



City of Wichita Falls, Texas
Comprehensive Annual Financial Report
for the fiscal year ended September 30, 2020



CITY OF WICHITA FALLS, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2020

ISSUED BY:
DEPARTMENT OF FINANCE

CITY OF WICHITA FALLS, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2020

TABLE OF CONTENTS

| | <u>Exhibit</u> | <u>Page</u> |
|---|----------------|-------------|
| <u>INTRODUCTORY SECTION</u> | | |
| Letter of Transmittal..... | | i-xi |
| GFOA Certificate of Achievement..... | | xii |
| Organizational Chart | | xiii |
| City Council & List of Principal Officials..... | | xiv-xv |
| <u>FINANCIAL SECTION</u> | | |
| Independent Auditor's Report..... | | 1-2 |
| Management's Discussion and Analysis (Required Supplementary Information)..... | | 3-14 |
| BASIC FINANCIAL STATEMENTS: | | |
| Statement of Net Position.....A-1 | | 15 |
| Statement of Activities.....A-2 | | 16 |
| Balance Sheet - Governmental FundsA-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 FundsA-5 | | 19 |
| Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of the Governmental Funds to the Statement of ActivitiesA-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 Assets and Liabilities.....A-10 | | 27 |
| Notes to the Financial Statements..... | | 28-67 |
| REQUIRED SUPPLEMENTARY INFORMATION: | | |
| Budgetary Comparison Schedule - General FundB-1 | | 68 |
| Schedule of Changes in Net Pension Liability and Related Ratios – Texas Municipal Retirement SystemB-2 | | 69 |
| Schedule of Contributions – Texas Municipal Retirement SystemB-3 | | 70 |
| Schedule of Changes in Net Pension Liability and Related Ratios – Wichita Falls Firemen's Relief and Retirement FundB-4 | | 71 |
| Schedule of Contributions – Wichita Falls Firemen's Relief and Retirement FundB-5 | | 72-73 |
| Schedule of Changes in Net OPEB Liability and Related Ratios – City of Wichita Falls Retiree Health Care Plan.....B-6 | | 74 |
| Schedule of Contributions – City of Wichita Falls Retiree Health Care Plan.....B-7 | | 75 |
| Notes to the Required Supplementary Information | | 76-77 |

CITY OF WICHITA FALLS, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2020

TABLE OF CONTENTS (CONT'D.)

| | <u>Exhibit</u> | <u>Page</u> |
|--|----------------|-------------|
| COMBINING FINANCIAL STATEMENTS: | | |
| Nonmajor Governmental Funds: | | |
| Combining Balance Sheet | C-1 | 78 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances | C-2 | 79 |
| Budgetary Comparison Schedule – Community Development Block Grant Fund | C-3 | 80 |
| Budgetary Comparison Schedule – Section 8 Housing Fund | C-4 | 81 |
| Budgetary Comparison Schedule – Home Investment Partnership Agreement Fund | C-5 | 82 |
| Budgetary Comparison Schedule – Hotel/Motel Tax Fund | C-6 | 83 |
| Budgetary Comparison Schedule – Golf Fund | C-7 | 84 |
| Budgetary Comparison Schedule – MPEC Fund | C-8 | 85 |
| Budgetary Comparison Schedule – Debt Service Fund | C-9 | 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 |
| Agency Fund: | | |
| Statement of Changes in Assets and Liabilities | F-1 | 94 |
| Component Units: | | |
| Combining Statement of Net Position | G-1 | 95 |
| Combining Statement of Activities | G-2 | 96 |
| SUPPORTING SCHEDULES: | | |
| Combined Schedule of Bonded Debt and Interest Maturities | H-1 | 97 |
| Combined Schedule of Bonds Payable | H-2 | 98-102 |
| Debt Service Coverage – Revenue Bonds | H-3 | 103 |
| Capital Assets Used in the Operation of Governmental Funds - | | |
| Schedule By Function and Activity | H-4 | 104 |
| Capital Assets Used in the Operation of Governmental Funds - | | |
| Schedule of Changes By Function and Activity | H-5 | 105 |
| Regional Airport Fund – Capital Assets and Accumulated Depreciation | H-6 | 106 |
| Kickapoo Airport Fund – Capital Assets and Accumulated Depreciation | H-7 | 107 |
| Transit Fund – Capital Assets and Accumulated Depreciation | H-8 | 108 |
| Stormwater Drainage Fund - Capital Assets and Accumulated Depreciation | H-9 | 109 |
| Sanitation Fund – Capital Assets and Accumulated Depreciation | H-10 | 110 |

CITY OF WICHITA FALLS, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2020

TABLE OF CONTENTS (CONT'D.)

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

STATISTICAL SECTION (UNAUDITED)

| | | |
|---|------|---------|
| Net Position By Component – Last Ten Fiscal Years..... | I-1 | 117 |
| Changes in Net Position – Last Ten Fiscal Years | I-2 | 118-119 |
| Fund Balances, Governmental Funds – Last Ten Fiscal Years | I-3 | 120 |
| Changes in Fund Balances, Governmental Funds – Last Ten Fiscal Years | I-4 | 121 |
| Tax Revenues By Source, Governmental Funds – Last Ten Fiscal Years | I-5 | 122 |
| Assessed and Estimated Actual Value of Taxable Property – Last Ten Fiscal Years | I-6 | 123 |
| Direct and Overlapping Property Tax Rates – Last Ten Fiscal Years..... | I-7 | 124 |
| Principal Property Taxpayers – Current Year and Nine Years Ago | I-8 | 125 |
| Property Tax Levies and Collections – Last Ten Fiscal Years | I-9 | 126 |
| Ratios of Outstanding Debt by Type – Last Ten Fiscal Years | I-10 | 127 |
| Ratios of General Bonded Debt Outstanding – Last Ten Fiscal Years..... | I-11 | 128 |
| Direct and Overlapping Governmental Activities Debt | I-12 | 129 |
| Computation of Legal Debt Margin – Last Ten Fiscal Years | I-13 | 130 |
| Pledged Revenue Coverage – Water and Sewer Revenue Bonds – Last Ten Fiscal Years | I-14 | 131 |
| Demographic Statistics – Last Ten Fiscal Years | I-15 | 132 |
| Principal Employers – Current Year and Ten Years Ago | I-16 | 133 |
| Full-Time Equivalent City Government Employees by Function/Program – Last Ten Fiscal Years | I-17 | 134 |
| Operating Indicators by Function/Program – Last Ten Fiscal Years | I-18 | 135 |
| Capital Asset Statistics by Function/Program – Last Ten Fiscal Years | I-19 | 136 |
| Graphics: | | |
| Cash and Investments..... | J-1 | 137 |
| Total Bonds Payable | J-2 | 138 |
| General Obligation Bonds Payable | J-3 | 139 |
| Revenue Bonds Payable..... | J-4 | 140 |
| General Fund Equity | J-5 | 141 |
| Comparison of Tax Levy and Collections | J-6 | 142 |
| Revenues by Source – FYE 9/30/20 | J-7 | 143 |
| Expenditures by Function – FYE 9/30/20..... | J-8 | 144 |
| General Governmental Revenues (General Fund Only)..... | J-9 | 145 |
| General Governmental Expenditures (General Fund Only) | J-10 | 146 |

INTRODUCTORY SECTION



FINANCE DEPARTMENT

March 18, 2021

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

We are pleased to submit the Comprehensive Annual Financial Report of the City of Wichita Falls, Texas for the fiscal year ended September 30, 2020, together with the opinion of our independent certified public accountants, Edgin, Parkman, Fleming & Fleming, PC, whose report is included. The Finance Department prepared this report to present the financial position of the City. The financial statements and supporting schedules have been prepared in accordance with generally accepted accounting principles and meet the requirements of the State of Texas and the City Charter.

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

Edgin, Parkman, Fleming & Fleming, PC, issued an unmodified opinion on the City's financial statements for the year ended September 30, 2020. 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 2020 population of Wichita Falls is approximately 104,568.

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

Letter of Transmittal

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.



(Downtown Wichita Falls, TX)

ECONOMIC CONDITION AND ACTIVITY

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

The Total Gross Domestic Product of the Wichita Falls, TX MSA expanded to a record-breaking total of \$6,711,314,000, following a record low of \$4,152,988,000 in January of 2001. In total, the GDP of the Wichita Falls, TX MSA increased by 3.4% in 2019. The largest portion of the MSA production includes Health and Social Services and Manufacturing.^{1,2,3}

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 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 program, which produces over

¹ U.S. Bureau of Economic Analysis, Total Gross Domestic Product for Wichita Falls, TX (MSA) [NGMP48660], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/NGMP48660>, March 2, 2021.

² Trading Economics, www.tradingeconomics.com, accessed 3/3/2021

³ United States Bureau of Economic Analysis, www.bea.gov, accessed 3/3/2021.

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.

Letter of Transmittal

160 pilots per year and flies approximately 250 training sorties per day. Sheppard Air Force Base employs approximately 22,323 total individuals.⁴ The City has several institutions of higher learning, a strong international presence through Sheppard Air Force Base, an eager workforce, with a community spirit geared toward family, friends, and a desire to see that this thriving city continues to grow and prosper.

The City's major University is Midwestern State University (MSU). Established in 1922, MSU is a public university that currently enrolls 5,860 students. It is the state's only public institution focused on the liberal arts. MSU offers 49 undergraduate programs and 27 graduate programs. The University has a student to faculty ratio of 18:1.⁵

The City is also home to a branch of Vernon College, a fully accredited community college. Vernon College enrolled 988 students in 2019 with an average student to faculty ratio of 18:1. The College serves a 12 county area, which includes Archer, Baylor, Clay, Cottle, Foard, Hardeman, Haskell, King, Knox, Throckmorton, Wichita, and Wilbarger.⁶

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 1998, voters in Wichita Falls approved a ½-cent economic development sales tax. The passage of the sales tax for economic development created two separate corporations, the Wichita Falls Economic Development Corporation (WFEDC), previously referred to as a 4A Corporation, and the 4B Sales Tax Corporation. The WFEDC was created to fund industrial development projects, manufacturing, research, and development. These funds may be used to fund military base realignment, job training classes, and public transportation. The 4B Corporation may fund all projects the 4A Corporation may fund, in addition to parks, museums, sports facilities, conference facilities, and affordable housing opportunities. Sales tax collected in accordance with the voter-approved ½-cent economic development sales tax totaled \$8,401,964 and is divided evenly between the two separate sales and economic development corporations for a total of \$4,200,982 each. These corporations are discretely presented component units of the City. A further discussion of component units may be found in the Notes to the Basic Financial Statements, beginning on page 28 of this document.

