

POPULAR ANNUAL FINANCIAL REPORT

FOR FISCAL YEAR ENDED
SEPTEMBER 30, 2024



Contact

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www.wichitafallstx.gov

Table of Content

Welcome Message

1

City Leadership

3

About Wichita Falls

4

FY24 Accomplishments

5

Financial Overview

7

Revenue and Expenses

8

General Fund

9

Capital Assets and Debt

10

FY25 Adopted Budget

11

WELCOME MESSAGE



We are pleased to present the City of Wichita Falls' Popular Annual Financial Report for the fiscal year ended September 30, 2024. This report provides a summary of the City's financial activities and complements other financial documents, such as the Annual Comprehensive Financial Report and Annual Operating Budget, available on the City's Financial Transparency webpage.

The Government Finance Officers Association (GFOA) awarded the City an Award for Outstanding Achievement in Popular Annual Financial Reporting for the fiscal year ended September 30, 2023. We believe this year's report continues to meet these high standards and have submitted it for consideration again.

This report is based on information from the Annual Comprehensive Financial Report, which is audited annually by an external firm. It provides insights into the City's financial position and references information from the Operating Budget for the fiscal year ending September 30, 2024.

City Management is proud to present this report and hopes it provides clear and transparent information for our community. For more details, please visit www.wichitafallstx.gov.



The Popular Annual Financial Report (PAFR) is designed to summarize and simplify the financial information from the Annual Comprehensive Financial Report (ACFR), providing citizens with a user-friendly overview of the City's overall financial condition. While the PAFR highlights key financial data, readers are encouraged to visit the City's website [HERE](#) to obtain a full copy of the ACFR, which includes the complete Government-wide Statement of Net Position and Government-wide Statement of Activities. These statements, along with the Notes to the Basic Financial Statements, offer a comprehensive view of the City's financial health and detail how the City accounts for all funds. The ACFR was prepared in accordance with Generally Accepted Accounting Principles (GAAP) and audited by an independent certified public accountant

FINANCIAL REPORTING

The City of Wichita Falls is dedicated to increasing fiscal transparency. The City participates in the Texas State Comptrollers Transparency Star program, which recognizes government entities for going above and beyond in their transparency efforts.



Texas Comptroller
TRADITIONAL FINANCES



Texas Comptroller
PUBLIC PENSIONS



Texas Comptroller
DEBT OBLIGATIONS

2023 Triple Crown



Government Finance Officers Association

Award for
Outstanding
Achievement in
Popular Annual
Financial Reporting

Presented to
**City of Wichita Falls
Texas**

For its Annual Financial Report
For the Fiscal Year Ended

September 30, 2023

Christopher P. Morill
Executive Director/CEO

For additional details, visit the City's website at www.wichitafallstx.gov.

WICHITA FALLS CITY COUNCIL

AS OF MARCH 31, 2025



TIM SHORT

MAYOR



AUSTIN COBB

AT LARGE



WHITNEY FLACK

DISTRICT 1



ROBERT BROOKS

DISTRICT 2



JEFF BROWNING

DISTRICT 3



MIKE BATTAGLINO

DISTRICT 4



TOM TAYLOR

DISTRICT 5

The City of Wichita falls operates under a Council-Manager form of Government. This system combines the strong political leadership of elected officials in the form of a City Council, with the strong managerial experience of an appointed City Manager. The City of Wichita Falls has a Mayor and a six-member Council who are elected into 3 year terms in non-partisan elections.

WICHITA FALLS AT A GLANCE



The City of Wichita Falls, home to Sheppard Air Force Base, is located in north-central Texas and encompasses 70.1 square miles. Incorporated in 1889, Wichita Falls serves as a regional economic hub for North Texas and South-Central Oklahoma. It is approximately 130 miles northwest of the Dallas/Fort Worth Metroplex, 15 miles from the Red River marking the Texas/Oklahoma border, and 125 miles south of Oklahoma City. The city 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. Situated in the crosstimbers area of the gently rolling north-central plains and crossed by the Wichita River, Wichita Falls is the county seat of Wichita County and a major population center in North Texas. According to the 2023 U.S. Census Bureau estimate, the population of Wichita Falls is 102,691.



