvements	1,924,776	94,685	-	2,019,461
Machinery and equipment	<u>486,094</u>	<u>44,768</u>	<u>2,890</u>	<u>527,972</u>
Total accumulated depreciation	<u>4,306,451</u>	<u>315,725</u>	<u>2,890</u>	<u>4,619,286</u>
Net capital assets	<u>\$ 8,843,164</u>	<u>\$ 1,315,157</u>	<u>\$ 866,574</u>	<u>\$ 9,291,747</u>

CITY OF WICHITA FALLS, TEXAS

WATER AND SEWER FUND
CAPITAL ASSETS AND ACCUMULATED DEPRECIATION
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Balance 10/1/2021	Additions	Deletions	Balance 9/30/2022
<u>Capital Assets:</u>				
Land and betterments	\$ 24,330,343	\$ -	\$ -	\$ 24,330,343
Buildings, systems and improvements	399,685,772	5,006,656	241,000	404,451,428
Machinery and equipment	6,595,653	455,325	-	7,050,978
Furniture and fixtures	1,164	-	-	1,164
Construction in progress	<u>1,085,050</u>	<u>5,603,059</u>	<u>5,006,656</u>	<u>1,681,453</u>
Total capital assets	<u>431,697,982</u>	<u>11,065,040</u>	<u>5,247,656</u>	<u>437,515,366</u>
<u>Accumulated Depreciation:</u>				
Land and betterments	12,258,059	236,603	-	12,494,662
Buildings, systems and improvements	153,813,677	8,332,979	241,000	161,905,656
Machinery and equipment	5,127,835	276,210	-	5,404,045
Furniture and fixtures	<u>1,164</u>	<u>-</u>	<u>-</u>	<u>1,164</u>
Total accumulated depreciation	<u>171,200,735</u>	<u>8,845,792</u>	<u>241,000</u>	<u>179,805,527</u>
Net capital assets	<u>\$ 260,497,247</u>	<u>\$ 2,219,248</u>	<u>\$ 5,006,656</u>	<u>\$ 257,709,839</u>

CITY OF WICHITA FALLS, TEXAS

WATERPARK FUND
CAPITAL ASSETS AND ACCUMULATED DEPRECIATION
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Balance 10/1/2021	Additions	Deletions	Balance 9/30/2022
<u>Capital Assets:</u>				
Land and betterments	\$ 389,894	\$ -	\$ -	\$ 389,894
Buildings and improvements	4,622,343	18,903	-	4,641,246
Machinery and equipment	<u>289,035</u>	9,709	-	298,744
Total capital assets	<u>5,301,272</u>	<u>28,612</u>	-	<u>5,329,884</u>
<u>Accumulated Depreciation:</u>				
Buildings and improvements	2,416,673	232,267	-	2,648,940
Machinery and equipment	<u>222,970</u>	<u>13,345</u>	-	<u>236,315</u>
Total accumulated depreciation	<u>2,639,643</u>	<u>245,612</u>	-	<u>2,885,255</u>
Net capital assets	<u><u>\$ 2,661,629</u></u>	<u><u>\$ (217,000)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,444,629</u></u>

CITY OF WICHITA FALLS, TEXAS

FLEET MAINTENANCE FUND
CAPITAL ASSETS AND ACCUMULATED DEPRECIATION
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>Balance</u> <u>10/1/2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>9/30/2022</u>
<u>Capital Assets:</u>				
Land and betterments	\$ 436,269	\$ -	\$ -	\$ 436,269
Buildings and improvements	4,822,934	25,068	-	4,848,002
Machinery and equipment	1,670,786	-	-	1,670,786
Furniture and fixtures	2,950	-	-	2,950
Motor vehicles	<u>69,340,567</u>	<u>4,993,925</u>	<u>194,517</u>	<u>74,139,975</u>
Total capital assets	<u>76,273,506</u>	<u>5,018,993</u>	<u>194,517</u>	<u>81,097,982</u>
<u>Accumulated Depreciation:</u>				
Land and betterments	2,611	-	-	2,611
Buildings and improvements	3,120,599	123,328	-	3,243,927
Machinery and equipment	1,533,278	48,337	-	1,581,615
Furniture and fixtures	2,950	-	-	2,950
Motor vehicles	<u>50,134,812</u>	<u>4,227,456</u>	<u>194,517</u>	<u>54,167,751</u>
Total accumulated depreciation	<u>54,794,250</u>	<u>4,399,121</u>	<u>194,517</u>	<u>58,998,854</u>
Net capital assets	<u>\$ 21,479,256</u>	<u>\$ 619,872</u>	<u>\$ -</u>	<u>\$ 22,099,128</u>

CITY OF WICHITA FALLS, TEXAS

DUPLICATING SERVICES FUND
CAPITAL ASSETS AND ACCUMULATED DEPRECIATION
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>Balance</u> <u>10/1/2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>9/30/2022</u>
<u>Capital Assets:</u>				
Machinery and equipment	<u>\$ 9,117</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,117</u>
<u>Accumulated Depreciation:</u>				
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, 2022

	<u>Balance 10/1/2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 9/30/2022</u>
<u>Capital Assets:</u>				
Machinery and equipment	\$ 9,081,283	\$ 303,617	\$ -	\$ 9,384,900
Total capital assets	<u>9,081,283</u>	<u>303,617</u>	<u>-</u>	<u>9,384,900</u>
<u>Accumulated Depreciation:</u>				
Machinery and equipment	3,985,903	989,674	-	4,975,577
Net capital assets	<u>\$ 5,095,380</u>	<u>\$ (686,057)</u>	<u>\$ -</u>	<u>\$ 4,409,323</u>

CITY OF WICHITA FALLS, TEXAS

WICHITA FALLS ECONOMIC DEVELOPMENT CORPORATION
CAPITAL ASSETS AND ACCUMULATED DEPRECIATION
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>Balance 10/1/2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 9/30/2022</u>
<u>Capital Assets:</u>				
Land and betterments	\$ 1,177,156	\$ -	\$ -	\$ 1,177,156
Buildings and improvements	- -	1,284,450	- -	1,284,450
Construction in progress	<u>1,340,175</u>	<u>- -</u>	<u>1,340,175</u>	<u>- -</u>
Total capital assets	<u>2,517,331</u>	<u>1,284,450</u>	<u>1,340,175</u>	<u>2,461,606</u>
<u>Accumulated Depreciation:</u>				
Buildings and improvements	- -	32,111	- -	32,111
Net capital assets	<u>\$ 2,517,331</u>	<u>\$ 1,252,339</u>	<u>\$ 1,340,175</u>	<u>\$ 2,429,495</u>

CITY OF WICHITA FALLS, TEXAS

**WICHITA FALLS 4B SALES TAX CORPORATION
CAPITAL ASSETS AND ACCUMULATED DEPRECIATION
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	<u>Balance 10/1/2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 9/30/2022</u>
<u>Capital Assets:</u>				
Construction in progress	<u>\$ 314,644</u>	<u>\$ 8,240,431</u>	<u>\$ -</u>	<u>\$ 8,555,075</u>
Total capital assets	<u>314,644</u>	<u>8,240,431</u>	<u>-</u>	<u>8,555,075</u>
<u>Accumulated Depreciation:</u>				
None	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net capital assets	<u>\$ 314,644</u>	<u>\$ 8,240,431</u>	<u>\$ -</u>	<u>\$ 8,555,075</u>

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.

Contents	Page
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)

	2012-2013	2013-2014	2014-2015	2015-2016
Governmental activities				
Net investment in capital assets	\$ 138,319,208	\$ 128,168,873	\$ 143,014,752	\$ 148,206,829
Restricted	6,248,074	5,290,076	3,715,125	4,468,638
Unrestricted	6,661,101	5,789,973	(59,103,807)	(64,279,354)
Total governmental activities net position	<u>\$ 151,228,383</u>	<u>\$ 139,248,922</u>	<u>\$ 87,626,070</u>	<u>\$ 88,396,113</u>
Business-type activities				
Net investment in capital assets	\$ 198,540,484	\$ 225,576,460	\$ 238,249,137	\$ 236,074,244
Restricted	11,881,663	11,885,698	11,800,667	11,082,332
Unrestricted	25,390,068	22,571,945	13,941,283	31,265,373
Total business-type activities net position	<u>\$ 235,812,215</u>	<u>\$ 260,034,103</u>	<u>\$ 263,991,087</u>	<u>\$ 278,421,949</u>
Primary government				
Net investment in capital assets	\$ 336,859,692	\$ 353,745,333	\$ 381,263,889	\$ 384,281,073
Restricted	18,129,737	17,175,774	15,515,792	15,550,970
Unrestricted	32,051,169	28,361,918	(45,162,524)	(33,013,981)
Total primary government net position	<u>\$ 387,040,598</u>	<u>\$ 399,283,025</u>	<u>\$ 351,617,157</u>	<u>\$ 366,818,062</u>

Fiscal Year					
2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
\$ 150,776,165	\$ 150,833,699	\$ 152,824,700	\$ 155,903,407	\$ 160,441,794	\$ 160,339,899
5,497,793	5,626,033	5,974,408	6,632,804	7,260,262	9,812,139
(68,466,161)	(81,755,666)	(85,423,347)	(94,509,218)	(85,096,370)	(70,492,162)
<u>\$ 87,807,797</u>	<u>\$ 74,704,066</u>	<u>\$ 73,375,761</u>	<u>\$ 68,026,993</u>	<u>\$ 82,605,686</u>	<u>\$ 99,659,876</u>
\$ 250,154,417	\$ 254,487,928	\$ 264,868,493	\$ 270,540,608	\$ 293,604,354	\$ 309,284,549
11,046,973	11,571,092	11,780,255	12,008,946	11,836,811	11,840,406
27,573,458	35,237,418	37,715,916	47,578,892	45,447,623	53,612,672
<u>\$ 288,774,848</u>	<u>\$ 301,296,438</u>	<u>\$ 314,364,664</u>	<u>\$ 330,128,446</u>	<u>\$ 350,888,788</u>	<u>\$ 374,737,627</u>
\$ 400,930,582	\$ 405,321,627	\$ 417,693,193	\$ 426,444,015	\$ 454,046,148	\$ 469,624,448
16,544,766	17,197,125	17,754,663	18,641,750	19,097,073	21,652,545
(40,892,703)	(46,518,248)	(47,707,431)	(46,930,326)	(39,648,747)	(16,879,490)
<u>\$ 376,582,645</u>	<u>\$ 376,000,504</u>	<u>\$ 387,740,425</u>	<u>\$ 398,155,439</u>	<u>\$ 433,494,474</u>	<u>\$ 474,397,503</u>