Revenue for operations comes from many sources, the largest of which are property and sales taxes. The City's property tax rate during the 2019-20 fiscal year was 0.763323 cents per \$100 of assessed value. This property tax rate generated approximately \$41.3 million in revenues, of this amount \$37.2 million was received into the City's General Fund for general City operation. This represents a collection rate of 99.5% of budget. The City receives 2.0% of the sales tax collected within City limits. During the 2019-20 fiscal year, the City collected \$25.2 million in sales taxes for general operations. Sales tax collections during the Pandemic remained flat. The City ended the year with sales tax collections approximately 1% higher than the prior year. This is due to the passage of legislation and rule making by the Texas Comptroller that now allows the City to collect sales tax on on-line purchases. These collections do not include the sales tax, which is collected, and directed, to the

⁴ Texas Military Preparedness Commission Biannual Report 2017-18, military and civilian personnel

⁵ Midwestern State University, Quick Facts, <https://msutexas.edu/about/quick-facts/index.php> accessed 03.09.21

⁶ Vernon College, <https://www.vernoncollege.edu/Resources/About%20VC/2019-2020%20Profile%20Edited.pdf>, accessed 03.09.21

Letter of Transmittal

City's discretely presented component units as those funds are voter-approved for a specific and dedicated purpose outside of general city use.

CITY SERVICES AND ORGANIZATION OF THE GOVERNMENT

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

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

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

FINANCIAL INFORMATION & FINANCIAL POLICY

A further discussion of the City's Financial Policies may be found in the Notes to the Basic Financial Statements included in this document beginning on page 28. The City's 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.

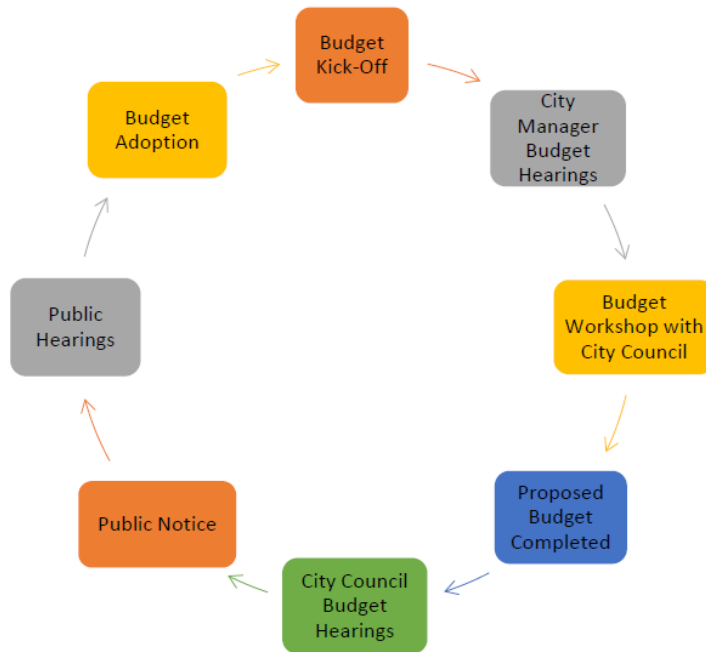
In developing and evaluating the City's accounting system, the City Manager considers the adequacy of internal control as deemed appropriate. Internal control is designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or 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.

Letter of Transmittal

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) and fund level by the Finance Department through the use of an integrated enterprise resource planning solution. In instances when budgetary transfers are necessary, management control of the operating budget is maintained at the fund and department level. The City Manager must approve transfers within a department of the same fund. Transfers across unlike Departments (outside of class) or funds must be approved by the City Council. A summary look at the City's budget process is presented in the graphic 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, 2020, and related appropriations are carried forward to the new fiscal year through a supplemental budgetary allocation.

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

The City also maintains an informal policy to limit tax-supported debt to no more than 5% of total assessed property value or \$1,500 per capita. As of September 30, 2020, the City's tax-supported debt, funded with ad valorem taxes, was approximately \$51.5 million, which is 0.98% of the taxable value of property.

Letter of Transmittal

GENERAL GOVERNMENTAL FUNCTIONS

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

From 2011-12 to 2020-21, the property tax rate average annual increase was approximately 2.02%. In between FY 2011-12 and 2012-13, the rate increased by \$0.01 to address needs at the airport, right-of-way mowing, and staffing in Code Enforcement. Between the FY 2014-15 and FY 2015-16, the rate increased \$0.02. This increase addressed pay plans that had fallen below both public and private market indicators. In the fiscal year 2015-16, the City Council authorized an increase of \$0.051 to address increases in the cost of personnel services. In FY 2018-19, the rate increased \$0.024 to fund a voter-approved street maintenance bond. In FY 2019-20, the rate increased \$0.033 to increase civil service pay plans and to move all City employees, excluding the Fire Department, to the same Texas Municipal Retirement System plan. The table below outlines these changes in a condensed format.

| Property Tax Rate | M&O | Debt | Total Rate | \$ Change | % Change | Average Annual % Change |
|-------------------|----------|----------|------------|-----------|----------|-------------------------|
| 2011-12 | 0.612598 | 0.012662 | 0.62526 | - | 0.00% | |
| 2012-13 | 0.622129 | 0.013131 | 0.63526 | 0.010 | 1.57% | |
| 2013-14 | 0.619313 | 0.015947 | 0.63526 | - | 0.00% | |
| 2014-15 | 0.639518 | 0.015742 | 0.65526 | 0.020 | 3.05% | |
| 2015-16 | 0.690235 | 0.015745 | 0.70598 | 0.051 | 7.18% | |
| 2016-17 | 0.690765 | 0.015215 | 0.70598 | - | 0.00% | |
| 2017-18 | 0.687815 | 0.018165 | 0.70598 | - | 0.00% | |
| 2018-19 | 0.687102 | 0.042778 | 0.72988 | 0.024 | 3.27% | |
| 2019-20 | 0.721571 | 0.041752 | 0.76332 | 0.033 | 4.38% | |
| 2020-21 | 0.722736 | 0.040587 | 0.76332 | - | 0.00% | 2.02% |

MAJOR INITIATIVES

PAST YEAR:

The 2019-20 fiscal year presented many challenges to the City due to the COVID-19 Pandemic. The onset of the Pandemic in the community coincided with the printing of the prior year's Comprehensive Annual Financial Report and the start of the prior year's budget process. During the fiscal year, the City worked tirelessly to address the Pandemic and the needs of the community. At the onset of the Pandemic, the City took immediate steps to cut costs and reduce spending. The City implemented a hiring and purchasing freeze, delayed many capital projects planned for the year and reserved fund balances, protecting liquidity and principle. The City created health programs and hired contact tracers, provided personal protective equipment, and collaborated with community leadersto fight the disease. Firefighters, police officers, and other City staff worked tirelessly to provide support for the community during the Pandemic. Cost-saving measures and the diligence of City leadership allowed the City to maintain its strong financial position through the prior year. The City continues to work diligently to contain the spread of the disease through continued contact tracing, vaccination clinics, personal protective equipment, and following CDC guidelines.

Letter of Transmittal

When Federal help became available, the city qualified for and requested reimbursement for over \$5 million in qualified reimbursable expenditures from funds made available to cities through the passage of the Coronavirus Aid, Relief and Economic Security Act. Finance staff closely tracked and monitored allowable expenses and requested reimbursement in alignment with guidance set forth by the Texas Department of Emergency Management. The City worked with community partners to provide direct support to those in need through Housing and Urban Development Funds totaling over \$750 thousand.

City leaders created the FY 2020-21 Operating Budget with the goal of maintaining the City's financial position, providing for City needs and prioritizing services and service delivery. The total City Operating Budget for the 2020-21 fiscal year is \$184,439,544, which is a decrease of \$9,650,769 from the 2019-20 Adopted Operating Budget of \$194,090,313. This decrease reflects reductions in over-all City spending and is reflective of completed capital projects that were included in the prior year. The COVID-19 Pandemic added an element of unpredictability to the forecasting process. The City worked with Sales Tax experts and Financial Advisors in the creation of the 2020-21 operating budget.

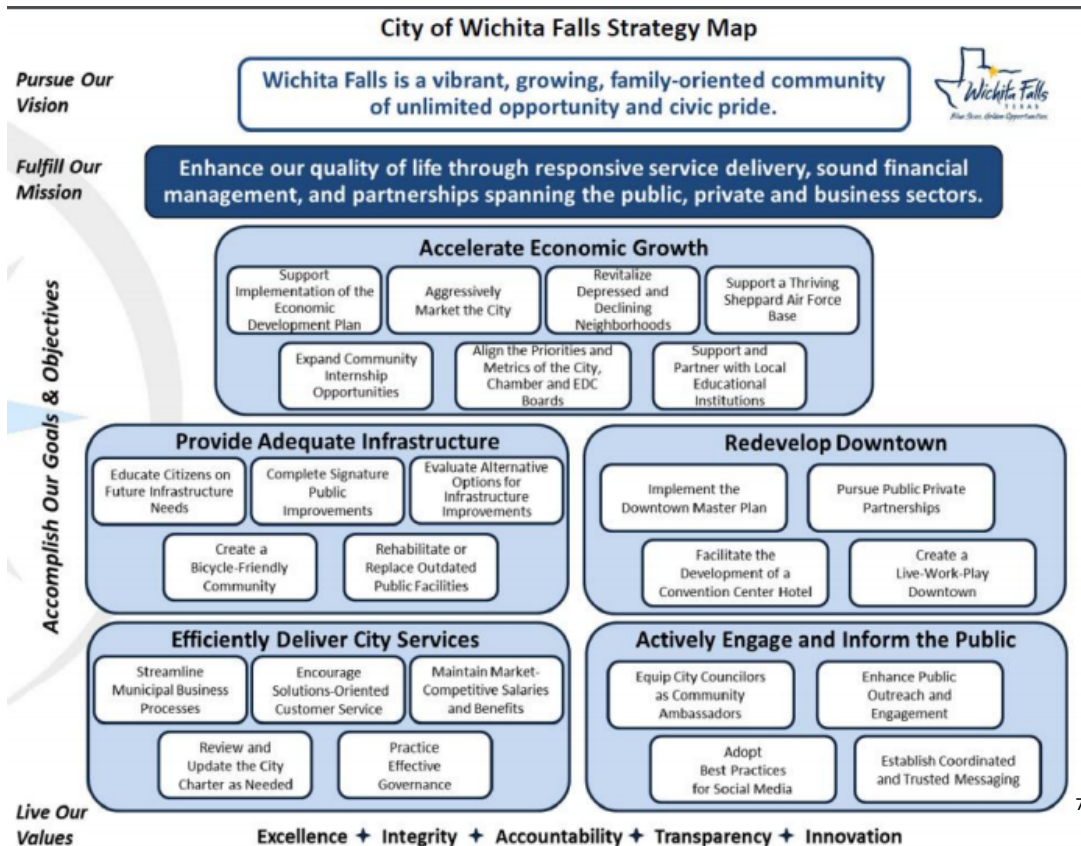


The City of Wichita Falls, Adopted Operating Budget is available online at www.wichitafallstx.gov, or by clicking on the above image.

Letter of Transmittal

Strategic Planning:

The City utilizes strategic planning to pursue its vision of Wichita Falls as a vibrant, growing, family-oriented community of unlimited opportunity and civic pride. In October 2017, the City Council addressed a strategic goal to “Redevelop Downtown” by hiring a professional services firm to evaluate the needs for revitalization of the area and to make recommendations for improvements. In January of 2019, the City Council updated the strategic plan and revised the strategy map. The five strategic goals identified are to Accelerate Economic Growth, Provide Adequate Infrastructure, Redevelop Downtown, Efficiently Deliver City Services, and Actively Engage and Inform the Public. Each of these goals have multiple objectives to assist city staff with the overall strategy to meet the vision, mission, and values of the City of Wichita Falls. In FY 2020-21, the City Council will meet again on March 30 and 31 to revisit the City’s strategic plan. At the printing of this document, the City has made no changes to its strategic plan since the 2019 update.