Incorporated in
1889



Population
102,691



Median List Price
\$164K

Unemployment Rate
3.5%



Avg. Household Income
\$58K

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.

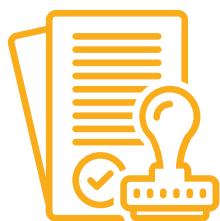


HOME TO:

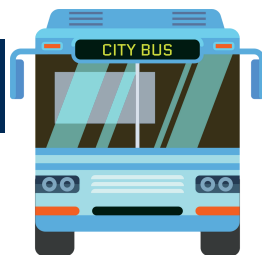
- ★ Museum of North TX History
- ★ Sheppard Air Force Base
- ★ Hotter N' Hell Hundred
- ★ Euro-NATO Joint Jet Pilot Training
- ★ World's Littlest Skyscraper
- ★ Midwestern State University

FY 2024 ACCOMPLISHMENTS

The fiscal year 2024 budget provided an opportunity for the City Council to lower the City's property tax rate as the local economy continued to experience above average property appreciation. The budget continued current service levels despite continued inflation. The budget reduced the property tax rate by 1.4 cents or 2.1% from 0.6943 to 0.6800. The budget increased employee wages by 6.5% for civil service and 6% for non-civil service and increased the City's contribution to the Firefighter's Pension Fund. The budget also invested over \$30 million for infrastructure replacement and capital improvement projects. The budget also set aside \$10 million in excess General Fund Reserves for future capital projects.



Emergency Responses:
14,329



Refuse Collected (tons):
184,667



Building Permits Issued:
6,241

Building Inspections Conducted:
13,692

Transit Route Miles:
514,996
Total Passengers:
293,701

New Water Connections:
122

Average Daily Consumption:
16,548 thousands of gallons



CITY FUNDS & FUND TYPES

Funds Appropriated in the Annual Operating Budget		
Fund	Fund Class	Fund Type
General Fund	Governmental	General Fund
Debt Service Fund	Governmental	Debt Service
Community Development Block Grant	Governmental	Special Revenue
Section 8 Housing Fund	Governmental	Special Revenue
Home Investment Partnership Agreement	Governmental	Special Revenue
MPEC/Hotel/Motel Tax	Governmental	Special Revenue
Hotel/Motel Venue Tax	Governmental	Special Revenue
Airport Improvement Grant	Governmental	Special Revenue
Golf Fund	Governmental	Special Revenue
Miscellaneous Special Revenue	Governmental	Special Revenue
Water & Sewer Fund	Proprietary	Enterprise
Water & Sewer Capital Fund	Proprietary	Capital
Microfiltration and Reverse Osmosis	Proprietary	Capital
Lake Ringgold Fund	Proprietary	Capital
Sanitation Fund	Proprietary	Enterprise
Regional Airport Fund	Proprietary	Enterprise
Kickapoo Airport Fund	Proprietary	Enterprise
Transit Fund	Proprietary	Enterprise
Storm Water Fund	Proprietary	Enterprise
Waterpark Fund	Proprietary	Enterprise
Fleet Fund	Proprietary	Internal Service
Information Technology Fund	Proprietary	Internal Service
Duplicating Services Fund	Proprietary	Internal Service

GOVERNMENTAL FUNDS

Governmental Funds are primarily used to manage most of the City's activities. Financial statements for these funds follow the modified accrual basis of accounting, which tracks cash and easily convertible financial assets. These funds prioritize short-term inflows and outflows of resources, as well as available resources for future spending at the end of the fiscal year. The Net Position represents the fund balance in governmental funds. The General Fund serves as the main operating fund, accounting for all general tax revenues and unallocated receipts. It covers general operating expenses, fixed charges, and certain capital improvement costs not covered by other funds. Special Revenue Funds manage revenue from specific sources earmarked for purposes other than debt service or capital projects.