CITY OF WICHITA FALLS, TEXAS

CHANGES IN NET POSITION LAST TEN FISCAL YEARS (UNAUDITED)

	2012-2013	2013-2014	2014-2015	2015-2016
Expenses				
Governmental activities:				
Administrative services	\$ 12,782,404	\$ 13,873,741	\$ 14,837,668	\$ 14,235,870
Police	22,767,560	23,195,421	23,705,432	25,633,843
Fire	14,226,064	14,387,072	16,455,087	17,476,759
Parks and recreation	5,579,717	5,574,156	5,492,124	5,637,654
Accounting/finance	924,240	923,727	876,069	787,945
Community development	6,729,171	6,497,467	6,400,781	6,681,803
Public works	7,747,847	8,155,640	8,117,413	8,334,993
Health	5,167,794	5,166,135	5,398,191	5,707,386
Traffic and transportation	2,757,545	2,617,801	2,555,837	2,667,418
Multi-Purpose Events Center	4,136,952	4,302,368	4,553,654	4,544,817
Interest and fees on long-term debt	2,122,969	1,992,169	1,910,975	1,631,355
Total governmental activities expenses	<u>84,942,263</u>	<u>86,685,697</u>	<u>90,303,231</u>	<u>93,339,843</u>
Business-type activities:				
Municipal Airport	655,452	855,765	2,532,243	1,881,055
Kickapoo Airport	1,495,562	1,423,952	1,412,211	1,252,359
Transit	1,938,827	2,416,274	2,524,244	2,673,176
Sanitation	9,236,474	9,333,512	9,489,348	9,841,683
Water and Sewer	30,135,738	32,364,514	33,554,406	32,120,018
Stormwater drainage	430,012	560,389	674,839	828,537
Waterpark	1,397,270	1,456,084	1,557,158	1,598,720
Total business-type activities expenses	<u>45,289,335</u>	<u>48,410,490</u>	<u>51,744,449</u>	<u>50,195,548</u>
Total primary government expenses	<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>
Program Revenues				
Governmental activities:				
Charges for services:				
Administrative services	\$ 4,304,737	\$ 4,220,786	\$ 4,030,674	\$ 4,270,749
Police	624,272	339,867	396,228	335,112
Fire	18,459	15,854	6,866	1,749
Parks and recreation	524,519	530,305	447,990	429,207
Accounting/finance	-	-	-	-
Community development	1,131,684	1,094,904	1,006,966	1,101,085
Public works	116,035	94,772	9,510	11,824
Health	1,073,172	1,051,444	995,634	1,051,834
Traffic and transportation	126,163	133,133	162,184	72,965
Multi-Purpose Events Center	1,597,702	1,553,729	1,604,828	1,561,783
Operating grants and contributions	11,157,348	10,837,248	11,019,845	14,803,477
Capital grants and contributions	4,394,038	12,956,740	5,349,242	3,942,929
Total governmental activities program revenues	<u>25,068,129</u>	<u>32,828,782</u>	<u>25,029,967</u>	<u>27,582,714</u>

Fiscal Year								
2016-2017		2017-2018		2018-2019		2019-2020	2020-2021	2021-2022
\$ 15,198,841	\$ 16,029,050	\$ 15,853,414	\$ 15,623,435	\$ 16,023,333	\$ 16,701,365			
25,513,220	25,046,425	27,736,316	34,225,996	26,119,364	25,454,226			
21,107,882	24,205,615	21,059,239	26,796,338	26,145,244	22,599,594			
5,655,633	5,484,893	5,995,353	6,057,586	5,134,632	5,810,019			
760,506	663,516	785,465	1,004,472	759,671	722,292			
6,902,628	6,579,677	7,253,122	7,586,750	6,955,276	7,498,256			
8,551,971	8,563,442	8,533,518	8,708,349	7,894,812	8,620,682			
5,814,947	5,798,759	5,964,161	6,630,232	6,229,228	7,065,470			
2,579,284	2,383,760	2,951,269	3,255,742	2,412,555	3,076,440			
4,021,413	3,250,928	3,126,421	2,791,731	2,848,607	5,134,193			
1,443,552	1,556,402	1,780,418	1,607,429	1,695,662	1,455,563			
<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>	<u>104,138,100</u>			
1,827,618	1,907,909	2,014,903	2,097,484	2,753,360	2,929,361			
1,198,823	1,259,413	1,451,976	1,282,322	1,185,924	1,642,866			
2,540,427	2,377,201	2,622,657	2,552,634	2,254,674	3,123,714			
10,216,686	10,300,771	11,407,943	11,727,774	10,138,273	10,857,203			
33,288,819	33,426,850	33,564,147	34,893,459	33,126,472	33,728,464			
816,334	796,597	785,974	864,517	1,137,854	1,147,940			
1,538,193	1,591,560	1,599,828	1,494,829	1,605,187	1,681,431			
<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>	<u>55,110,979</u>			
<u>\$ 148,976,777</u>	<u>\$ 151,222,768</u>	<u>\$ 154,486,124</u>	<u>\$ 169,201,079</u>	<u>\$ 154,420,128</u>	<u>\$ 159,249,079</u>			
\$ 4,735,471	\$ 4,501,100	\$ 4,657,529	\$ 4,325,538	\$ 6,858,710	\$ 5,556,508			
420,289	338,223	288,280	311,390	263,904	393,772			
36,937	39,598	85,627	43,306	106	60,360			
441,751	393,227	355,005	293,275	263,101	334,990			
-	-	-	-	-	-			
1,209,021	1,233,431	1,419,097	1,426,440	1,549,609	2,231,598			
14,223	10,869	7,511	17,999	5,839	39,213			
1,081,910	1,110,658	1,126,273	1,107,601	1,132,205	1,131,018			
126,334	122,384	121,251	113,048	153,560	109,655			
892,049	10,872	-	3,482	44,326	1,705,277			
14,934,929	12,437,104	12,908,026	21,239,893	17,665,897	17,045,852			
1,032,502	4,296,164	60,000	-	1,996,829	1,876,048			
<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>	<u>30,484,291</u>			

CITY OF WICHITA FALLS, TEXAS

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

	2012-2013	2013-2014	2014-2015	2015-2016
Business-type activities:				
Charges for services:				
Municipal Airport	769,557	775,829	864,505	1,109,959
Kickapoo Airport	1,255,153	1,239,973	1,090,276	970,129
Transit	410,737	476,716	541,389	503,708
Sanitation	12,606,675	13,196,489	12,790,072	13,223,470
Water and Sewer	32,798,786	31,272,972	38,855,845	42,999,399
Stormwater drainage	2,503,255	2,601,158	2,763,120	3,703,803
Waterpark	1,398,164	1,292,639	1,492,787	1,437,615
Operating grants and contributions	3,787,014	1,830,334	1,826,749	2,282,163
Capital grants and contributions	1,339,265	1,017,827	1,558,589	209,110
Total business-type activities program revenues	<u>56,868,606</u>	<u>53,703,937</u>	<u>61,783,332</u>	<u>66,439,356</u>
Total primary government program revenues	<u><u>\$ 81,936,735</u></u>	<u><u>\$ 86,532,719</u></u>	<u><u>\$ 86,813,299</u></u>	<u><u>\$ 94,022,070</u></u>
Net (Expense)/Revenue				
Governmental activities	\$ (59,874,134)	\$ (53,856,915)	\$ (65,273,264)	\$ (65,757,129)
Business-type activities	11,579,271	5,293,447	10,038,883	16,243,808
Total primary government net expense	<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>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes:				
Property tax	\$ 29,107,168	\$ 29,784,202	\$ 31,072,640	\$ 34,515,164
Sales tax	22,062,365	22,397,536	22,403,406	22,373,768
Franchise fees	5,423,680	5,558,600	5,414,414	5,038,247
Hotel occupancy tax	1,578,764	1,684,329	1,775,372	1,910,468
Beverage tax	230,728	281,598	291,091	286,986
Bingo tax	40,122	36,688	32,764	26,736
Investment earnings	53,244	33,309	20,732	129,886
Miscellaneous	636,417	879,538	529,526	447,357
Transfers	(1,473,837)	(18,778,342)	(2,072,770)	2,003,892
Total governmental activities	<u><u>57,658,651</u></u>	<u><u>41,877,458</u></u>	<u><u>59,467,175</u></u>	<u><u>66,732,504</u></u>
Business-type activities:				
Investment earnings	27,902	11,680	14,884	175,860
Miscellaneous	149,173	138,419	87,079	60,331
Transfers	1,473,837	18,778,342	2,072,770	(2,003,892)
Total business-type activities	<u><u>1,650,912</u></u>	<u><u>18,928,441</u></u>	<u><u>2,174,733</u></u>	<u><u>(1,767,701)</u></u>
Total primary government	<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>
Change in Net Position				
Governmental activities	\$ (2,215,483)	\$ (11,979,457)	\$ (5,806,089)	\$ 975,375
Business-type activities	13,230,183	24,221,888	12,213,616	14,476,107
Total primary government	<u><u>\$ 11,014,700</u></u>	<u><u>\$ 12,242,431</u></u>	<u><u>\$ 6,407,527</u></u>	<u><u>\$ 15,451,482</u></u>

CITY OF WICHITA FALLS, TEXAS

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

	2012-2013	2013-2014	2014-2015	2015-2016
General Fund				
Nonspendable	\$ 384,574	\$ 180,992	\$ 210,069	\$ 157,494
Assigned	958,924	1,949,792	1,102,026	878,314
Unassigned	16,226,597	14,886,199	13,682,061	13,161,690
Total general fund	<u><u>\$ 17,570,095</u></u>	<u><u>\$ 17,016,983</u></u>	<u><u>\$ 14,994,156</u></u>	<u><u>\$ 14,197,498</u></u>
All other Governmental Funds				
Nonspendable	\$ 84,940	\$ 120,573	\$ 95,283	\$ 84,013
Restricted	26,934,100	13,834,375	5,977,567	5,729,434
Committed	2,896,812	2,831,488	2,734,119	2,694,718
Unassigned	(269,288)	(460,883)	(550,863)	(773,238)
Total all other governmental funds	<u><u>\$ 29,646,564</u></u>	<u><u>\$ 16,325,553</u></u>	<u><u>\$ 8,256,106</u></u>	<u><u>\$ 7,734,927</u></u>