⁷ City of Wichita Falls, Strategy Map. Available at wichitafallstx.gov

Letter of Transmittal

During the 2019-20 fiscal year, the City's efforts toward these goals included the following:

Primary focus in the 2019-20 fiscal year was on fighting the COVID-19 Pandemic, however, the City was able to continue working toward its strategic goals already underway.

In support of the goal, Provide Adequate Infrastructure, the City issued \$17.3 million in voter-approved General Obligation Bonds in 2018, and work on this project, while slowed due to the Pandemic, continued in the 2019-20 fiscal year. This issue allows for the extension of Maplewood Avenue from Lawrence Road to McNeil Avenue (estimated at \$1.6 million), the widening of Taft Boulevard from FM 369 to FM 2380 (estimated at \$4.7 million), and routine capital street repairs throughout the city limits (estimated at \$11 million).

During the 2019-20 fiscal year, needed repairs were made to the Lake Kickapoo Dam. This project was funded with equity (fund balance) approved by the City Council and available above the fund balance policy in the Water and Sewer Fund. This project was well within budget and, due to savings, allowed the City to make emergency repairs to the Denver Water Tower, which became necessary during the year.

In support of the goal, Efficiently Deliver City Services, in the fiscal year 2017-18, the Information Technology Department, Finance Department, and Human Resources Department began implementation of new Finance and Human Resources software applications with technology that integrates with the Utility Billing and Collections and Municipal Court systems. The 2018-19 fiscal year was the first year this software was used for budget creation, and since that time, the City has expanded and further integrated functionality in the system. In the 2019-20 fiscal year, the City integrated all payroll functions into the new system and increased the usage of the system in the Human Resources Department. Implementation is complete; however, the City continues to implement smaller modules within the software to further streamline internal processes. These include grant management and project accounting, among others. The cost of the new systems was approximately \$840,000 for the Finance and HR applications. These funds were provided for in the Information Technology fund and were saved over time to allow the City to implement this software solution without impact on available general revenues in any one year.

In support of the goal, Actively Engage and Inform the Public, the City actively engaged to adopt best practices for social media, hiring a director of Marketing and Communications in the fiscal year 2019-20 to bring together the City's media message, website, and other improvements. This has been instrumental in the City's ability to reach the public during the COVID-19 Pandemic and the historic snowstorm Uri, which affected the City in February of 2021.

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

Letter of Transmittal

began construction in early 2020 and continued despite the COVID-19 Pandemic. The completed facility will include the following:

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

The City's Lake Wichita Revitalization Committee and City staff raised approximately \$400,000 of private funds for the professional design and construction oversight services for three shoreline improvement projects at Lake Wichita. The revitalization of Lake Wichita included the development of a Boardwalk/Pavilion and a Veteran's Memorial Plaza. Private pledges have been received for the Veteran's Memorial Plaza totaling \$725,000. The total project cost for the Veteran's Memorial Plaza is estimated to be \$2.4 million. Private funds are continuing to be actively sought out.

In October 2018, the City Council awarded a project to TriTech Software Systems in the amount of \$1,350,000 to provide installation services and software necessary to implement the City's Computer-Aided Dispatch, Police Records Management, and Police/Fire Mobile System. The project completed in the 2019-20 fiscal year, and the system is being used daily by the City. Use of the system has moved the City from a manual process to a fully integrated paperless process. The cost of this project was planned for in the budget and will be paid for with funds available within the Information Technology Service Fund.

MOVING FORWARD:

In March of 2020, the City implemented a Shelter-In-Place Ordinance to combat the spread of the COVID-19 Pandemic. Since that time, the City has worked in partnership with Wichita County, United Regional Healthcare System, and the North Texas State Hospital to combat COVID-19 in the community. Mask mandates were in place from March of 2020 to March of 2021 in the State of Texas. The City continues to prioritize the health of the community with mask mandates inside City buildings, social distancing, and adequate handwashing. The City has received COVID-19 vaccines and has set up distribution clinics throughout the spring of 2021. The City/County Health District purchased software to allow citizens to register to receive the vaccine online and to interact with reminders and updates for second shots virtually.

The City will continue its fight against the virus into the future. Contact tracers and medical staff from the City have worked around the clock to help ensure the safety of the community. Spikes in positive cases in the fall of 2020 emphasized the need for these services. The City anticipates receipt of additional federal funds to continue this fight in the next fiscal year, pending the passage of legislation currently under review in the United States House and Senate.

Letter of Transmittal

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, 2019. This was the 25th consecutive year that the City of Wichita Falls has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

Acknowledgments

My appreciation and thanks are extended to the personnel of the Finance Department who made this report possible, with special thanks to Senior Accountant, David Johnston, and Susan White, Assistant Finance Director. I also extend my appreciation to the City Council, City Manager, Department Directors, and all City 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", with a stylized flourish at the end.

Jessica Williams, MPA, CPFO
Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Wichita Falls
Texas**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

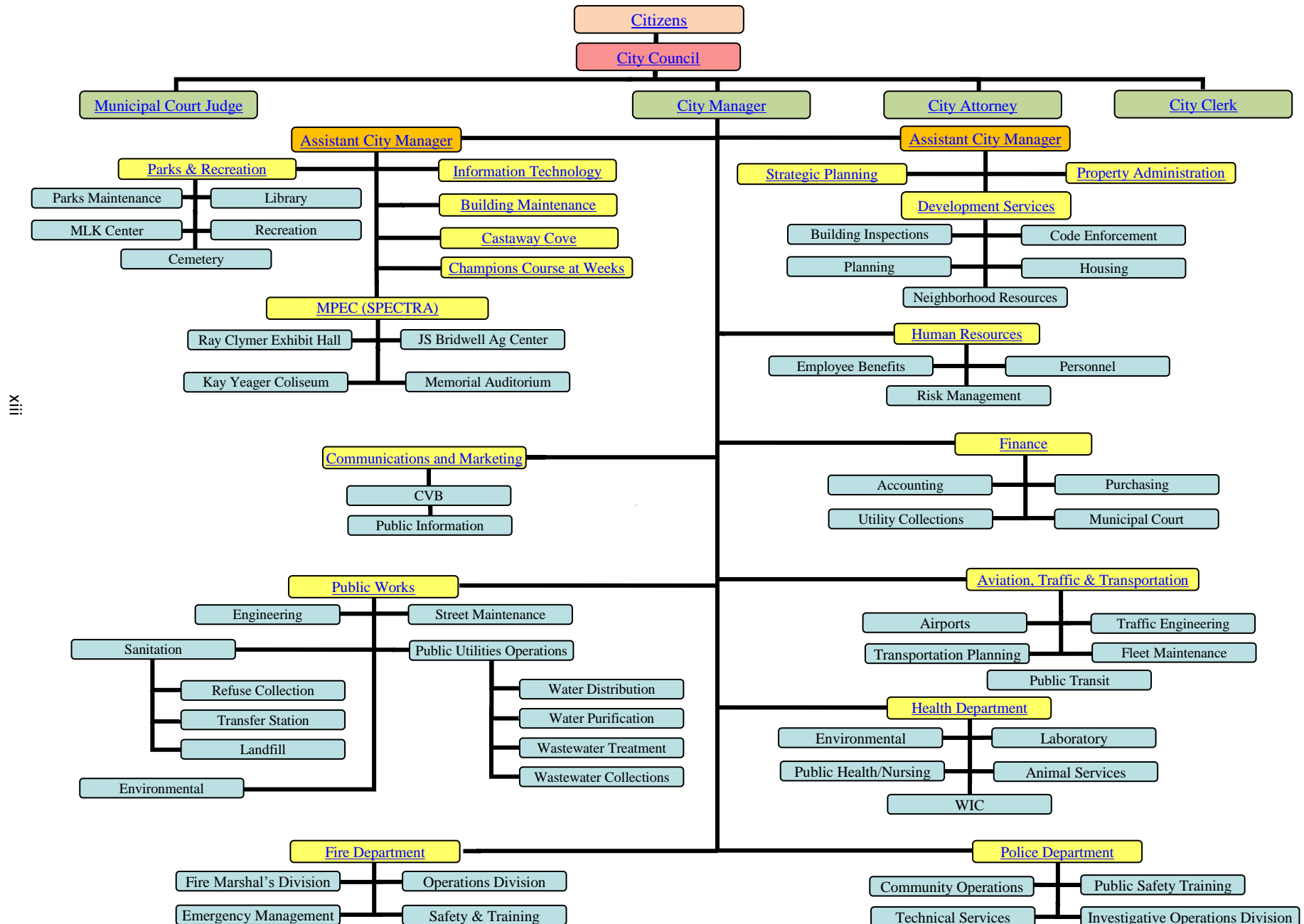
September 30, 2019

Christopher P. Morill

Executive Director/CEO



CITY OF WICHITA FALLS



**City of Wichita Falls, Texas
City Council and City Manager**



Stephen Santellana
Mayor



Bobby Whiteley
At Large



Deandra Chenault
District 2, Mayor Pro Tem



Tim Brewer
District 4



Michael Smith
District 1



Jeff Browning
District 3



Steve Jackson
District 5



Darron Leiker
City Manager

CITY OF WICHITA FALLS, TEXAS

LIST OF PRINCIPAL OFFICIALS SEPTEMBER 30, 2020

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

FINANCIAL SECTION



EDGIN, PARKMAN, FLEMING & FLEMING, PC

CERTIFIED PUBLIC ACCOUNTANTS

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

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

Independent Auditor's Report on Financial Statements

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Wichita Falls, Texas (the City) as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of September 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued under separate cover our report dated March 11, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Respectfully submitted,



Edgin, Parkman, Fleming & Fleming, PC

March 11, 2021

CITY OF WICHITA FALLS, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS SEPTEMBER 30, 2020

Management's discussion and analysis provide 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, 2020. It is offered here by the management of the City to the readers of its financial statements. Readers should use the information presented herein conjunction with additional information furnished in our letter of transmittal, which can be found in the Introductory Section of this Comprehensive Annual Financial Report.

Financial Highlights

The assets and deferred outflows of the City of Wichita Falls exceeded its liabilities and deferred inflows on September 30, 2020, by \$398,155,439 (net position). The net position for the City increased by \$10,415,014 over the prior year. This increase is a result of an increase in net position of \$15,763,782 from the current fiscal year business-type activities offset by a decrease in net position of \$5,348,768 from the current fiscal year governmental activities.

The unrestricted net position for Governmental Activities was (\$94,509,218), while the Business-type Activities had an unrestricted net position of \$47,578,892, for an overall unrestricted net position of (\$46,930,326). Governmental Activities decreased by \$9,085,871 in unrestricted net position from the prior year, while Business-type Activities increased by \$9,862,976 in unrestricted net position from the prior year.