PROPRIETARY FUNDS

When the City charges customers for its services, whether to external customers or other units within the City, these activities are typically recorded in proprietary funds. The City of Wichita Falls manages two types of proprietary funds: enterprise funds and internal service funds. Proprietary funds are accounted for using the economic resources measurement focus and the accrual basis of accounting in the City's financial statements. The fund balance in a proprietary fund is termed 'working capital' in accounting, representing the difference between current assets and liabilities. This is because proprietary funds account for long-term commitments not covered in governmental funds.

Enterprise funds are used to manage various City operations, including water and sewer services, sanitation collection, airports, transit, stormwater management, event centers, golf courses, and water parks. Internal service funds are utilized to report activities providing supplies and services to other City programs, such as fleet maintenance, printing, information technology, and employee benefits. As these services benefit both governmental and business-type functions, they are allocated between governmental and business-type activities in the government-wide financial statements. Enterprise funds adhere to the accrual basis of accounting and the economic resources measurement focus.

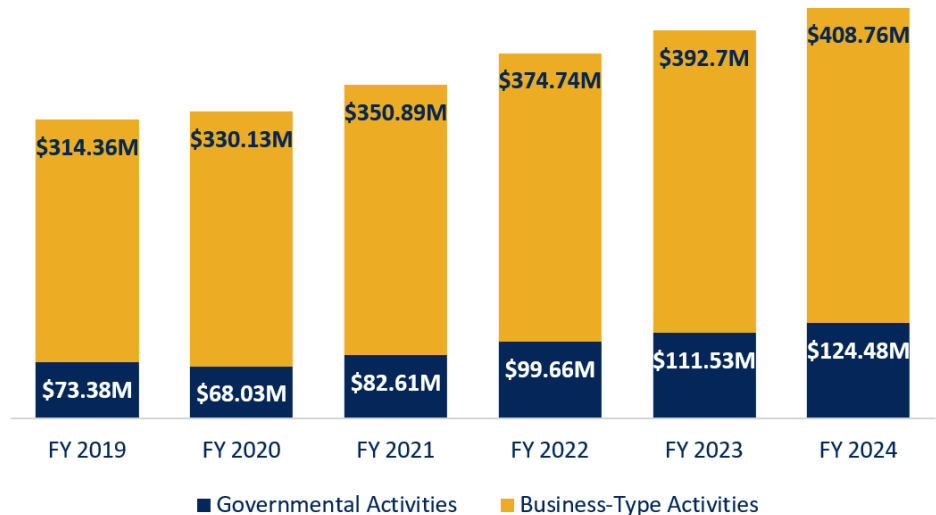


FINANCIAL OVERVIEW

The City of Wichita Falls continues to maintain a strong financial position, with a net position of \$533.25 million as of September 30, 2024, reflecting an increase of \$29.02 million from the prior year. This growth is highlighted in the net position chart, which shows increased assets and reduced liabilities across both governmental and business-type activities. The statement of net position is like a financial snapshot of the city, showing what it owns (assets) and what it owes (liabilities). The difference between these gives the city's net position, which reflects its overall financial health, and changes in this number over time indicate whether the city's finances are improving or declining.

	Net Position (in thousands)					
	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current and Other Assets	\$ 100,697	\$ 99,721	\$ 100,718	\$ 98,598	\$ 201,415	\$ 198,320
Capital Assets	204,985	200,240	412,285	402,067	617,270	602,307
Total Assets	305,683	299,961	513,003	500,666	818,686	800,627
Deferred Outflows of Resources	31,791	48,100	6,899	10,495	38,690	58,596
Long Term Liabilities	167,224	186,626	103,877	112,491	271,101	299,117
Other Liabilities	26,377	31,103	5,793	6,951	32,169	38,054
Total Liabilities	193,601	217,729	109,669	119,442	303,270	337,171
Deferred Inflows of Resources	19,390	18,802	1,470	144	20,860	18,945
Net Position:						
Net Investment in Capital Assets	178,715	170,464	336,375	323,220	515,090	493,684
Restricted	14,111	11,202	12,818	12,395	26,929	23,597
Unrestricted	(68,344)	(70,135)	59,570	57,082	(8,774)	(13,053)
Total Net Position	\$ 124,482	\$ 111,530	\$ 408,763	\$ 392,697	\$ 533,245	\$ 504,227

As of September 30, 2024, 23.3% of the City's net position comes from governmental activities, while 76.7% comes from business-type activities. The following chart illustrates the City's improving financial health year over year.