Fiscal Year					
2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
\$ 131,311	\$ 309,042	\$ 359,446	\$ 383,596	\$ 251,665	\$ 328,907
1,059,850	964,114	-	-	-	-
13,138,307	14,133,369	18,310,378	26,955,178	37,181,391	45,732,320
<u>\$ 14,329,468</u>	<u>\$ 15,406,525</u>	<u>\$ 18,669,824</u>	<u>\$ 27,338,774</u>	<u>\$ 37,433,056</u>	<u>\$ 46,061,227</u>
\$ -	\$ -	\$ 1,822	\$ -	\$ 1,470,561	\$ 1,639,863
5,617,402	23,075,586	21,903,321	16,435,498	16,582,041	13,764,738
2,670,133	2,208,977	2,865,289	2,495,627	2,380,635	3,210,175
(1,224,316)	(904,338)	(994,338)	(994,338)	(779,966)	(86,381)
<u>\$ 7,063,219</u>	<u>\$ 24,380,225</u>	<u>\$ 23,776,094</u>	<u>\$ 17,936,787</u>	<u>\$ 19,653,271</u>	<u>\$ 18,528,395</u>

CITY OF WICHITA FALLS, TEXAS

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

	2012-2013	2013-2014	2014-2015	2015-2016
Revenues				
Taxes	\$ 58,613,615	\$ 59,739,545	\$ 61,007,519	\$ 64,201,677
Charges for services	3,422,621	3,331,183	3,362,172	3,370,573
Licenses and permits	2,234,081	2,048,293	1,941,205	1,971,212
Fines and forfeitures	2,435,625	2,402,794	2,262,781	2,561,817
Intergovernmental revenue	11,722,524	18,081,798	12,401,075	13,537,869
Contributions	3,828,862	5,712,190	4,011,809	5,208,537
Miscellaneous revenue	3,463,425	3,642,155	3,118,424	3,120,633
Total revenues	85,720,753	94,957,958	88,104,985	93,972,318
Expenditures				
Administrative services	12,677,867	13,347,029	14,413,640	14,805,672
Police	20,884,744	21,539,820	21,997,801	23,580,992
Fire	13,807,699	14,085,219	14,719,074	16,077,272
Parks and recreation	5,157,417	5,197,591	5,065,222	5,204,296
Accounting/finance	793,960	831,313	747,341	702,883
Community development	6,760,826	6,559,064	6,440,963	6,678,753
Public works	5,325,013	5,613,107	5,449,860	5,555,929
Health	5,004,381	5,057,946	5,217,970	5,483,135
Traffic and transportation	2,468,051	2,274,249	2,395,837	2,224,511
Multi-Purpose Events Center	3,365,932	3,536,661	3,747,189	3,718,058
Capital outlay *	7,867,468	5,230,269	5,368,119	6,343,551
Debt service - principal	2,515,000	3,000,000	3,350,000	3,745,000
Debt service - interest	1,618,299	2,342,331	1,998,760	1,764,412
Debt service - bond issuance costs	310,777	-	-	-
Total expenditures	88,557,434	88,614,599	90,911,776	95,884,464
Excess of revenues over (under) expenditures	(2,836,681)	6,343,359	(2,806,791)	(1,912,146)
Other Financing Sources (Uses)				
Proceeds from bonds	23,869,261	-	-	13,482,256
Capital lease proceeds	2,666,243	-	47,848	(13,295,568)
Payment to refunded bonds escrow agent	(3,831,570)	-	-	-
Transfers in	7,181,518	16,643,513	17,594,910	7,574,334
Transfer out	(10,636,058)	(36,860,991)	(23,335,238)	(6,961,378)
Total other financing sources (uses)	19,249,394	(20,217,478)	(5,692,480)	799,644
Net change in fund balances	\$ 16,412,713	\$ (13,874,119)	\$ (8,499,271)	\$ (1,112,502)
Debt service as a percentage of noncapital expenditures	5.12%	6.41%	6.25%	6.15%

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

Fiscal Year					
2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
\$ 64,886,137	\$ 67,254,892	\$ 70,389,292	\$ 73,868,498	\$ 79,855,276	\$ 85,201,256
3,340,750	3,339,743	3,426,222	3,399,064	3,701,539	3,628,485
1,905,507	1,963,353	2,080,203	1,737,778	1,631,602	2,303,431
2,795,215	2,757,216	2,833,785	1,798,401	2,435,469	2,667,978
10,833,921	9,112,281	8,738,383	17,514,038	14,647,769	13,991,338
5,133,510	4,324,823	4,169,643	3,725,855	3,022,874	3,054,514
4,239,955	2,499,916	3,274,916	3,093,988	4,420,330	5,918,640
<u>93,134,995</u>	<u>91,252,224</u>	<u>94,912,444</u>	<u>105,137,622</u>	<u>109,714,859</u>	<u>116,765,642</u>
14,870,206	14,778,947	15,235,739	14,394,187	16,644,153	16,735,288
23,883,109	24,205,161	25,064,950	27,416,198	27,380,379	28,178,657
16,536,044	16,896,863	16,891,819	17,740,642	18,402,915	19,216,297
5,277,544	5,287,117	5,423,148	5,314,741	5,081,829	5,775,749
719,865	701,643	753,748	845,894	853,221	849,276
6,931,301	6,685,328	7,119,550	7,081,495	7,262,275	7,949,102
5,732,327	5,511,044	5,302,692	5,411,047	4,796,841	5,412,349
5,649,913	5,793,866	5,645,601	5,685,128	6,499,796	7,523,335
2,117,966	2,113,558	2,362,089	2,573,962	2,226,382	2,673,643
3,231,913	2,415,875	2,286,621	1,940,870	2,064,199	4,295,907
6,206,493	5,628,992	7,888,964	11,290,435	7,417,749	8,267,619
3,525,000	3,610,000	4,000,000	4,045,000	4,215,000	3,613,482
1,591,022	1,597,143	1,912,443	1,877,363	1,821,451	1,651,608
-	-	-	-	103,139	83,463
<u>96,272,703</u>	<u>95,225,537</u>	<u>99,887,364</u>	<u>105,616,962</u>	<u>104,769,329</u>	<u>112,225,775</u>
(3,137,708)	(3,973,313)	(4,974,920)	(479,340)	4,945,530	4,539,867
-	24,171,317	-	-	2,685,339	3,375,027
-	3,310,009	-	-	-	-
-	(6,546,898)	-	-	-	(3,292,314)
8,965,770	8,722,620	8,033,886	8,404,493	5,822,104	6,002,411
(6,367,674)	(4,393,890)	(3,295,594)	(5,095,512)	(1,642,211)	(3,522,108)
<u>2,598,096</u>	<u>25,263,158</u>	<u>4,738,292</u>	<u>3,308,981</u>	<u>6,865,232</u>	<u>2,563,016</u>
<u>\$ (539,612)</u>	<u>\$ 21,289,845</u>	<u>\$ (236,628)</u>	<u>\$ 2,829,641</u>	<u>\$ 11,810,762</u>	<u>\$ 7,102,883</u>
5.68%	5.81%	6.43%	6.28%	6.20%	5.06%

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
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
2021-2022	45,183,405	31,099,772	5,682,741	2,873,908	359,797	1,633	85,201,256

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
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%
2021-2022	4,952,234,074	855,749,261	5,807,983,335	0.76093	5,807,983,335	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	
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	
2021-2022	0.73	0.03	0.76	0.54	0.07	0.61	1.05	0.37	1.42	
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	
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
2021-2022	1.04	0.32	1.36	1.03	0.38	1.41	0.94	0.43	1.37	6.93

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, 2022**

Taxpayer	2021-2022			2012-2013		
	Taxable Assessed Value	Rank	Percentage of Total Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total Assessed Valuation
Oncor Electric Delivery Co	\$ 73,801,030	1	1.27%	\$ 37,907,410	2	0.85%
GGP - Sikes Senter LLC	44,500,000	2	0.77%	52,243,735	1	1.17%
Atmos Energy / Mid-Tex Division	31,319,180	3	0.54%	12,358,307	9	0.28%
North American Pipe Corp	22,388,941	4	0.39%	13,587,762	7	0.30%
Wal-Mart Stores East Inc	20,700,100	5	0.36%	20,364,442	4	0.46%
Wal-Mart Stores Texas LP	20,311,831	6	0.35%	21,736,750	3	0.49%
Kell West Regional Hospital LLC	16,400,569	7	0.28%	12,577,717	8	0.28%
Arbor Creek Apartments LLC	16,225,900	8	0.28%	-	N/A	0.00%
Tranter Inc	16,166,369	9	0.28%	-	N/A	0.00%
Western Supplies Inc.	15,633,606	10	0.27%	-	N/A	0.00%
Quail Creek Crossing Ltd	-	N/A	0.00%	19,848,000	5	0.44%
Southwestern Bell	-	N/A	0.00%	17,021,110	6	0.38%
Lowe's Home Centers Inc.	-	N/A	0.00%	12,009,365	10	0.27%
Totals	<u>\$ 277,447,526</u>		<u>4.78%</u>	<u>\$ 219,654,598</u>		<u>4.92%</u>

Source:

Wichita Appraisal District

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

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2012-2013	\$ 28,362,591	\$ 27,906,520	98.39%	\$ 295,261	\$ 28,201,781	99.43%
2013-2014	28,876,552	28,375,563	98.27%	298,285	28,673,848	99.30%
2014-2015	30,270,748	29,809,308	98.48%	317,919	30,127,227	99.53%
2015-2016	33,644,264	33,124,968	98.46%	386,037	33,511,005	99.60%
2016-2017	34,228,872	33,694,059	98.44%	370,939	34,064,998	99.52%
2017-2018	34,887,074	34,298,367	98.31%	366,534	34,664,901	99.36%
2018-2019	37,037,918	36,347,721	98.14%	428,585	36,776,306	99.29%
2019-2020	40,280,490	39,531,671	98.14%	426,584	39,958,255	99.20%
2020-2021	41,645,982	41,044,294	98.56%	238,498	41,282,792	99.13%
2021-2022	44,194,571	43,425,840	98.26%	-	43,425,840	98.26%

CITY OF WICHITA FALLS, TEXAS

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

Fiscal Year	Governmental Activities					Utility System Revenue Bonds
	General Obligation Bonds	Combination Tax and Revenue Bonds	Revenue Bonds	Notes Payable		
2012-2013	\$ 5,491,678	\$ 51,570,623	\$ -	\$ 3,833,640	\$ 99,211,869	
2013-2014	4,679,866	49,302,503	-	3,510,950	95,723,505	
2014-2015	3,850,706	46,710,294	-	3,230,595	92,086,092	
2015-2016	16,129,132	31,138,675	-	2,857,166	87,938,263	
2016-2017	14,132,973	29,435,100	-	2,466,589	83,098,973	
2017-2018	36,285,854	21,261,971	-	5,468,665	78,150,943	
2018-2019	33,792,967	19,464,301	-	5,068,463	69,257,091	
2019-2020	30,787,806	18,122,209	-	4,555,678	60,215,005	
2020-2021	27,728,646	16,735,708	2,635,000	4,010,237	51,014,896	
2021-2022	28,178,294	12,487,817	2,585,000	3,430,974	41,662,562	

(1) Amounts include bond premiums, where applicable.