The reduction in unrestricted net position in the Governmental Activities is due to a decrease in the City's total Assets and Deferred Outflows of (\$10,284,236) offset by a decrease in total Liabilities and Deferred Inflows of (\$4,935,468). Assets increased \$8,658,028 due to increases in Governmental Agency Receivables and Capital Assets Not Depreciated. Governmental Agency Receivables have increased during the COVID-19 Pandemic. Deferred Outflows decreased (\$18,942,264) primarily due to changes in the City's pension-related Deferred Outflows of Resources. This is primarily due to a change in the City's benefit terms, expected and actual experience, and changes in assumptions. The City's total assets benefited from increases in fund balance in the City's General Fund of \$8,668,950, of which \$8,644,800 is unassigned. This increase combined with increases in fund balance in smaller governmental funds was offset by decreases in fund balance, primarily in the 2018-A Bond Projects Fund used to complete street widening and repair projects approved by City voters in 2018. Liabilities decreased (\$8,553,803) primarily due to decreases in long-term liabilities and pension liability. Pension-related Deferred Inflows increased slightly. This resulted in a total decrease in unrestricted net position in the Governmental Activities of (\$9,085,871).

Business-type Activities unrestricted net position increased by \$9,862,976. Business-type Activities benefited from pension-related changes, including a decrease in Deferred Outflows of \$6,205,459. Assets also increased by \$10,366,524, primarily due to increases in cash and cash equivalents collected in the current year. Cash and cash equivalents increased by \$5,968,931. Of this amount, the largest increase was in the Water and Sewer fund, which increased \$3,623,745 over the prior year. Capital Assets Net of Accumulated Depreciation also increased by \$2,687,154. These increases were offset by changes in liabilities. Overall, liabilities decreased by \$11,530,426, primarily due to decreases in Long-term Liabilities Payable After One Year.

CITY OF WICHITA FALLS, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT'D.) SEPTEMBER 30, 2020

At September 30, 2020, the City's governmental funds reported combined ending fund balances of \$45,275,561. Of this amount, \$25,960,840, or 57.30%, 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 \$26,955,178, or 36.80% of total General Fund expenditures.

During the 2019-20 fiscal year, the City's total debt decreased by \$16,452,251. This decrease is the result of the City retiring \$2,715,000 in outstanding General Obligation Bonds, \$7,265,000 in Utility System Revenue Bonds, \$2,855,000 in Combination Tax and Revenue Bonds, \$1,496,371 in Capital Leases, \$41,540 in Notes Payable and \$2,079,340 in Bond Premiums.

The City of Wichita Falls was awarded a grant in an amount of up to \$5,849,910 from the Texas Department of Emergency Management to mitigate costs associated with the City's response to COVID-19. The City requested reimbursement for qualifying expenditures through December 31, 2020, a portion of which is reflected in these 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 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.

CITY OF WICHITA FALLS, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT'D.) SEPTEMBER 30, 2020

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

CITY OF WICHITA FALLS, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT'D.) SEPTEMBER 30, 2020

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.

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

CITY OF WICHITA FALLS, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT'D.) SEPTEMBER 30, 2020

where the City's role is purely custodial, such as receipt, temporary investment, and remittance of fiduciary funds to individuals, private organizations, or other governments. The City maintains one fiduciary fund. This fund is an agency fund used to account for property that has been abandoned or unclaimed pending escheatment to the State of Texas.

Notes to the Financial Statements

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

Government-Wide Financial Analysis

The City's combined net position was \$398,155,439 as of September 30, 2020, an increase of \$10,415,014 or 2.69% 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, \$426,444,015, or 107.10%, is reflected in capital assets (land and improvements, buildings, infrastructure, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City reports its capital assets net of related debt, the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, \$18,641,750, or 4.68%, represents resources that are subject to external restrictions on how they may be used.

Net Position (in thousands)

| | Governmental Activities | | Business-type Activities | | Total | |
|----------------------------------|----------------------------|------------------|-----------------------------|-------------------|-------------------|-------------------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Current and Other Assets | \$ 55,647 | \$ 52,553 | \$ 81,759 | \$ 76,626 | \$ 137,406 | \$ 129,179 |
| Capital Assets | <u>183,858</u> | <u>178,294</u> | <u>393,142</u> | <u>387,908</u> | <u>577,000</u> | <u>566,202</u> |
| Total Assets | <u>239,505</u> | <u>230,847</u> | <u>474,901</u> | <u>464,534</u> | <u>714,406</u> | <u>695,381</u> |
| Deferred Outflows of Resources | <u>37,631</u> | <u>56,574</u> | <u>4,650</u> | <u>10,856</u> | <u>42,281</u> | <u>67,430</u> |
| Long Term Liabilities | 183,106 | 191,436 | 138,813 | 152,277 | 321,919 | 343,713 |
| Other Liabilities | <u>11,214</u> | <u>11,438</u> | <u>7,905</u> | <u>5,971</u> | <u>19,119</u> | <u>17,409</u> |
| Total Liabilities | <u>194,320</u> | <u>202,874</u> | <u>146,718</u> | <u>158,248</u> | <u>341,038</u> | <u>361,122</u> |
| Deferred Inflows of Resources | <u>14,789</u> | <u>11,171</u> | <u>2,705</u> | <u>2,777</u> | <u>17,494</u> | <u>13,948</u> |
| Net Position: | | | | | | |
| Net Investment in Capital Assets | 155,903 | 152,825 | 270,540 | 264,869 | 426,443 | 417,694 |
| Restricted | 6,633 | 5,974 | 12,009 | 11,780 | 18,642 | 17,754 |
| Unrestricted | <u>(94,509)</u> | <u>(85,423)</u> | <u>47,579</u> | <u>37,716</u> | <u>(46,930)</u> | <u>(47,707)</u> |
| Total Net Position | <u>\$ 68,027</u> | <u>\$ 73,376</u> | <u>\$ 330,128</u> | <u>\$ 314,365</u> | <u>\$ 398,155</u> | <u>\$ 387,741</u> |

CITY OF WICHITA FALLS, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT'D.) SEPTEMBER 30, 2020

CHANGES IN NET POSITION (in thousands)

| | Governmental Activities | | Business-type Activities | | Total | |
|--|----------------------------|-----------------|-----------------------------|------------------|------------------|------------------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Revenues: | | | | | | |
| Program Revenues: | | | | | | |
| Charges For Services | \$ 7,642 | \$ 8,061 | \$ 68,965 | \$ 67,006 | \$ 76,607 | \$ 75,067 |
| Operating Grants and Contributions | 21,240 | 12,908 | 5,738 | 4,858 | 26,978 | 17,766 |
| Capital Grants and Contributions | - | 60 | 651 | 90 | 651 | 150 |
| General Revenues: | | | | | | |
| Property Taxes | 41,399 | 37,898 | - | - | 41,399 | 37,898 |
| Sales Taxes | 25,206 | 24,895 | - | - | 25,206 | 24,895 |
| Other Taxes/Fees | 7,299 | 7,719 | - | - | 7,299 | 7,719 |
| Investment Earnings | 582 | 1,375 | 371 | 1,005 | 953 | 2,380 |
| Miscellaneous | 525 | 341 | (2) | 10 | 523 | 351 |
| Total Revenue | 103,893 | 93,257 | 75,723 | 72,969 | 179,616 | 166,226 |
| Expenses: | | | | | | |
| Administrative Services | 15,623 | 15,853 | - | - | 15,623 | 15,853 |
| Police | 34,226 | 27,736 | - | - | 34,226 | 27,736 |
| Fire | 26,796 | 21,059 | - | - | 26,796 | 21,059 |
| Parks and Recreation | 6,058 | 5,995 | - | - | 6,058 | 5,995 |
| Accounting/Finance | 1,005 | 786 | - | - | 1,005 | 786 |
| Community Development | 7,587 | 7,253 | - | - | 7,587 | 7,253 |
| Public Works | 8,708 | 8,534 | - | - | 8,708 | 8,534 |
| Health | 6,630 | 5,964 | - | - | 6,630 | 5,964 |
| Traffic and Transportation | 3,256 | 2,951 | - | - | 3,256 | 2,951 |
| MPEC | 2,792 | 3,127 | - | - | 2,792 | 3,127 |
| Interest and Fees on Long-term Debt | 1,607 | 1,781 | - | - | 1,607 | 1,781 |
| Regional Airport | - | - | 2,097 | 2,014 | 2,097 | 2,014 |
| Kickapoo Airport | - | - | 1,282 | 1,452 | 1,282 | 1,452 |
| Transit | - | - | 2,553 | 2,623 | 2,553 | 2,623 |
| Sanitation | - | - | 11,728 | 11,408 | 11,728 | 11,408 |
| Water and Sewer | - | - | 34,893 | 33,564 | 34,893 | 33,564 |
| Stormwater Drainage | - | - | 865 | 786 | 865 | 786 |
| Waterpark | - | - | 1,495 | 1,600 | 1,495 | 1,600 |
| Total Expenses | 114,288 | 101,039 | 54,913 | 53,447 | 169,201 | 154,486 |
| Increase (Decrease) in Net Position Before Transfers | (10,395) | (7,782) | 20,810 | 19,522 | 10,415 | 11,740 |
| Transfers | 5,046 | 6,454 | (5,046) | (6,454) | - | - |
| Increase (Decrease) in Net Position | (5,349) | (1,328) | 15,764 | 13,068 | 10,415 | 11,740 |
| Net Position – Beginning of Year | 73,376 | 74,704 | 314,364 | 301,296 | 387,740 | 376,000 |
| Net Position – End of Year | <u>\$68,027</u> | <u>\$73,376</u> | <u>\$330,128</u> | <u>\$314,364</u> | <u>\$398,155</u> | <u>\$387,740</u> |

CITY OF WICHITA FALLS, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT'D.) SEPTEMBER 30, 2020

Governmental Activities – Governmental Activities decreased the City's net position by \$5,348,768. The reduction in net position in the Governmental Activities is attributed primarily to a decrease in the City's Total Assets and Deferred Outflows of Resources of \$10,284,236, which is primarily due to a decrease in Deferred Outflows of Resources for Pension and Other Post-Employment Benefits of \$18,942,264 offset with an increase in total assets of \$8,658,028. Changes in Net Investment in Capital Assets and Restricted Net Position contributed to these changes. The Governmental Activities Net Investment in Capital Assets increased \$3,078,707, while the Restricted Net Position increased \$658,396 due to increases in Federal Grants still expendable.

Business-Type Activities – Business-type Activities increased the City's net position by \$15,763,782. This increase is attributed primarily to an increase in Cash and Cash Equivalents \$5,968,931 and a decrease in Pension-related Outflows of Resources \$6,205,459, offset by a decrease in liabilities of \$8,469,574. The Net Investment in Capital Assets increased \$5,672,115, while the Restricted Net Position increased \$228,691.

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, 2020, the City's governmental funds reported combined fund balances of \$45,275,561, which is an increase of \$2,829,643 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 \$26,955,178, an increase of \$8,644,800 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 36.79% of total General Fund expenditures, while the total fund balance represents 37.31% of total General Fund expenditures.

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

The City's internal service funds include the Fleet Maintenance Fund, Employee Benefit Trust Fund, Duplicating Services Fund, and the Information Technology Fund. At the close of September 30, 2020, the net position for the City's internal service funds was \$35,741,912, an increase of \$3,452,933. This change is due primarily to the purchase of fleet vehicles and equipment, interest

CITY OF WICHITA FALLS, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT'D.) SEPTEMBER 30, 2020

income in the Employee Benefit Trust fund, and an increase in net position in the Information Technology fund due to savings in the year.