Revenue by Source

	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>
Property Taxes	\$ 45,229,447	\$ 46,719,098	\$ 50,166,104
Sales Taxes	31,099,772	30,988,808	30,656,869
Other Taxes	8,915,246	9,244,233	8,919,407
Investment earnings	915,689	6,948,111	8,150,180
Miscellaneous	568,103	971,682	842,386
Charges for Services	87,601,878	89,019,659	92,135,865
Grants and Contributions	26,281,010	30,840,641	25,892,386
Total Revenues	\$ 200,611,145	\$ 214,732,232	\$ 216,763,197

The revenue table shows that total revenues for the City of Wichita Falls increased from \$200.61 million in FY 2022 to \$216.76 million in FY 2024, driven mainly by higher property taxes and charges for services. Investment earnings also saw significant growth, rising from \$915K in FY 2022 to \$8.15 million in FY 2024. However, sales taxes declined slightly, and grants and contributions decreased by about \$5 million from FY 2023 to FY 2024.

Expenses by Function

The expenditure chart shows that total primary government expenses increased from \$159.25 million in FY 2022 to \$187.29 million in FY 2024, with the largest costs coming from public safety, water and sewer, and sanitation. Notable increases include public works, which grew by \$1.3 million from FY 2023 to FY 2024, and parks and recreation, which increased by \$861K over the same period.

	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>
Primary Government			
<u>Governmental Activities:</u>			
General Government	\$ 17,423,657	\$ 20,275,875	\$ 21,372,974
Public Safety	48,053,820	56,240,160	56,686,325
Parks and Recreation	5,810,019	6,554,341	7,415,430
Community Development	7,498,256	10,261,349	8,402,052
Public Works	8,620,682	9,329,189	10,628,459
Health	7,065,470	7,585,313	7,550,956
Traffic and Transportation	3,076,440	3,265,753	4,195,482
Multi-Purpose Events Center	5,134,193	6,049,052	5,177,255
Interest and Fees on Long-Term Debt	1,455,563	1,306,918	1,214,911
<u>Business-Type Activities:</u>			
Regional Airport	2,929,361	3,041,535	3,055,752
Kickapoo Airport	1,642,866	1,549,000	1,581,879
Transit	3,123,714	3,377,663	3,431,762
Sanitation	10,857,203	11,688,957	13,787,413
Water and Sewer	33,728,464	39,661,150	39,813,704
Stormwater Drainage	1,147,940	1,118,252	1,037,049
Waterpark	1,681,431	1,880,642	1,938,552
Total Primary Government	\$ 159,249,079	\$ 183,185,149	\$ 187,289,955

GENERAL FUND

The General Fund is the City's primary operating fund, accounting for resources that have no specific restrictions. These resources may be used for general city operations. Each year, the City reports the status of the General Fund in a separate statement in the Annual Comprehensive Financial Report. This statement is listed on the next page. The statement shows the reader the Fund's revenues, current expenditures, excesses of revenues and expenditures, other financing sources and total ending fund balance. Fund balances listed on this statement do not necessarily exclude uses of fund balance committed for future years by the City's Council. Additional information about the City's Fund Balance Policies and uses are available in the City's Annual Operating Budget, available at www.wichitafallstx.gov.