Business-type Activities							
Combination Tax and Revenue Bonds	General Obligation Bonds	Notes Payable	Right-to-Use Leases Payable	Total Primary Government	Percentage of Personal Income	Per Capita	
\$ 27,887,899	\$ 1,930,000	\$ 1,771,259	\$ -	\$ 191,696,968	8.74%	\$ 1,833.51	
24,284,987	1,930,000	1,473,806	-	180,905,617	7.74%	1,724.59	
54,125,933	1,930,000	1,160,389	-	203,094,009	8.47%	1,932.13	
51,322,900	-	17,357,438	-	206,743,574	8.63%	1,974.44	
46,298,092	-	19,503,566	-	194,935,293	8.14%	1,861.42	
41,170,000	-	18,530,644	-	200,868,077	7.73%	1,917.65	
39,665,000	-	17,568,069	-	184,815,891	7.58%	1,767.29	
38,140,000	-	16,542,952	-	168,363,650	6.58%	1,610.09	
36,590,000	-	15,407,763	-	154,122,250	6.05%	1,472.28	
29,435,000	5,808,660	14,208,165	2,876,063	140,672,535	5.19%	1,372.44	

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				
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
2021-2022	28,178,294	12,487,817	2,585,000		43,251,111	0.75%	422.46

CITY OF WICHITA FALLS, TEXAS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT (UNAUDITED) SEPTEMBER 30, 2022

	Gross Governmental Activities Debt (1)	Percentage Applicable to City of Wichita Falls (2)	Amount Applicable to City of Wichita Falls
Direct:			
City of Wichita Falls	<u>\$ 43,301,111</u>	100%	<u>\$ 46,682,085</u>
Overlapping:			
Wichita County	69,079,028	100%	69,079,028
Burkburnett Independent School District	41,051,614	25%	10,262,904
City View Independent School District	15,035,710	90%	13,532,139
Iowa Park Consolidated Independent School District	34,373,154	2%	687,463
Wichita Falls Independent School District	<u>353,005,515</u>	99%	<u>349,475,460</u>
Total overlapping	<u>512,545,021</u>		<u>443,036,993</u>
Total direct and overlapping bonded debt	<u>\$ 559,227,106</u>		<u>\$ 489,719,078</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 2021 tax roll	\$ 5,807,983,335
Maximum tax rate *	\$ 2.25/\$100
Current tax rate for 2021 tax year	<u>.760928/\$100</u>
Maximum tax rate in excess of 2021 tax rate	<u>1.489072/\$100</u>
Total legal debt margin	<u>\$ 86,485,054</u>

	2012-2013	2013-2014	2014-2015	2015-2016
Assessed value	\$ 4,464,721,591	\$ 4,548,012,853	\$ 4,624,811,743	\$ 4,765,611,306
Maximum tax rate	\$ 2.25/\$100	\$ 2.25/\$100	\$ 2.25/\$100	\$ 2.25/\$100
Current tax rate	.63526/\$100	.63526/\$100	.65526/\$100	.70598/\$100
Maximum tax rate in excess of current rate	<u>1.61474/\$100</u>	<u>1.61474/\$100</u>	<u>1.59474/\$100</u>	<u>1.54402/\$100</u>
Total legal debt margin	<u>\$ 72,093,645</u>	<u>\$ 73,438,583</u>	<u>\$ 73,753,723</u>	<u>\$ 73,581,992</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 2021 tax rate was \$.760928 per \$100 assessed valuation.

* Maximum tax levy established by City Charter

Fiscal Year

2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
\$ 4,849,376,974	\$ 4,941,651,841	\$ 5,074,578,796	\$ 5,276,594,133	\$ 5,455,879,419	\$ 5,807,983,335
\$ 2.25/\$100	\$ 2.25/\$100	\$ 2.25/\$100	\$ 2.25/\$100	\$ 2.25/\$100	\$ 2.25/\$100
.70598/\$100	.70598/\$100	.72988/\$100	.763323/\$100	.763323/\$100	.760928/\$100
<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>	<u>1.489072/\$100</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>	<u>\$ 86,485,054</u>

CITY OF WICHITA FALLS, TEXAS

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

<u>Fiscal Year</u>	<u>Gross Revenues (1)</u>	<u>Operating Expenses (2)</u>	<u>Net Revenue Available For Debt Service</u>
2012-2013	\$ 32,200,867	\$ 19,160,351	\$ 13,040,516
2013-2014	30,839,265	20,981,384	9,857,881
2014-2015	38,456,107	20,477,673	17,978,434
2015-2016	42,499,482	20,415,375	22,084,107
2016-2017	43,054,453	21,643,920	21,410,533
2017-2018	46,159,318	20,861,265	25,298,053
2018-2019	44,671,282	21,755,354	22,915,928
2019-2020	46,388,403	23,627,160	22,761,243
2020-2021	45,310,693	22,937,053	22,373,640
2021-2022	49,376,771	23,246,418	26,130,353

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.

Debt Service Requirement			
<u>Principal (3)</u>	<u>Interest</u>	<u>Total</u>	<u>Coverage</u>
\$ 3,325,000	\$ 4,518,925	\$ 7,843,925	1.66
3,460,000	4,385,925	7,845,925	1.26
3,610,000	4,238,875	7,848,875	2.29
4,625,000	3,356,255	7,981,255	2.77
2,635,000	3,777,314	6,412,314	3.34
2,885,000	3,535,250	6,420,250	3.94
6,915,000	3,391,000	10,306,000	2.22
7,635,000	2,682,000	10,317,000	2.21
8,010,000	2,300,250	10,310,250	2.17
8,410,000	1,899,750	10,309,750	2.53

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)
2012-2013	104,552	\$ 2,193,605,512	\$ 20,981	32.4	13.2	15,576	5.7%
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%
2021-2022	102,498	2,709,432,132	26,434	32.4	13.2	14,623	2.3%

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, 2022

Employer	2021-2022			2012-2013		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Sheppard Air Force Base	8,987	1	12.57%	10,015	1	14.01%
United Regional Health Care System	2,305	2	3.22%	1,668	4	2.33%
Wichita Falls ISD	1,854	3	2.59%	2,574	2	3.60%
Midwestern State University	1,354	4	1.89%	1,309	6	1.83%
City of Wichita Falls	1,223	5	1.71%	1,499	5	2.10%
Wal-Mart - 3 locations	1,069	6	1.50%	1,251	7	1.75%
North Texas State Hospital	970	7	1.36%	1,987	3	2.78%
James V. Allred Prison Unit	939	8	1.31%	980	9	1.37%
United Supermarkets - 3 locations	823	9	1.15%	-	N/A	-
Howmet Corporation	791	10	1.11%	1,084	8	1.52%
Cryovac Division - Sealed Air Corp.	-	N/A	0.00%	780	10	1.09%
Totals	<u>20,315</u>		<u>28.41%</u>	<u>23,147</u>		<u>32.38%</u>

Sources:

All data is from Wichita Falls Chamber of Commerce.

CITY OF WICHITA FALLS, TEXAS

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

	<u>2012-2013</u>	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>
Administrative services	94.3	94.1	95.1	94.1
Police	299.5	300.0	299.0	299.0
Fire	162.5	162.5	162.5	162.5
Parks and recreation	92.9	92.1	92.6	92.6
Accounting/finance	27.0	27.0	26.4	26.2
Community development	42.0	42.0	41.0	41.0
Public works	78.5	78.5	78.5	78.5
Health	81.9	78.7	77.5	78.7
Traffic and transportation	53.6	56.1	56.1	57.0
Multi-Purpose Events Center	22.8	22.8	22.8	22.8
Water and sewer	182.1	189.1	187.7	188.6
Sanitation	81.5	83.5	83.5	85.5
Regional Airport	1.6	1.6	3.0	1.6
Kickapoo Airport	6.4	3.4	3.4	4.4
Transit	24.7	26.2	26.7	26.7
Stormwater Drainage	1.8	1.8	1.8	1.8

Source: City of Wichita Falls Human Resources Department

<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>	<u>2020-2021</u>	<u>2021-2022</u>
86.0	85.7	85.9	86.2	88.4	87.0
295.8	295.5	295.5	295.5	295.5	295.5
162.5	162.5	164.0	164.0	164.0	164.0
89.5	88.8	90.7	90.7	90.9	91.2
26.0	25.7	25.7	25.6	26.3	26.6
40.0	40.0	40.0	40.0	41.0	41.1
72.5	72.5	72.5	71.5	70.0	70.0
78.8	76.3	75.4	75.4	70.3	70.3
52.0	52.0	52.0	50.1	52.0	52.0
22.8	4.6	4.0	4.0	3.5	17.2
186.1	183.9	183.9	183.9	184.0	190.0
86.5	86.5	86.5	86.5	86.5	86.5
1.6	1.6	1.6	3.1	3.1	9.1
4.4	4.4	4.4	4.4	4.4	4.4
25.2	25.2	24.2	24.2	24.2	24.2
4.8	4.8	4.8	4.8	5.3	5.3

CITY OF WICHITA FALLS, TEXAS

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

	2012-2013	2013-2014	2014-2015	2015-2016
General government				
Building permits issued	9,979	8,542	7,399	7,413
Building inspections conducted	12,823	13,472	12,852	11,302
Police				
Physical arrests	5,978	6,042	5,036	5,214
Parking violations	65	43	90	110
Traffic violations	21,651	22,538	18,792	19,424
Fire				
Emergency responses	8,979	8,708	9,392	9,432
Fires extinguished	591	452	432	477
Inspections	3,198	3,316	2,931	4,133
Refuse collection				
Refuse collected (tons)	124,250	121,502	76,145	136,646
Recyclables collected	18,884	14,643	1,384	16,134
Library				
Volumes in collection	173,996	174,993	194,715	176,160
Total volumes borrowed	276,065	293,860	293,364	282,808
Water				
New connections	134	(344)	74	(2,523)
Water main breaks	954	944	863	696
Average daily consumption (thousands of gallons)	15,564	13,207	12,051	14,974
Wastewater				
Average daily sewage treatment (thousands of gallons)	9,217	6,452	8,440	7,900
Transit				
Total route miles	586,893	572,744	575,004	591,417
Passengers	485,101	460,484	462,853	486,104

This information provided by applicable City of Wichita Falls department.