General Fund Budgetary Highlights

The final amended expenditure budget for the General Fund, including transfers out, was increased by \$1,258,065 from the original adopted budget in fiscal year 2019-20. The increase was completed through a carry-forward amendment approved by the City Council. The amendment carried forward funds remaining to be spent on the 2019 Seal Coat Project, which was already underway at the time of budget completion and the stabilization of the memorial auditorium. These are funds legally committed to the completion of these projects.

Actual revenues in the General Fund for the 2019-20 fiscal year were \$78,172,259, which was \$813,112 under final budgeted revenues. Actual expenditures in the General Fund for the 2019-20 fiscal year were \$73,268,822, which was \$10,060,930 below budgeted expenditures. The COVID-19 Pandemic affected City revenues and expenditures. AT the beginning of the Pandemic, the City took immediate steps to cut costs, including implementing a hiring freeze, purchasing freeze, and delaying or canceling the start of capital projects. City leaders closely monitored revenue sources and adjusted as necessary throughout the year. Revenues were affected by decreased collections in Municipal Court fines and fees. This resulted from the closure of the County's jail to City misdemeanor offenders during the Pandemic. Sales taxes remained strong throughout the year due to online sales.

After the passage of the COVID Cares Act, the City became eligible for \$5.8 million in federal funds. These funds were used to fund eligible expenses, as defined by the Texas Department of Emergency Management. These funds and their related expenditures were moved from the General Fund to the Special Revenue Fund during the fiscal year.

Capital Asset and Debt Administration

Capital Assets – The City's investment in capital assets for its governmental and business-type activities as of September 30, 2020, amounts to \$576,999,966 (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, infrastructure, and construction in progress.

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

- Street Rehabilitation and Utility Improvement Projects
- Construction in progress of the Holiday Creek Improvement Project
- Construction in progress of the new Travel Facility Project
- Construction in progress of the Lake Kickapoo Dam Rehabilitation Project
- Completion of the Regional Airport Armstrong Road Rehabilitation Project

CITY OF WICHITA FALLS, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT'D.) SEPTEMBER 30, 2020

Capital Assets, net of Accumulated Depreciation (in thousands)

| | Governmental Activities | | Business-type Activities | | Total | |
|--|----------------------------|------------------|-----------------------------|------------------|-------------------|-------------------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Land | \$ 10,753 | \$ 10,737 | \$ 10,837 | \$ 10,835 | \$ 21,572 | \$ 21,572 |
| Land Betterments | 14,713 | 15,206 | 36,661 | 38,079 | 51,374 | 52,663 |
| Buildings, Systems and Improvements | 44,241 | 45,966 | 311,272 | 310,051 | 355,512 | 356,017 |
| Infrastructure | 96,513 | 93,813 | 1,300 | - | 97,813 | 93,813 |
| Machinery and Equip | 6,405 | 7,780 | 2,217 | 2,147 | 8,622 | 9,927 |
| Furniture and Fixtures | 1 | - | 1 | 4 | 2 | 4 |
| Motor Vehicles | - | - | 19,697 | 18,180 | 19,697 | 18,180 |
| Construction in Progress | <u>11,232</u> | <u>4,792</u> | <u>11,157</u> | <u>8,613</u> | <u>22,388</u> | <u>13,405</u> |
| Totals | <u>\$183,858</u> | <u>\$178,294</u> | <u>\$393,142</u> | <u>\$387,909</u> | <u>\$ 577,000</u> | <u>\$ 566,203</u> |

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

Long Term Debt – At the end of the current fiscal year, the City had a total bonded debt, notes, and capital leases outstanding of \$168,363,650. During the 2019-20 fiscal year, the City's total debt decreased by \$16,452,251.

As of September 30, 2020, Moody's Investor's Service had assigned a credit rating of Aa2 for the City's General Obligation Bonds and a rating of A3 for the City's Water and Sewer System Revenue Bonds. Standard & Poor's had assigned a credit rating of AA for the City's General Obligation Bonds and a rating of A+ for its Water and Sewer System Revenue Bonds. The rating for the Water and Sewer System Revenue Bonds was increased in November of 2019 due to the system's strengthened finances.

CITY OF WICHITA FALLS, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT'D.) SEPTEMBER 30, 2020

Outstanding Debt at Year-End (in thousands)

| | Governmental Activities | | Business-type Activities | | Total | |
|--------------------------------------|----------------------------|------------------|-----------------------------|-------------------|-------------------|-------------------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| General Obligation Bonds | \$ 29,070 | \$ 31,785 | \$ - | \$ - | \$ 29,070 | \$ 31,785 |
| Combination Tax and Revenue Bonds | 18,040 | 19,370 | 38,140 | 39,665 | 56,180 | 59,035 |
| Utility System Revenue Bonds | - | - | 54,305 | 61,570 | 54,305 | 61,570 |
| Premiums on Bonds | 1,800 | 2,102 | 5,910 | 7,687 | 7,710 | 9,789 |
| Capital Lease Payable | 4,556 | 5,069 | 16,304 | 17,288 | 20,860 | 22,357 |
| Notes Payable | - | - | 239 | 280 | 239 | 280 |
| Total | <u>\$ 53,466</u> | <u>\$ 58,326</u> | <u>\$ 114,898</u> | <u>\$ 126,490</u> | <u>\$ 168,364</u> | <u>\$ 184,816</u> |

The City is permitted by its Home Rule Charter to levy taxes up to \$2.25 per \$100 of assessed valuation for general governmental services, including the payment of principal and interest on long-term debt. The combined tax rate to finance general governmental services for the year ended September 30, 2020, was \$.763323 per \$100 which means that the City has a tax margin of \$1.48667 per \$100, and could generate up to \$78,445,911 in additional tax revenue a year from the present assessed valuation of \$5,276,594,133 before the limit is reached. The current ratio of general bonded debt outstanding to the assessed value of all taxable property is .93%.

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

Economic Factors and Next Year's Budget and Rates

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 City Operating Budget for the 2020-21 fiscal year is \$184,439,544, which is a decrease of \$9,650,769 from the 2019-20 Adopted Operating Budget of \$194,090,313. This decrease reflects reductions in over-all City spending and is reflective of completed capital projects that were included in the prior year.

In the 2019-20 fiscal year, the City's budget increased 8.77% to account for the completion of large capital projects, a cost-of-living (COLA) increase for staff, and an increase in the City's Texas Municipal Retirement (TMRS) rate, which was required due to a plan change.

CITY OF WICHITA FALLS, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT'D.) SEPTEMBER 30, 2020

Prior to the 2019-20 fiscal year, the City was one of the only of its size in Texas that did not provide the TMRS 7% plan to all employees, instead, the City offered an older 5% plan.

Work in the 2019-20 fiscal year, moved all employees to the 7% plan, aligning the City with others in Texas and providing parity among all staff members. In the prior year, a 5% COLA was given to all Civil Service employees and a 2% COLA to all other employees. The TMRS increase, in total, cost employees an additional 2% of pay, and the COLA allowed the City to provide this increased benefit without negatively affecting pay. Fund balance was used in the 2018-19 fiscal year to complete ongoing, one-time projects, as the City met its fund balance policy goals for the year. At the time of budgeting for the 2019-20 fiscal year, COVID-19 did not exist. The projects for which fund balance was either used or restricted included work at the Lake Kickapoo Dam, Memorial Auditorium, and Quail Creek. Funds were also used to purchase a scraper for the landfill. Due to the Pandemic, some of the work planned was unable to be completed, and the fund balance will continue to be reserved as directed by the City Council for these specific purposes.

The fiscal year 2020-21 budget is reflective of the City's efforts to combat the Pandemic and to budget conservatively, using only current year resources, as it continues to weather the storm. The budget was based on the City's long-term forecasting for City funds. The City considered two different scenarios for recovery, V-shaped or U-shaped. The City made a conservative effort to anticipate the budget between the two extremes. If the economy continues to recover in what is now considered a V-shaped recovery, the City will recover from losses due to the Pandemic in a short period, returning to a more normal state in 12 to 24 months. However, if the recovery follows a U-shape, the City anticipates that full recovery may take until the year 2024.

Over the past ten years, the City has seen an average growth rate of about 2% in the Certified Property Tax Values. Property Tax is the largest source of revenue in the General Fund. The property tax base for 2020, as certified by the Wichita Appraisal District, will increase from \$5.276 billion in fiscal year 2019-20 to \$5.456 billion in fiscal year 2020-21.

As mentioned in the Letter of Transmittal, the property tax rate has two components, interest and sinking (used to pay debt service) and maintenance and operations. The table below shows the total of each over the past ten years. The table below shows the actual property tax rates for the General Fund for the fiscal years 2011-12 to 2020-21.

| Property Tax Rate | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|-------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| M&O | 0.61 | 0.62 | 0.62 | 0.64 | 0.69 | 0.69 | 0.69 | 0.69 | 0.72 | 0.72 |
| Debt | 0.01 | 0.01 | 0.02 | 0.02 | 0.02 | 0.02 | 0.02 | 0.04 | 0.04 | 0.04 |
| Total Rate | 0.62 | 0.63 | 0.63 | 0.66 | 0.71 | 0.71 | 0.71 | 0.73 | 0.76 | 0.76 |

The City is in a strong financial position and did not change the tax rate between fiscal year 2019-20 and fiscal year 2020-21.

CITY OF WICHITA FALLS, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT'D.) SEPTEMBER 30, 2020