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
General Revenues:			
Taxes	85,852,149	84,573,463	(1,278,686)
Charges for Services	3,215,258	3,248,734	33,476
Licenses and Permits	2,071,200	1,861,123	(210,077)
Fines and forfeitures	2,940,400	3,284,620	344,220
Contributions	232,500	295,378	62,878
Miscellaneous	3,746,686	5,767,967	2,021,281
Total Revenue	98,058,193	99,031,285	973,092
Expenses:			
Administrative Services	17,096,826	16,310,983	785,843
Police	32,682,147	31,376,078	1,306,069
Fire	21,565,568	21,460,539	105,029
Parks and Recreation	7,902,719	7,170,632	732,087
Accounting/Finance	1,306,794	1,165,466	141,328
Community Development	2,832,696	2,602,408	230,288
Public Works	6,567,417	6,420,334	147,083
Health	4,376,452	4,237,708	138,744
Traffic and Transportation	2,227,701	2,043,032	184,669
Capital outlay	10,650,378	5,078,296	5,572,082
Total Expenses	107,208,698	97,865,476	9,343,222
Excess of revenues over (under) expenditures	(9,150,505)	1,165,809	10,316,314
Other Financing Sources (uses):			
Transfers in	5,380,216	3,288,409	(2,091,807)
Transfers out	(972,726)	(2,264,583)	(1,291,857)
	\$ 4,407,490	\$ 1,023,826	\$ (3,383,664)
Excess of revenues and other sources over (under) expenditures and other uses	(4,743,015)	2,189,635	6,932,650
Fund Balance - Beginning	48,665,119	48,665,119	-
Fund Balance - Ending	43,922,104	50,854,754	6,932,650



FUND BALANCE GOAL

Maintain at least 20% of annual operating expenditures in unassigned funds.

CAPITAL ASSETS

Capital Assets, Net of Accumulated Depreciation (in thousands)

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 11,903	\$ 11,541	\$ 11,072	\$ 11,072	\$ 22,976	\$ 22,613
Land Betterments	19,172	18,063	31,849	33,123	51,020	51,185
Buildings, Systems & Improvements	45,352	43,665	319,687	323,173	365,039	366,837
Infrastructure	112,582	111,968	1,230	1,247	113,811	113,215
Machinery and Equipment	9,244	7,880	2,712	1,979	11,957	9,859
Subscription assets	558	471	-	-	558	471
Motor Vehicles	-	-	32,716	22,566	32,716	22,566
Right-to-use leased assets	-	-	2,112	2,175	2,112	2,175
Construction in Progress	6,175	6,654	10,906	6,732	17,081	13,386
Totals	\$ 204,985	\$ 200,240	\$ 412,285	\$ 402,067	\$ 617,270	\$ 602,307



The City's investment in capital assets for its governmental and business-type activities as of September 30, 2024 was \$617,270,432 (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, infrastructure, and construction in progress.

DEBT

Outstanding Debt at Year-End (in thousands)

	Governmental		Business-type		Total	
	2024	2023	2024	2023	2024	2023
General Obligation Bonds	\$ 21,238	\$ 24,050	\$ 5,102	\$ 5,455	\$ 26,340	\$ 29,505
Combination Tax & Revenue Bonds	10,485	11,485	26,220	27,840	36,705	39,325
Venue Tax Revenue Bonds	2,480	2,535	-	-	2,480	2,535
Utility System Revenue Bonds	-	-	21,415	30,250	21,415	30,250
Premiums on Bonds	961	1,221	1,031	1,894	1,992	3,115
Notes Payable	2,251	2,817	21,295	12,935	23,546	15,752
Subscription Liabilities	563	460	-	-	563	460
Right-To-Use Leases	-	-	2,819	2,849	2,819	2,849
	<u>\$ 37,978</u>	<u>\$ 42,567</u>	<u>\$ 77,882</u>	<u>\$ 81,223</u>	<u>\$ 115,860</u>	<u>\$ 123,791</u>

As of September 30, 2024, the City had total bonded debt, notes, and capital leases outstanding of \$115,297,294. During the fiscal year, the City's total debt decreased by \$8,033,017. 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.

FY 2025

ADOPTED BUDGET

The City's Operating Budget for the fiscal year ended September 30, 2025 (FY 2025) was adopted by the City Council on September 3, 2024. The revenue and expenditures across all funds were budgeted at \$242,024,764 which was an increase of \$9,072,408 or 3.89% from the previous year's budget. This increase was primarily due to increased compensation for personnel and increased capital expenditures.