Fiscal Year					
2016-17	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
7,874	6,590	5,866	5,323	5,492	7,413
10,803	10,760	12,250	13,744	11,821	10,942
5,845	4,869	4,963	3,779	2,768	3,501
175	27	113	32	24	36
23,514	23,979	23,831	15,390	18,749	19,028
8,442	11,229	12,337	12,037	13,518	13,368
449	601	490	576	591	713
3,175	3,248	3,295	937	1,853	2,699
136,911	131,442	155,767	155,752	164,911	181,457
18,232	23,079	24,311	21,730	23,473	23,858
820,301	854,142	976,145	1,002,768	1,190,927	1,508,436
294,798	333,381	366,800	234,496	340,991	306,068
3,144	160	182	371	224	86
519	766	546	618	401	614
14,180	15,131	13,895	14,110	13,722	14,688
9,877	8,974	8,927	10,339	10,339	9,148
586,565	591,538	606,501	550,901	549,512	561,393
493,164	464,838	445,029	244,265	234,872	243,252

CITY OF WICHITA FALLS, TEXAS

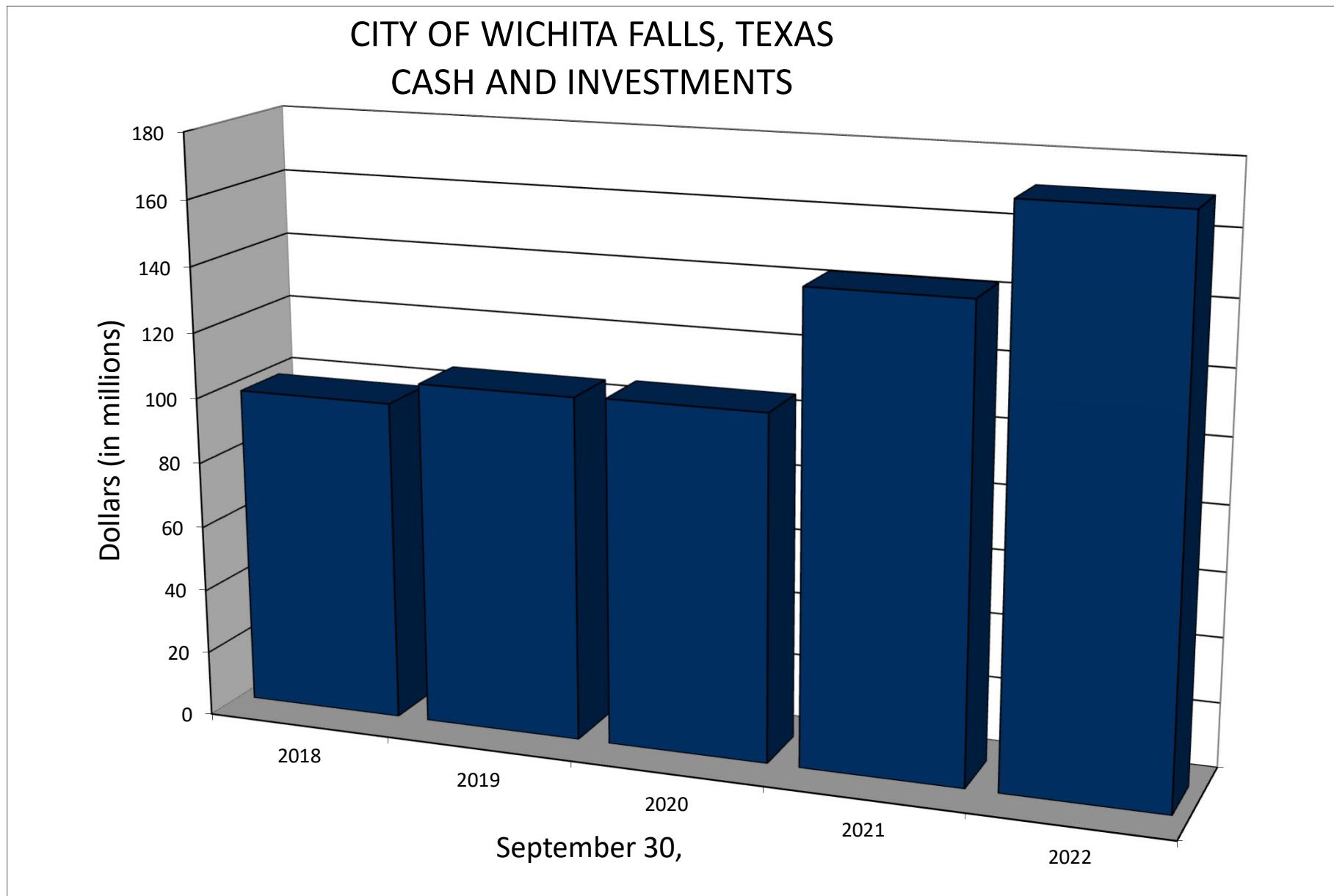
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS (UNAUDITED)

	2012-2013	2013-2014	2014-2015	2015-2016
Police				
Stations	1	1	1	1
Patrol units	113	113	113	113
Fire stations	8	8	8	8
Refuse collection				
Collection trucks	36	36	36	36
Other public works				
Streets (miles)	515	515	515	530
Streetlights	7,942	7,972	7,996	8,015
Traffic signals	104	104	104	104
Parks and recreation				
Acreage	1,200	1,200	1,200	1,200
Playgrounds	39	39	39	39
Golf courses	1	1	1	1
Water				
Water mains (miles)	578	579	580	806
Fire hydrants	2,588	2,588	2,593	2,842
Storage capacity (thousands of gallons)	37,000	37,000	37,000	37,000
Wastewater				
Sanitary sewers (miles)	546	547	548	599
Storm sewers (miles)	98	98	98	98
Treatment capacity (thousands of gallons)	21,410	21,410	21,410	21,410
Transit				
Buses	14	14	13	13

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

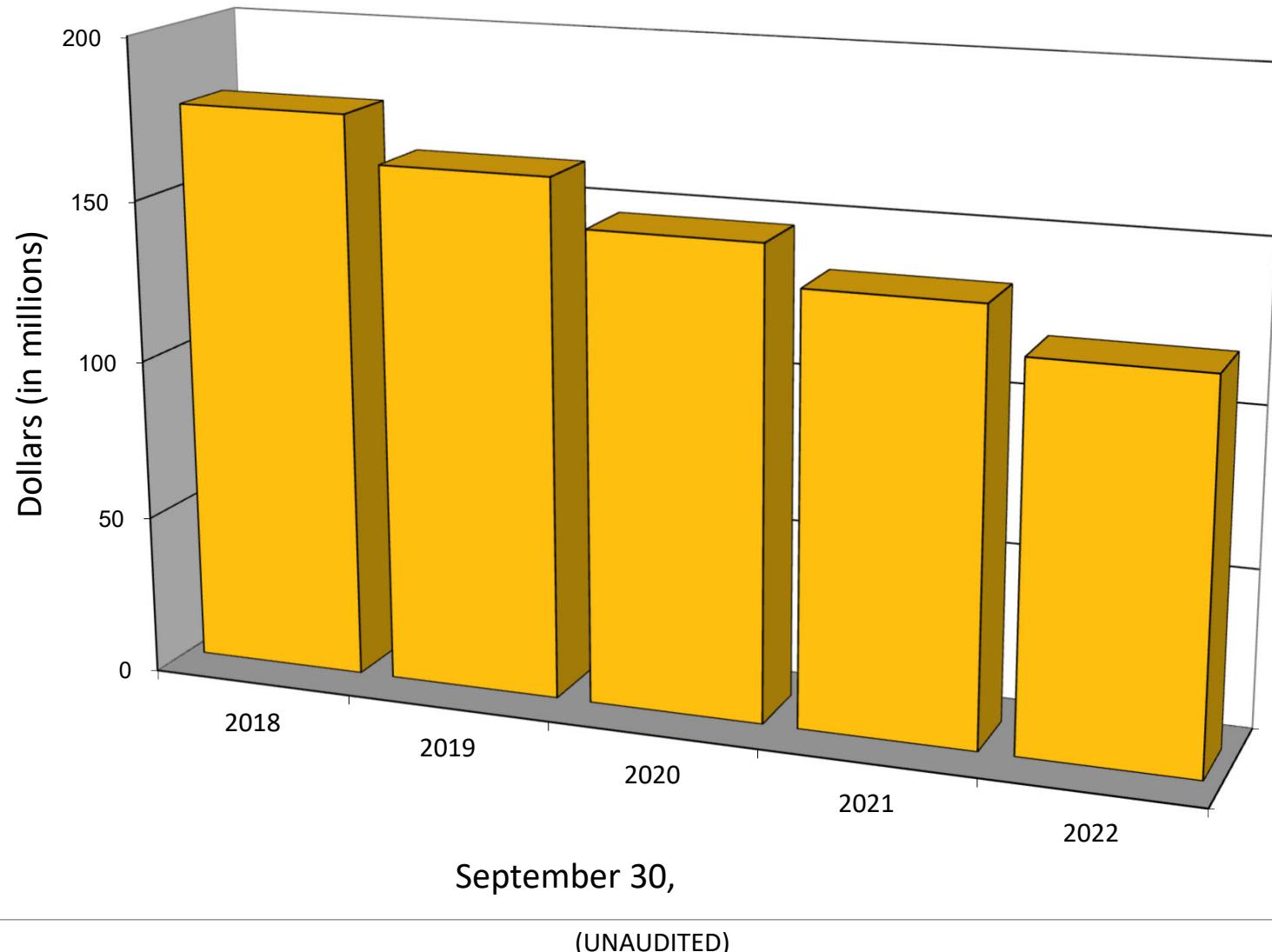
Fiscal Year					
2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
1	1	1	1	1	1
113	113	113	107	117	110
8	8	8	8	8	8
36	36	36	36	36	36
531	534	534	534	570	528
8,451	8,465	8,432	8,453	8,463	8,475
104	102	102	104	104	104
1,200	1,200	1,200	1,200	1,200	1,200
39	39	39	39	39	39
1	1	1	1	1	1
782	808	808	785	781	763
2,822	2,836	2,829	2,883	2,917	2,898
37,000	37,000	37,000	37,000	37,000	37,000
592	594	594	583	583	583
98	99	99	100	172	173
21,410	21,410	21,410	21,410	21,410	21,410
13	13	13	18	18	18