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, 2020

| | Primary Government | | | Component Units |
|--|----------------------------|-----------------------------|-----------------------|----------------------|
| | Governmental Activities | Business-type Activities | Total | |
| Assets | | | | |
| Cash and cash equivalents | \$ 41,090,776 | \$ 43,175,150 | \$ 84,265,926 | \$ 23,568,842 |
| Receivables (net): | | | | |
| Taxes and assessments | 1,116,990 | - | 1,116,990 | - |
| Customer and trade | - | 8,253,852 | 8,253,852 | - |
| Government agencies | 14,344,338 | 1,508,613 | 15,852,951 | 1,997,048 |
| Other | 2,091,801 | 284,303 | 2,376,104 | - |
| Internal balances | (11,446,285) | 11,446,285 | - | - |
| Inventory | 171,897 | 1,815,250 | 1,987,147 | - |
| Prepaid items | 261,414 | 564,514 | 825,928 | 7,419 |
| Other assets | 752,085 | - | 752,085 | - |
| Restricted assets: | | | | |
| Cash and cash equivalents | 7,263,537 | 14,710,971 | 21,974,508 | - |
| Capital assets not being depreciated | 21,984,718 | 21,993,753 | 43,978,471 | 1,469,797 |
| Capital assets net of accumulated depreciation | 161,873,648 | 371,147,847 | 533,021,495 | 643,878 |
| Total assets | <u>239,504,919</u> | <u>474,900,538</u> | <u>714,405,457</u> | <u>27,686,984</u> |
| Deferred Outflows of Resources | | | | |
| Pension-related | 35,613,398 | 1,631,189 | 37,244,587 | - |
| OPEB-related | 1,715,161 | 638,243 | 2,353,404 | - |
| Deferred losses on bond refundings | 302,641 | 2,381,104 | 2,683,745 | - |
| Total deferred outflows of resources | <u>37,631,200</u> | <u>4,650,536</u> | <u>42,281,736</u> | <u>-</u> |
| Liabilities | | | | |
| Accounts payable - trade | 2,646,130 | 2,614,192 | 5,260,322 | 48,371 |
| Accrued payroll | 2,935,398 | 817,098 | 3,752,496 | - |
| Accrued interest payable | 240,944 | 529,783 | 770,727 | - |
| Payable to government agencies | 359,244 | 80,597 | 439,841 | - |
| Estimated health claims payable | 679,002 | - | 679,002 | - |
| Other liabilities | 4,315,121 | 540,982 | 4,856,103 | 936 |
| Unearned revenue | 37,441 | - | 37,441 | - |
| Customer deposits | - | 3,322,299 | 3,322,299 | - |
| Long-term liabilities: | | | | |
| Portion due or payable within one year | 7,685,593 | 10,996,583 | 18,682,176 | - |
| Portion due or payable after one year | 56,055,666 | 110,261,828 | 166,317,494 | - |
| Net pension liability | 107,860,333 | 13,273,671 | 121,134,004 | - |
| Net OPEB liability | 11,504,855 | 4,281,170 | 15,786,025 | - |
| Total liabilities | <u>194,319,727</u> | <u>146,718,203</u> | <u>341,037,930</u> | <u>49,307</u> |
| Deferred Inflows of Resources | | | | |
| Pension-related | 14,166,466 | 2,472,619 | 16,639,085 | - |
| OPEB-related | 622,933 | 231,806 | 854,739 | - |
| Total deferred inflows of resources | <u>14,789,399</u> | <u>2,704,425</u> | <u>17,493,824</u> | <u>-</u> |
| Net Position | | | | |
| Net investment in capital assets | 155,903,407 | 270,540,608 | 426,444,015 | 2,113,675 |
| Restricted for: | | | | |
| Perpetual care (nonexpendable) | 1,366,440 | - | 1,366,440 | - |
| Debt service (expendable) | 1,974,663 | 12,008,946 | 13,983,609 | - |
| Federal grant programs (expendable) | 3,290,829 | - | 3,290,829 | - |
| Tourism (expendable) | 872 | - | 872 | - |
| Unrestricted | (94,509,218) | 47,578,892 | (46,930,326) | 25,524,002 |
| Total net position | <u>\$ 68,026,993</u> | <u>\$ 330,128,446</u> | <u>\$ 398,155,439</u> | <u>\$ 27,637,677</u> |

See accompanying notes to the basic financial statements.

CITY OF WICHITA FALLS, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2020

| Functions/Programs | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position | | | |
|--------------------------------------|-----------------------|----------------------|------------------------------------|----------------------------------|---|--------------------------|-----------------------|----------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Primary Government | | Total | Component Units |
| | | | | | Governmental Activities | Business-type Activities | | |
| Primary government: | | | | | | | | |
| Governmental activities: | | | | | | | | |
| Administrative services | \$ 15,623,435 | \$ 4,325,538 | \$ 260,283 | \$ - | \$ (11,037,614) | \$ - | \$ (11,037,614) | \$ - |
| Police | 34,225,996 | 311,390 | 5,042,555 | - | (28,872,051) | - | (28,872,051) | - |
| Fire | 26,796,338 | 43,306 | 424,678 | - | (26,328,354) | - | (26,328,354) | - |
| Parks and recreation | 6,057,586 | 293,275 | 2,934,662 | - | (2,829,649) | - | (2,829,649) | - |
| Accounting/finance | 1,004,472 | - | - | - | (1,004,472) | - | (1,004,472) | - |
| Community development | 7,586,750 | 1,426,440 | 5,249,829 | - | (910,481) | - | (910,481) | - |
| Public works | 8,708,349 | 17,999 | 580,010 | - | (8,110,340) | - | (8,110,340) | - |
| Health | 6,630,232 | 1,107,601 | 1,986,624 | - | (3,536,007) | - | (3,536,007) | - |
| Traffic and transportation | 3,255,742 | 113,048 | 2,843,307 | - | (299,387) | - | (299,387) | - |
| Multi-Purpose Events Center | 2,791,731 | 3,482 | 35,000 | - | (2,753,249) | - | (2,753,249) | - |
| Interest and fees on long-term debt | 1,607,429 | - | 1,882,945 | - | 275,516 | - | 275,516 | - |
| Total governmental activities | <u>114,288,060</u> | <u>7,642,079</u> | <u>21,239,893</u> | <u>-</u> | <u>(85,406,088)</u> | <u>-</u> | <u>(85,406,088)</u> | <u>-</u> |
| Business-type activities: | | | | | | | | |
| Regional Airport | 2,097,484 | 868,429 | - | - | - | (1,229,055) | (1,229,055) | - |
| Kickapoo Airport | 1,282,322 | 765,536 | - | - | - | (516,786) | (516,786) | - |
| Transit | 2,552,634 | 405,969 | 5,738,059 | - | - | 3,591,394 | 3,591,394 | - |
| Sanitation | 11,727,774 | 15,192,130 | - | - | - | 3,464,356 | 3,464,356 | - |
| Water and sewer | 34,893,459 | 46,673,593 | - | 650,824 | - | 12,430,958 | 12,430,958 | - |
| Stormwater drainage | 864,517 | 3,787,383 | - | - | - | 2,922,866 | 2,922,866 | - |
| Waterpark | 1,494,829 | 1,271,508 | - | - | - | (223,321) | (223,321) | - |
| Total business-type activities | <u>54,913,019</u> | <u>68,964,548</u> | <u>5,738,059</u> | <u>650,824</u> | <u>-</u> | <u>20,440,412</u> | <u>20,440,412</u> | <u>-</u> |
| Total primary government | <u>\$ 169,201,079</u> | <u>\$ 76,606,627</u> | <u>\$ 26,977,952</u> | <u>\$ 650,824</u> | <u>(85,406,088)</u> | <u>20,440,412</u> | <u>(64,965,676)</u> | <u>-</u> |
| Component units: | | | | | | | | |
| Community development | <u>\$ 8,848,727</u> | <u>\$ -</u> | <u>\$ 567,373</u> | <u>\$ -</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(8,281,354)</u> |
| General revenues and transfers: | | | | | | | | |
| Taxes: | | | | | | | | |
| Property tax | | | | | 41,399,096 | - | 41,399,096 | 961,255 |
| Sales tax | | | | | 25,205,996 | - | 25,205,996 | 8,401,964 |
| Franchise fees | | | | | 5,164,750 | - | 5,164,750 | - |
| Hotel occupancy tax | | | | | 1,878,957 | - | 1,878,957 | - |
| Beverage tax | | | | | 255,816 | - | 255,816 | - |
| Investment earnings | | | | | 581,802 | 371,124 | 952,926 | 277,429 |
| Miscellaneous | | | | | 525,007 | (1,858) | 523,149 | 2,280,022 |
| Transfers | | | | | 5,045,896 | (5,045,896) | - | - |
| Total general revenues and transfers | | | | | <u>80,057,320</u> | <u>(4,676,630)</u> | <u>75,380,690</u> | <u>11,920,670</u> |
| Change in net position | | | | | (5,348,768) | 15,763,782 | 10,415,014 | 3,639,316 |
| Net position - beginning | | | | | 73,375,761 | 314,364,664 | 387,740,425 | 23,998,361 |
| Net position - ending | | | | | <u>\$ 68,026,993</u> | <u>\$ 330,128,446</u> | <u>\$ 398,155,439</u> | <u>\$ 27,637,677</u> |

See accompanying notes to the basic financial statements.

CITY OF WICHITA FALLS, TEXAS
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020

| | General | Nonmajor Governmental | Total Governmental Funds |
|---|----------------------|--------------------------|--------------------------------|
| Assets | | | |
| Cash and cash equivalents | \$ 16,805,332 | \$ 17,270,735 | \$ 34,076,067 |
| Receivables (net): | | | |
| Taxes and assessments | 883,314 | 233,676 | 1,116,990 |
| Other City funds | 11,402,747 | - | 11,402,747 |
| Government agencies | 4,913,393 | 9,430,945 | 14,344,338 |
| Other | 1,467,113 | 76,560 | 1,543,673 |
| Inventory | 171,297 | - | 171,297 |
| Prepaid items | 212,299 | 695 | 212,994 |
| Other assets | 1,000 | 751,087 | 752,087 |
| Total assets | <u>\$ 35,856,495</u> | <u>\$ 27,763,698</u> | <u>\$ 63,620,193</u> |
| Liabilities | | | |
| Accounts payable | \$ 539,299 | \$ 1,876,176 | \$ 2,415,475 |
| Accrued payroll | 2,748,555 | 129,334 | 2,877,889 |
| Payable to other City funds | - | 6,610,604 | 6,610,604 |
| Payable to government agencies | 271,186 | 88,058 | 359,244 |
| Other liabilities | 3,269,275 | 1,032,736 | 4,302,011 |
| Claims and judgments payable | 11,922 | - | 11,922 |
| Unearned revenue | - | 37,236 | 37,236 |
| Total liabilities | <u>6,840,237</u> | <u>9,774,144</u> | <u>16,614,381</u> |
| Deferred inflows of resources | | | |
| Unavailable revenues | <u>1,677,484</u> | <u>52,767</u> | <u>1,730,251</u> |
| Fund balances | | | |
| Nonspendable: | | | |
| Inventory and prepaid items | 383,596 | - | 383,596 |
| Restricted for: | | | |
| Perpetual care | - | 1,366,440 | 1,366,440 |
| Debt service | - | 1,921,897 | 1,921,897 |
| Capital projects | - | 9,855,460 | 9,855,460 |
| Federal and state grant programs | - | 3,290,829 | 3,290,829 |
| Tourism | - | 872 | 872 |
| Committed for: | | | |
| Golf course | - | 40,582 | 40,582 |
| Local projects | - | 2,455,045 | 2,455,045 |
| Unassigned | 26,955,178 | (994,338) | 25,960,840 |
| Total fund balances | <u>27,338,774</u> | <u>17,936,787</u> | <u>45,275,561</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 35,856,495</u> | <u>\$ 27,763,698</u> | <u>\$ 63,620,193</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, 2020

Total fund balances - governmental funds (Exhibit A-3) \$ 45,275,561

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

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

| | | |
|----------------------------------|----------------|-------------|
| Gross capital assets | \$ 338,932,438 | |
| Related accumulated depreciation | 159,490,331 | 179,442,107 |

Property taxes receivable and municipal court fines are not available to pay for current period expenditures and therefore are reported as deferred inflows of resources in the funds. 1,730,251

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 | 47,110,000 | |
| Premiums on bonds payable | 1,800,015 | |
| Capital lease payable | 4,555,678 | |
| Accrued vacation and sick leave | 9,506,911 | |
| Claims and judgments payable | 705,077 | |
| Accrued interest | 240,944 | (63,918,625) |

In the governmental funds financial statements, refunding losses are expensed when incurred, whereas in the government-wide financial statements the losses are capitalized and amortized. 302,641

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

| | | |
|---|--------------|--------------|
| Net pension liabilities | 106,930,308 | |
| Deferred outflows - pension related items | (35,499,109) | |
| Deferred inflows - pension related items | 13,993,221 | (85,424,420) |