	FY 23	FY 24	FY 25		
Revenue Source	Actual	Adopted Budget	Adopted Budget	Difference	% Diff.
Property Taxes	44,719,973	48,739,569	52,125,970	3,386,401	6.95%
Sales Tax	30,995,258	31,725,000	30,903,921	(821,079)	-2.59%
Franchise Fees	5,912,238	5,527,634	5,979,706	452,072	8.18%
Payments in Lieu of Taxes	1,573,379	1,573,446	1,576,000	2,554	0.16%
Other Tax Revenue	3,631,028	3,341,500	3,515,482	173,982	5.21%
Service Charges	92,041,730	97,026,937	100,055,181	3,028,244	3.12%
Licenses & Permits	1,994,008	2,049,700	2,114,105	64,405	3.14%
Fines & Forfeitures	3,008,785	2,940,400	3,178,200	237,800	8.09%
Intergovernment Rev.	13,646,995	12,378,000	13,532,690	1,154,690	9.33%
Contributions	5,363,752	1,981,356	2,154,852	173,496	8.76%
Interest Income	5,487,659	5,433,200	5,436,000	2,800	0.05%
Misc. Revenues	9,221,699	5,930,401	7,051,119	1,120,718	18.90%
Operating Revenues	217,596,504	218,647,143	227,623,226	8,976,083	4.11%
Transfer In	18,583,998	7,942,567	5,443,345	(2,499,222)	-31.47%
Oth. Fin. Sources	-	6,362,646	8,958,193	2,595,547	40.79%
Consolidated Revenues	236,180,502	232,952,356	242,024,764	9,072,408	3.89%

Two main sources of general revenue in the City's budget are Property Taxes and Sales Taxes which provide funding for many City services including Police, Fire, and Health. Property Tax revenue FY 2025 is a 6.95% increase in anticipated revenues due to increased property market values, new property added to the tax base, and an increased tax rate. The City increased the property tax rate by 0.71% from .680000 to .684800. The Water & Sewer, Sanitation, and Stormwater funds receive the majority of their revenues from service charges on each utility bill. The FY 2025 budget included a 2.5% increase in retail water, sewer, and sanitation rates to support the increased cost of infrastructure and maintain market competitive salaries.

	FY 23	FY 24	FY 25		
Expenditures	Actual	Adopted Budget	Adopted Budget	Difference	% Diff.
Personnel Services	95,645,696	104,741,917	110,598,663	5,856,746	5.59%
Supplies	14,717,586	15,838,944	16,133,920	294,976	1.86%
Maintenance & Repair	10,296,703	10,378,043	10,534,680	156,637	1.51%
Utilities/Other Serv	28,776,487	28,573,613	28,702,379	128,766	0.45%
Insur & Contr Supp.	27,957,999	3,395,056	3,513,449	118,393	3.49%
Debt Expenditures	7,312,177	20,030,328	19,995,351	(34,977)	-0.17%
Other Expenditures	12,580,787	14,494,516	15,376,576	882,060	6.09%
Non Cap Improvements	78,152	414,634	391,950	(22,684)	-5.47%
Capital Improvements	28,722,984	30,041,703	31,410,348	1,368,645	4.56%
Transfers Out	7,342,291	5,043,602	5,367,447	323,845	6.42%
Total Expenditures	233,430,862	232,952,356	242,024,764	9,072,408	3.89%

Personnel expenses make up the largest category of spending at 46% of total expenditures. Utilities and Other Services like professional fees and fleet maintenance costs are 11.9% of the total budget.



GET IN TOUCH



940-761-7462



www.wichitafallstx.gov



1300 7th Street. Wichita Falls,
TX 76301

This report was prepared and presented by the City of Wichita Falls Finance Department.

Copies of the City's Annual Operating Budget and Annual Comprehensive Financial Report may be found on the City's website at www.wichitafallstx.gov.