GRAPHICS



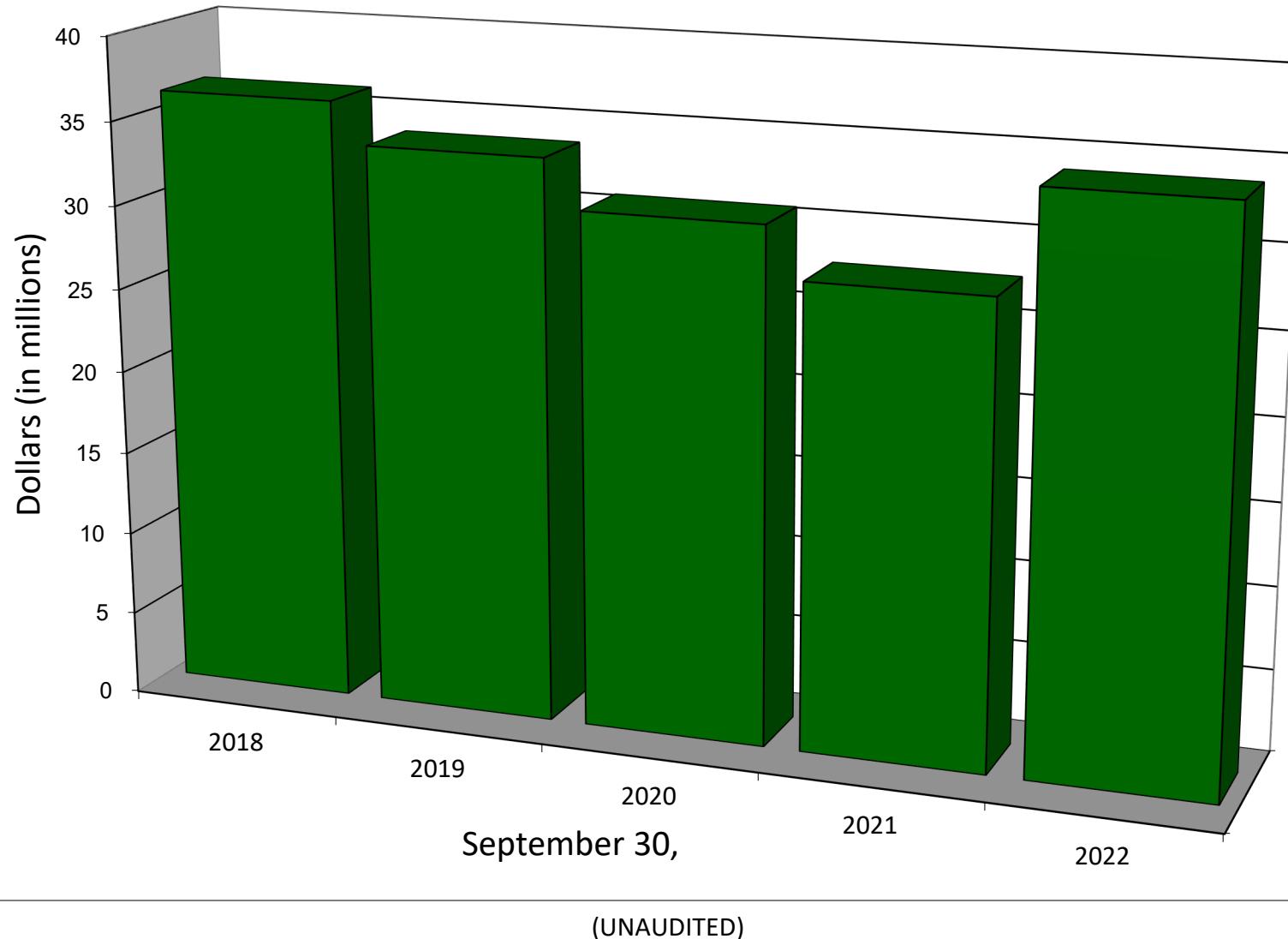
CITY OF WICHITA FALLS, TEXAS

TOTAL BONDS PAYABLE



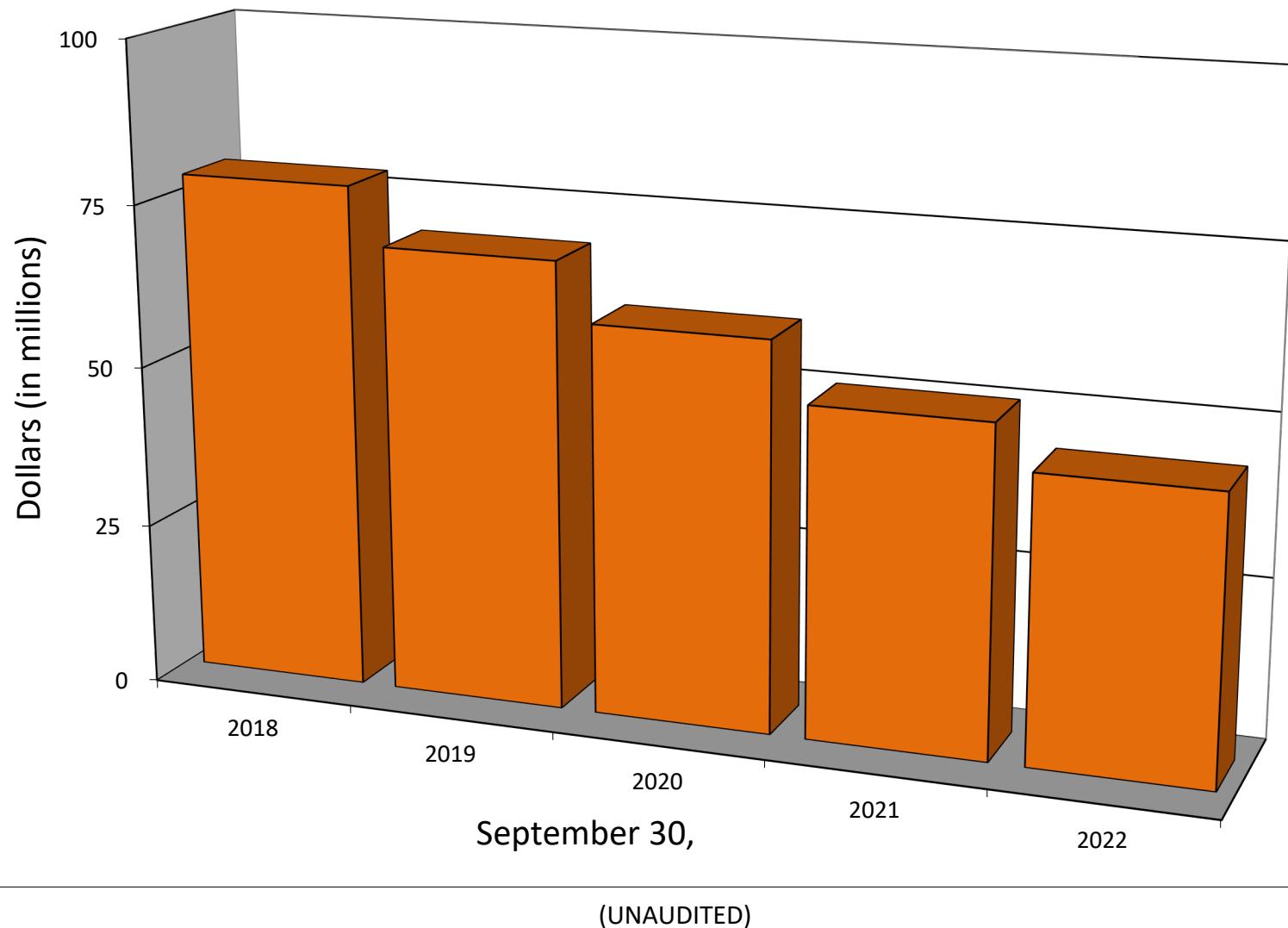
CITY OF WICHITA FALLS, TEXAS

GENERAL OBLIGATION BONDS PAYABLE