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

| | | |
|--|-------------|--------------|
| Net OPEB liabilities | 11,307,530 | |
| Deferred outflows - OPEB related items | (1,685,480) | |
| Deferred inflows - OPEB related items | 612,191 | (10,234,241) |

Internal service funds are used by management to charge the costs of duplicating services, information technology and health insurance claims to the individual funds. The assets and liabilities of these internal service funds are included with the governmental activities. 13,977,251

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. (13,123,532)

Total net position - governmental activities (Exhibit A-1) \$ 68,026,993

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, 2020

| | General | Nonmajor Governmental | Total Governmental Funds |
|---|----------------------|--------------------------|--------------------------------|
| Revenues | | | |
| Taxes | \$ 69,804,085 | \$ 4,064,413 | \$ 73,868,498 |
| Charges for services | 2,898,166 | 500,898 | 3,399,064 |
| Licenses and permits | 1,737,778 | - | 1,737,778 |
| Fines and forfeitures | 1,656,205 | 142,196 | 1,798,401 |
| Intergovernmental revenue | - | 17,514,038 | 17,514,038 |
| Contributions | 183,004 | 3,542,851 | 3,725,855 |
| Miscellaneous revenue | 1,893,021 | 1,200,967 | 3,093,988 |
| Total revenues | <u>78,172,259</u> | <u>26,965,363</u> | <u>105,137,622</u> |
| Expenditures | | | |
| Administrative services | 13,148,370 | 1,245,817 | 14,394,187 |
| Police | 22,886,486 | 4,529,712 | 27,416,198 |
| Fire | 17,369,693 | 370,949 | 17,740,642 |
| Parks and recreation | 5,130,886 | 183,855 | 5,314,741 |
| Accounting/finance | 845,894 | - | 845,894 |
| Community development | 2,249,486 | 4,832,009 | 7,081,495 |
| Public works | 5,152,523 | 258,524 | 5,411,047 |
| Health | 3,304,904 | 2,380,224 | 5,685,128 |
| Traffic and transportation | 1,795,063 | 778,899 | 2,573,962 |
| Multi-Purpose Events Center | - | 1,940,870 | 1,940,870 |
| Capital outlay | 1,385,517 | 9,904,918 | 11,290,435 |
| Debt service - principal | - | 4,045,000 | 4,045,000 |
| Debt service - interest and paying agent fees | - | 1,877,363 | 1,877,363 |
| Total expenditures | <u>73,268,822</u> | <u>32,348,140</u> | <u>105,616,962</u> |
| Excess of revenues over (under) expenditures | <u>4,903,437</u> | <u>(5,382,777)</u> | <u>(479,340)</u> |
| Other Financing Sources (Uses) | | | |
| Transfers in | 4,372,353 | 4,032,140 | 8,404,493 |
| Transfers out | (606,840) | (4,488,672) | (5,095,512) |
| Total other financing sources (uses) | <u>3,765,513</u> | <u>(456,532)</u> | <u>3,308,981</u> |
| Net change in fund balance | 8,668,950 | (5,839,309) | 2,829,641 |
| Fund balances - beginning | 18,669,824 | 23,776,096 | 42,445,920 |
| Fund balances - ending | <u>\$ 27,338,774</u> | <u>\$ 17,936,787</u> | <u>\$ 45,275,561</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, 2020

Net change in fund balances - total governmental funds (Exhibit A-5) \$ 2,829,641

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 | \$ 11,849,777 | |
| Depreciation expense for the year | <u>7,011,107</u> | 4,838,670 |

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. (23,900)

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

Because property tax receivables and municipal court receivables will not be collected for several months after the City's fiscal year ends, they are not considered 'available' revenues and are deferred in the governmental funds. Deferred inflows increased by this amount this year. 454,976

Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Bond and capital lease principal payments in 2019-20 were: 4,860,048

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 | (83,533) | |
| Claims and judgments payable | <u>70,154</u> | (13,379) |

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, 2019 | 262,351 | |
| Accrued interest at September 30, 2020 | <u>240,944</u> | 21,407 |

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

The City participates in two defined benefit pension plans. Contributions to the plan are expenditures at the fund level when payments are due. At the government-wide level, pension expenses are recognized on an actuarial basis. Payments were less than the actuarial expense in the current year. (18,666,625)

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 less than the actuarial expense in the current year. (137,510)

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, 2020

| | |
|--|------------------------------|
| 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. | 605,902 |
| Internal service funds are used by management to charge the costs of central garage services to the individual funds. The net revenue of this fund is included with the business-type activities. This amount represents the governmental activity portion of the central garage activity. | <u>12,867</u> |
| Change in net position of governmental activities (Exhibit A-2) | <u><u>\$ (5,348,768)</u></u> |

See accompanying notes to the basic financial statements.

CITY OF WICHITA FALLS, TEXAS

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

SEPTEMBER 30, 2020

| | Enterprise Funds | | | | | |
|---|--------------------|-------------------|---------------------|---------------------------------|--------------------|---------------------------|
| | Water and Sewer | Sanitation | Regional Airport | Nonmajor Enterprise Funds | Total | Internal Service Funds |
| Assets | | | | | | |
| Current assets: | | | | | | |
| Cash and cash equivalents | \$ 26,073,275 | \$ 8,161,975 | \$ 1,000 | \$ 7,239,729 | \$ 41,475,979 | \$ 8,713,880 |
| Restricted cash and cash equivalents | 13,577,976 | - | 1,132,995 | - | 14,710,971 | 7,263,537 |
| Receivables (net): | | | | | | |
| Customer and trade | 6,021,175 | 1,786,241 | - | 446,436 | 8,253,852 | - |
| Government agencies | 71,859 | - | - | 1,436,754 | 1,508,613 | - |
| Other | 182,807 | 19,445 | 34,244 | 30,993 | 267,489 | 564,940 |
| Inventory | 1,023,448 | - | - | 46,755 | 1,070,203 | 745,047 |
| Prepaid items | 4,292 | 2,223 | 31,825 | 50,681 | 89,021 | 524,513 |
| Total current assets | <u>46,954,832</u> | <u>9,969,884</u> | <u>1,200,064</u> | <u>9,251,348</u> | <u>67,376,128</u> | <u>17,811,917</u> |
| Long-term assets: | | | | | | |
| Capital assets, net of accumulated depreciation | <u>262,606,439</u> | <u>8,774,435</u> | <u>46,600,780</u> | <u>53,047,815</u> | <u>371,029,469</u> | <u>26,528,388</u> |
| Total long-term assets | <u>262,606,439</u> | <u>8,774,435</u> | <u>46,600,780</u> | <u>53,047,815</u> | <u>371,029,469</u> | <u>26,528,388</u> |
| Total assets | <u>309,561,271</u> | <u>18,744,319</u> | <u>47,800,844</u> | <u>62,299,163</u> | <u>438,405,597</u> | <u>44,340,305</u> |
| Deferred Outflows of Resources | | | | | | |
| Pension-related | 906,962 | 375,963 | 12,892 | 148,788 | 1,444,605 | 300,873 |
| OPEB-related | 342,185 | 155,795 | 1,883 | 63,071 | 562,934 | 104,726 |
| Deferred losses on bond refundings | <u>2,381,104</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,381,104</u> | <u>-</u> |
| Total deferred outflows of resources | <u>3,630,251</u> | <u>531,758</u> | <u>14,775</u> | <u>211,859</u> | <u>4,388,643</u> | <u>405,599</u> |

See accompanying notes to the basic financial statements .

CITY OF WICHITA FALLS, TEXAS

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

SEPTEMBER 30, 2020

| | Enterprise Funds | | | | | |
|---|-----------------------|---------------------|----------------------|---------------------------------|-----------------------|---------------------------|
| | Water and Sewer | Sanitation | Regional Airport | Nonmajor Enterprise Funds | Total | Internal Service Funds |
| Liabilities | | | | | | |
| Current liabilities: | | | | | | |
| Accounts payable - trade | 1,381,567 | 81,666 | 11,235 | 667,805 | 2,142,273 | 702,575 |
| Accrued payroll | 437,611 | 178,237 | 17,076 | 78,547 | 711,471 | 163,136 |
| Accrued vacation and sick leave | 457,518 | 175,938 | 16,179 | 79,059 | 728,694 | 176,761 |
| Payable to other City funds | - | - | 1,018,979 | 1,506,698 | 2,525,677 | 2,266,466 |
| Payable to government agencies | - | 79,669 | 429 | 499 | 80,597 | - |
| Estimated health claims payable | - | - | - | - | - | 679,002 |
| Other liabilities | 126,386 | 37,563 | 51,066 | 325,879 | 540,894 | 1,276 |
| Payable to U.S. Government - current maturity | 44,287 | - | - | - | 44,287 | - |
| Capital leases - current maturities | 644,604 | - | - | - | 644,604 | 447,692 |
| Revenue bonds - current maturities | 9,185,000 | - | - | - | 9,185,000 | - |
| Accrued interest - revenue bonds | 529,783 | - | - | - | 529,783 | - |
| Total current liabilities | <u>12,806,756</u> | <u>553,073</u> | <u>1,114,964</u> | <u>2,658,487</u> | <u>17,133,280</u> | <u>4,436,908</u> |
| Long-term liabilities: | | | | | | |
| Payable to U.S. Government, less current maturities | 194,658 | - | - | - | 194,658 | - |
| Capital leases, less current maturities | 14,289,557 | - | - | - | 14,289,557 | 922,154 |
| Revenue bonds, less current maturities | 89,170,004 | - | - | - | 89,170,004 | - |
| Estimated liability for landfill closure and post-closure care costs | - | 5,518,578 | - | - | 5,518,578 | - |
| Customer deposits | 3,322,299 | - | - | - | 3,322,299 | - |
| Net pension liability | 7,380,336 | 3,059,369 | 104,908 | 1,210,744 | 11,755,357 | 2,448,339 |
| Net OPEB liability | 2,295,288 | 1,045,035 | 12,629 | 423,065 | 3,776,017 | 702,478 |
| Total long-term liabilities | <u>116,652,142</u> | <u>9,622,982</u> | <u>117,537</u> | <u>1,633,809</u> | <u>128,026,470</u> | <u>4,072,971</u> |
| Total liabilities | <u>129,458,898</u> | <u>10,176,055</u> | <u>1,232,501</u> | <u>4,292,296</u> | <u>145,159,750</u> | <u>8,509,879</u> |
| Deferred Inflows of Resources | | | | | | |
| Pension-related | 1,374,809 | 569,899 | 19,542 | 225,537 | 2,189,787 | 456,077 |
| OPEB-related | 124,279 | 56,584 | 684 | 22,907 | 204,454 | 38,036 |
| Total deferred inflows of resources | <u>1,499,088</u> | <u>626,483</u> | <u>20,226</u> | <u>248,444</u> | <u>2,394,241</u> | <u>494,113</u> |
| Net Position | | | | | | |
| Net investment in capital assets | 141,375,293 | 8,774,435 | 46,600,780 | 53,047,815 | 249,798,323 | 25,158,542 |
| Restricted for debt service | 12,008,946 | - | - | - | 12,008,946 | - |
| Unrestricted | 28,849,297 | (300,896) | (37,888) | 4,922,467 | 33,432,980 | 10,583,370 |
| Total net position | <u>\$ 182,233,536</u> | <u>\$ 8,473,539</u> | <u>\$ 46,562,892</u> | <u>\$ 57,970,282</u> | <u>295,240,249</u> | <u>\$ 35,741,912</u> |
| Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds | | | | | <u>34,888,197</u> | |
| Net position of business type activities | | | | | <u>\$ 330,128,446</u> | |

See accompanying notes to the basic financial statements.