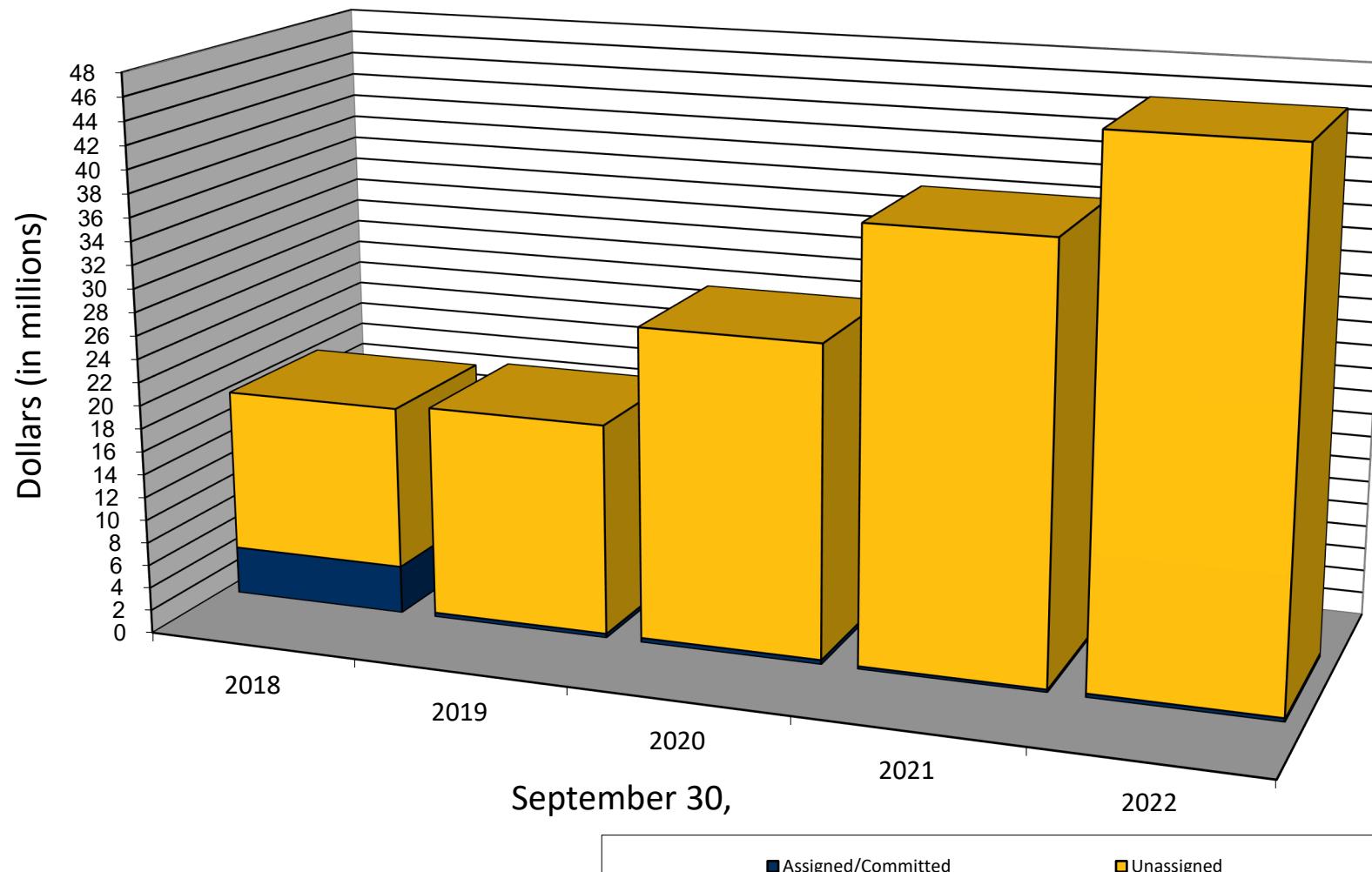
CITY OF WICHITA FALLS, TEXAS

REVENUE BONDS PAYABLE



CITY OF WICHITA FALLS, TEXAS

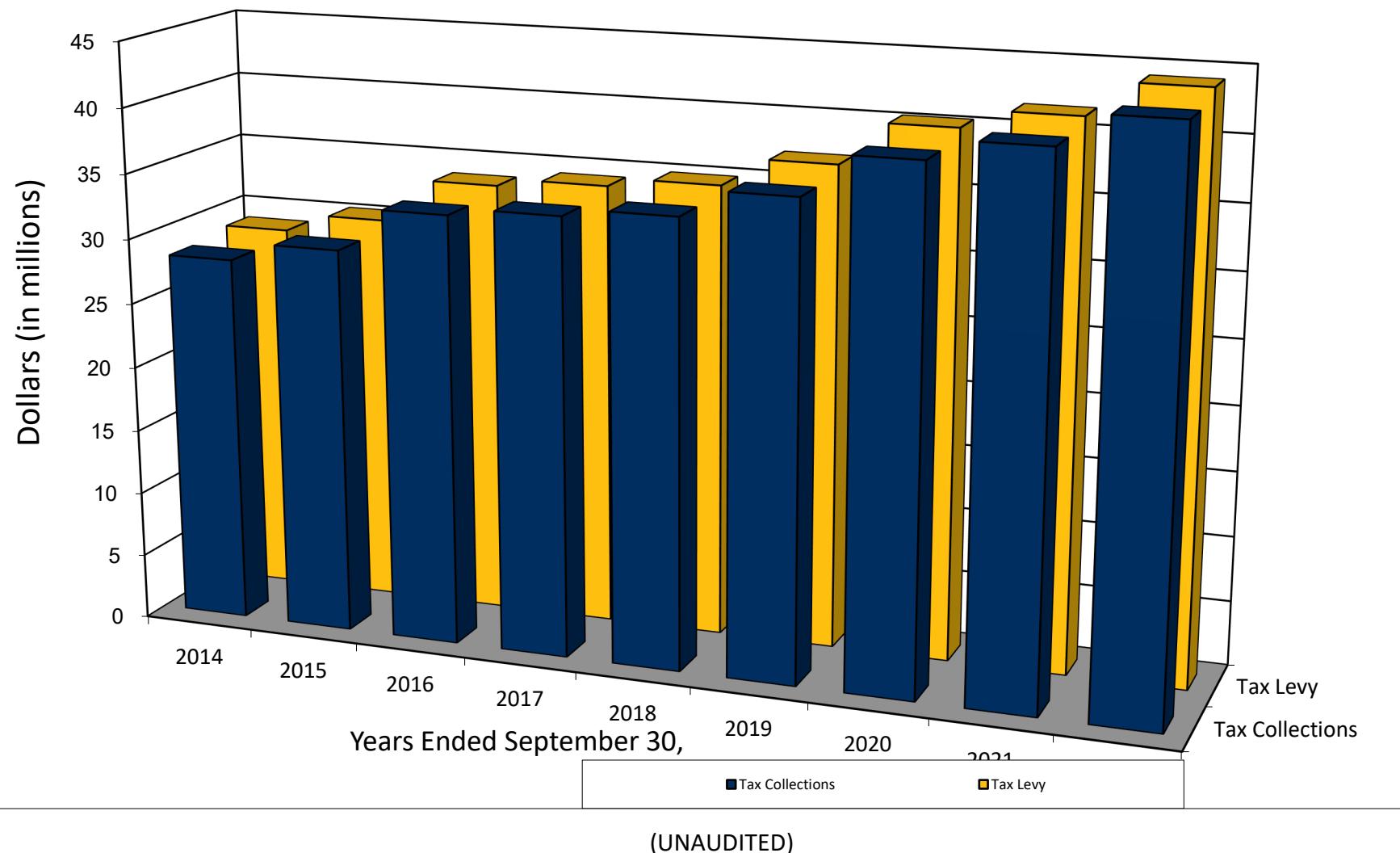
GENERAL FUND EQUITY



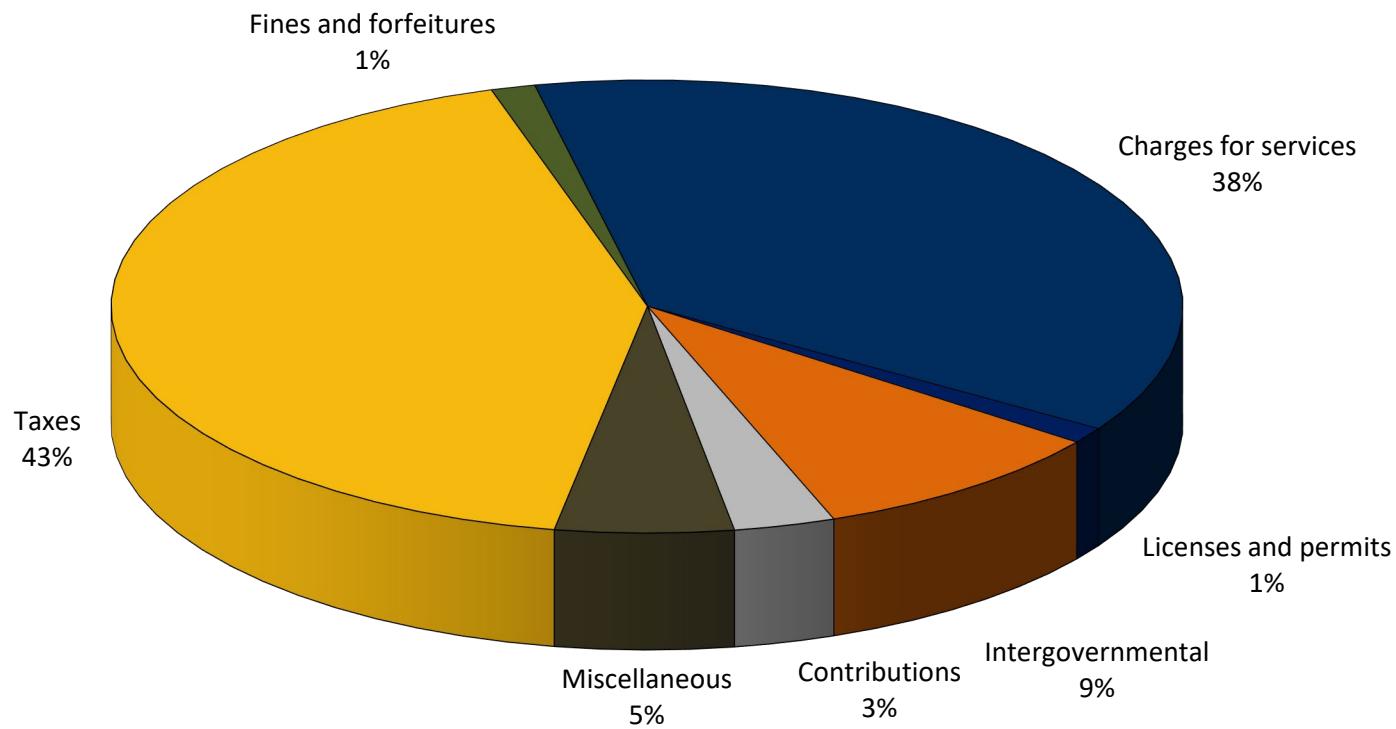
(UNAUDITED)

CITY OF WICHITA FALLS, TEXAS

COMPARISON OF TAX LEVY AND COLLECTIONS

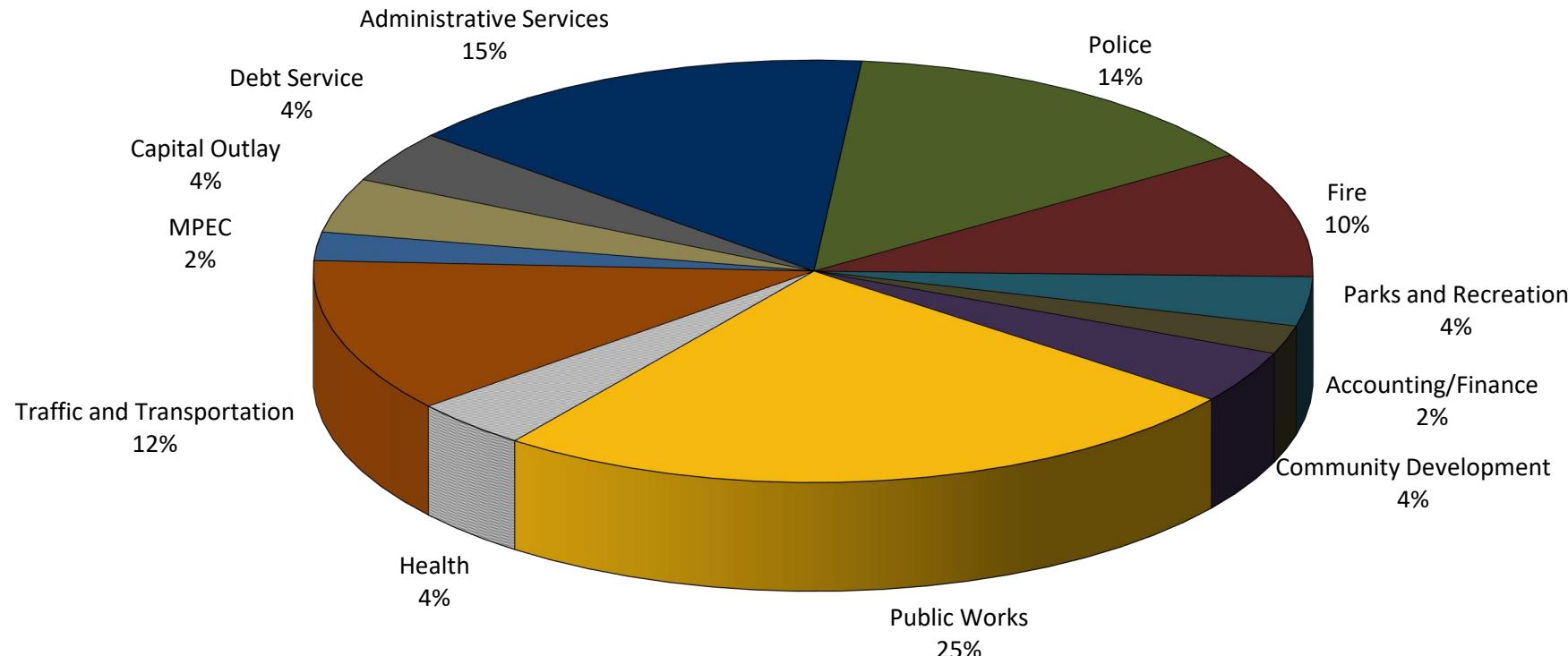


**CITY OF WICHITA FALLS, TEXAS
REVENUES BY SOURCE - FYE 9/30/22**



(UNAUDITED)

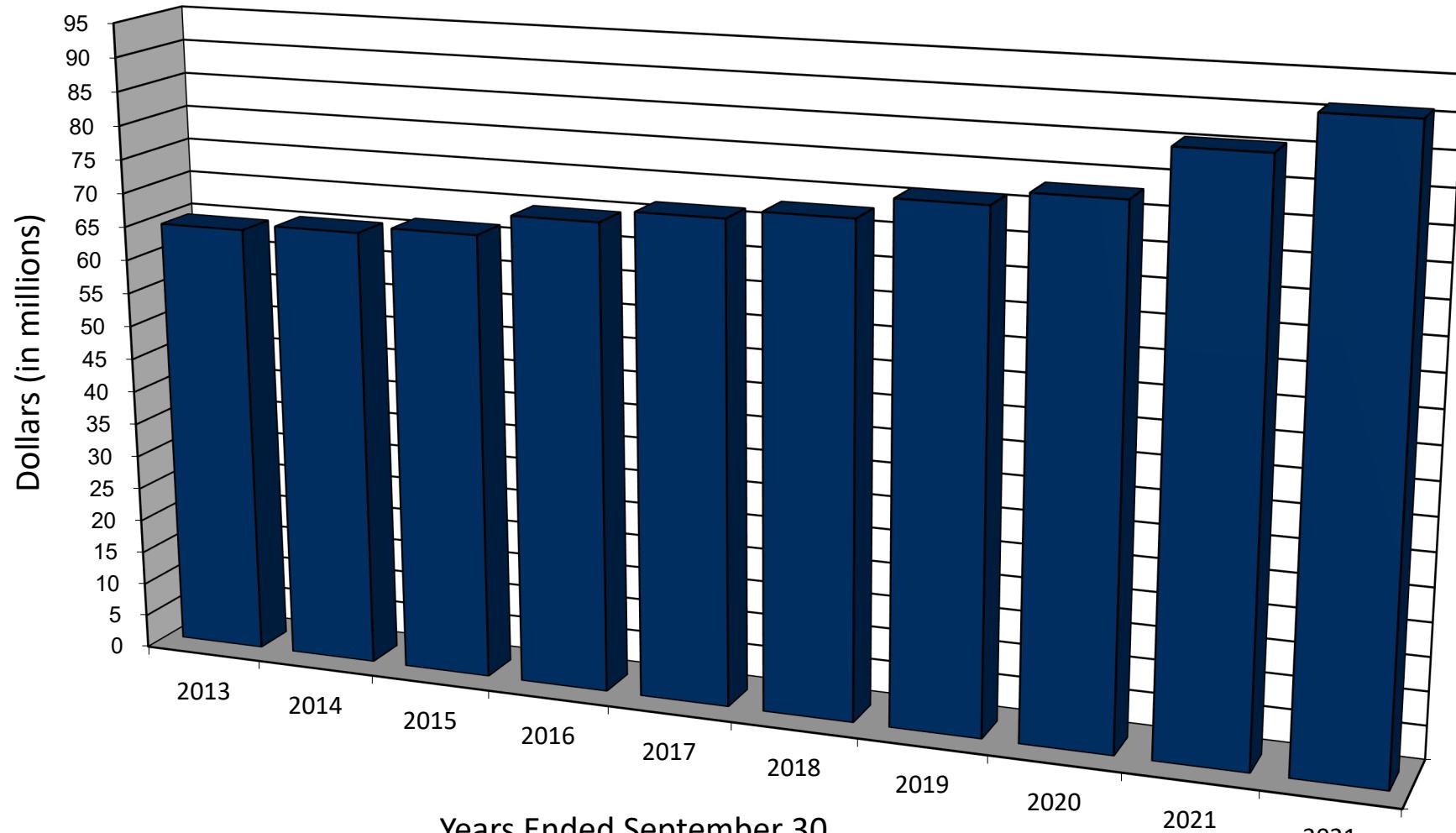
**CITY OF WICHITA FALLS, TEXAS
EXPENDITURES BY FUNCTION - FYE 9/30/22**



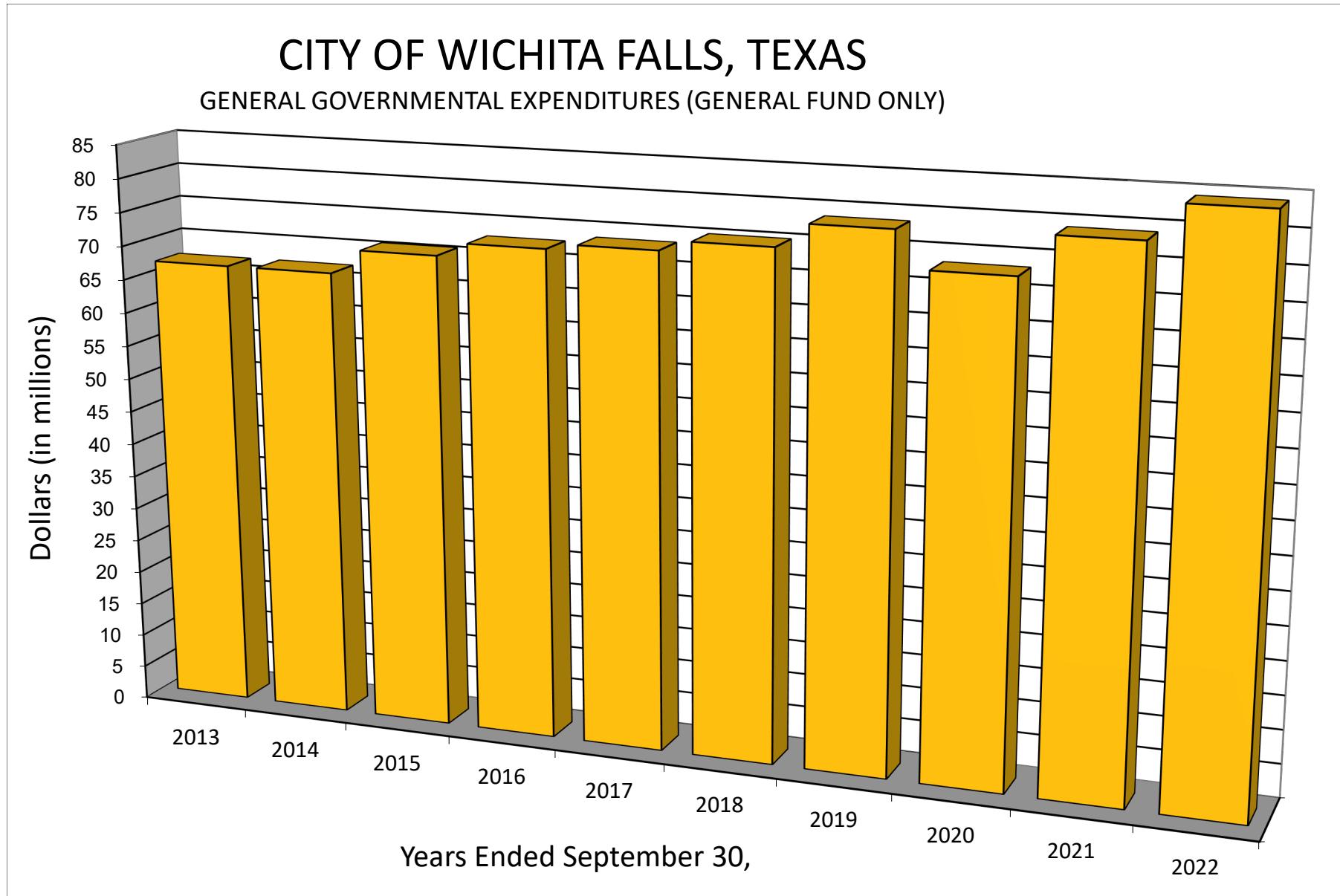
(UNAUDITED)

CITY OF WICHITA FALLS, TEXAS

GENERAL GOVERNMENTAL REVENUES (GENERAL FUND ONLY)



(UNAUDITED)



(UNAUDITED)