CITY OF WICHITA FALLS, TEXAS
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

| | Enterprise Funds | | | | | |
|--|-----------------------|---------------------|----------------------|---------------------------------|----------------------|---------------------------|
| | Water and Sewer | Sanitation | Regional Airport | Nonmajor Enterprise Funds | Total | Internal Service Funds |
| Operating revenues: | | | | | | |
| Charges for services | \$ 46,535,731 | \$ 15,166,689 | \$ 19,760 | \$ 5,000,616 | \$ 66,722,796 | \$ 14,036,639 |
| Rents, concessions and other | 137,862 | 25,441 | 848,669 | 1,229,780 | 2,241,752 | 1,736,769 |
| Contributions | - | - | - | - | - | 14,788,782 |
| Total operating revenues | <u>46,673,593</u> | <u>15,192,130</u> | <u>868,429</u> | <u>6,230,396</u> | <u>68,964,548</u> | <u>30,562,190</u> |
| Operating expenses: | | | | | | |
| Personnel services | 12,459,946 | 5,118,572 | 222,003 | 2,614,099 | 20,414,620 | 4,093,375 |
| Supplies and materials | 2,595,037 | 240,188 | 21,175 | 849,558 | 3,705,958 | 2,694,059 |
| Maintenance and repairs | 1,423,886 | 90,479 | 59,343 | 320,952 | 1,894,660 | 2,930,252 |
| Utilities and other services | 4,511,137 | 5,293,871 | 160,570 | 865,003 | 10,830,581 | 323,238 |
| Insurance and contract support | 795,869 | 100,474 | 40,409 | 98,841 | 1,035,593 | 14,105,133 |
| Other expenses | 1,841,285 | 476,769 | 210,681 | 168,763 | 2,697,498 | 2,269,527 |
| Depreciation and amortization | 9,421,720 | 305,962 | 1,521,113 | 1,346,940 | 12,595,735 | 4,801,764 |
| Total operating expenses | <u>33,048,880</u> | <u>11,626,315</u> | <u>2,235,294</u> | <u>6,264,156</u> | <u>53,174,645</u> | <u>31,217,348</u> |
| Operating income (loss) | <u>13,624,713</u> | <u>3,565,815</u> | <u>(1,366,865)</u> | <u>(33,760)</u> | <u>15,789,903</u> | <u>(655,158)</u> |
| Nonoperating revenues (expenses): | | | | | | |
| Interest income | 214,810 | 81,483 | 5,200 | 69,631 | 371,124 | 614,658 |
| Gain/(loss) on sale/abandonment of capital assets | - | - | - | 1,619 | 1,619 | 47,420 |
| Interest expense and paying agent fees | (2,904,763) | - | - | - | (2,904,763) | (35,815) |
| Intergovernmental operating grants | - | - | - | 5,738,059 | 5,738,059 | - |
| Total nonoperating revenues (expenses) | <u>(2,689,953)</u> | <u>81,483</u> | <u>5,200</u> | <u>5,809,309</u> | <u>3,206,039</u> | <u>626,263</u> |
| Income (loss) before contributions and transfers | 10,934,760 | 3,647,298 | (1,361,665) | 5,775,549 | 18,995,942 | (28,895) |
| Capital contributions | 727,961 | - | - | - | 727,961 | - |
| Transfers in | 476,579 | - | 1,308,101 | - | 1,784,680 | 3,793,831 |
| Transfers out | <u>(2,600,771)</u> | <u>(3,834,178)</u> | <u>(122,831)</u> | <u>(2,017,712)</u> | <u>(8,575,492)</u> | <u>(312,000)</u> |
| Change in net position | 9,538,529 | (186,880) | (176,395) | 3,757,837 | 12,933,091 | 3,452,936 |
| Net position - beginning | <u>172,695,007</u> | <u>8,660,419</u> | <u>46,739,287</u> | <u>54,212,445</u> | | <u>32,288,976</u> |
| Net position - ending | <u>\$ 182,233,536</u> | <u>\$ 8,473,539</u> | <u>\$ 46,562,892</u> | <u>\$ 57,970,282</u> | | <u>\$ 35,741,912</u> |
| Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds | | | | | <u>2,830,691</u> | |
| Change in net position of business type activities | | | | | <u>\$ 15,763,782</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, 2020

| | 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 | \$ 46,339,016 | \$ 14,994,639 | \$ 867,112 | \$ 6,155,390 | \$ 68,356,157 | \$ 4,152,353 |
| Received from interfund charges | - | - | - | - | - | 24,448,068 |
| Other operating receipts | - | - | - | - | - | 1,432,777 |
| Payments to suppliers | (9,386,076) | (1,867,184) | (351,706) | (1,598,221) | (13,203,187) | (22,163,642) |
| Payments for interfund services | (3,527,950) | (5,459,582) | (144,094) | (987,164) | (10,118,790) | (654,836) |
| Payments to employees | (7,107,992) | (3,032,035) | (126,321) | (1,725,521) | (11,991,869) | (2,351,525) |
| Net cash provided by operating activities | <u>26,316,998</u> | <u>4,635,838</u> | <u>244,991</u> | <u>1,844,484</u> | <u>33,042,311</u> | <u>4,863,195</u> |
| Cash flows from noncapital financing activities: | | | | | | |
| Intergovernmental operating grants | - | - | - | 5,587,566 | 5,587,566 | 1,191,205 |
| Interfund loans received (repaid) | - | - | 607,532 | (695,500) | (87,968) | - |
| Transfers in from other funds | - | - | 1,308,101 | - | 1,308,101 | 3,793,831 |
| Transfers out to other funds | (2,600,771) | (3,777,317) | (122,831) | (1,597,994) | (8,098,913) | (312,000) |
| Net cash provided (used) by noncapital financing activities | <u>(2,600,771)</u> | <u>(3,777,317)</u> | <u>1,792,802</u> | <u>3,294,072</u> | <u>(1,291,214)</u> | <u>4,673,036</u> |
| Cash flows from capital and related financing activities: | | | | | | |
| Acquisition and construction of capital assets | (9,763,182) | (187,670) | (1,393,929) | (4,531,494) | (15,876,275) | (7,011,597) |
| Proceeds from sale of capital assets | - | - | - | 1,619 | 1,619 | 49,771 |
| Principal paid on long-term debt | (9,377,469) | - | - | - | (9,377,469) | (439,000) |
| Interest and fees paid on long-term debt | (4,437,259) | - | - | - | (4,437,259) | (35,815) |
| Net cash provided (used) for capital and related financing activities | <u>(23,577,910)</u> | <u>(187,670)</u> | <u>(1,393,929)</u> | <u>(4,529,875)</u> | <u>(29,689,384)</u> | <u>(7,436,641)</u> |
| Cash flows from investing activities: | | | | | | |
| Interest on investments | 214,810 | 81,483 | 5,200 | 69,631 | 371,124 | 614,658 |
| Net cash provided by investing activities | <u>214,810</u> | <u>81,483</u> | <u>5,200</u> | <u>69,631</u> | <u>371,124</u> | <u>614,658</u> |
| Net Increase in Cash and Cash Equivalents | 353,127 | 752,334 | 649,064 | 678,312 | 2,432,837 | 2,714,248 |
| Cash and Cash Equivalents - Beginning | 39,298,124 | 7,409,641 | 484,931 | 6,561,417 | 53,754,113 | 13,263,169 |
| Cash and Cash Equivalents - Ending | <u>\$ 39,651,251</u> | <u>\$ 8,161,975</u> | <u>\$ 1,133,995</u> | <u>\$ 7,239,729</u> | <u>\$ 56,186,950</u> | <u>\$ 15,977,417</u> |
| Reconciliation of cash and cash equivalents on the balance sheet to the statement of cash flows: | | | | | | |
| Cash and cash equivalents | \$ 26,073,275 | \$ 8,161,975 | \$ 1,000 | \$ 7,239,729 | \$ 41,475,979 | \$ 8,713,880 |
| Restricted assets - cash and cash equivalents | 13,577,976 | - | 1,132,995 | - | 14,710,971 | 7,263,537 |
| Total cash and cash equivalents at end of year | <u>\$ 39,651,251</u> | <u>\$ 8,161,975</u> | <u>\$ 1,133,995</u> | <u>\$ 7,239,729</u> | <u>\$ 56,186,950</u> | <u>\$ 15,977,417</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, 2020

| | 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) | \$ 13,624,713 | \$ 3,565,815 | \$ (1,366,865) | \$ (33,760) | \$ 15,789,903 | \$ (655,158) |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | | | | | |
| Depreciation and amortization | 9,421,720 | 305,962 | 1,521,113 | 1,346,940 | 12,595,735 | 4,801,764 |
| Customer deposits received (refunded) | 142,794 | - | - | - | 142,794 | - |
| (Increase) decrease in assets and deferred outflows: | | | | | | |
| Receivables: | | | | | | |
| Customer and trade | (354,278) | (197,491) | - | (40,701) | (592,470) | - |
| Other | (123,093) | - | (1,317) | (34,305) | (158,715) | (530,488) |
| Inventory | 102,608 | - | - | 747 | 103,355 | (38,224) |
| Prepaid items | (4,292) | (2,223) | (973) | (50,675) | (58,163) | (48,177) |
| Deferred outflows - pension-related | 3,087,931 | 1,361,909 | 32,591 | 567,887 | 5,050,318 | 1,077,017 |
| Deferred outflows - OPEB-related | 80,892 | 36,417 | 1,824 | 3,118 | 122,251 | 21,297 |
| Increase (decrease) in liabilities and deferred inflows: | | | | | | |
| Accounts payable - trade | 923,118 | 14,464 | 5,251 | 94,296 | 1,037,129 | 427,108 |
| Accrued payroll | 76,541 | (29,318) | 11,250 | 1,299 | 59,772 | 45,406 |
| Accrued vacation and sick leave | 39,136 | 1,300 | 10,167 | 37,757 | 88,360 | 37,394 |
| Estimated health claims payable | - | - | - | - | - | 187,355 |
| Payable to government agencies | - | - | (4,114) | 439 | (3,675) | - |
| Other liabilities | 419,145 | 11,800 | 31,066 | 211,730 | 673,741 | 1,496 |
| Estimated liability for landfill closure | - | 237,816 | - | - | 237,816 | - |
| Net pension liability | (747,994) | (476,646) | 12,364 | (247,461) | (1,459,737) | (351,143) |
| Net OPEB liability | (361,013) | (161,770) | (10,643) | 7,498 | (525,928) | (88,762) |
| Deferred inflows - pension-related | (42,601) | (46,708) | 3,404 | (28,744) | (114,649) | (34,141) |
| Deferred inflows - OPEB-related | 31,671 | 14,511 | (127) | 8,419 | 54,474 | 10,451 |
| Total adjustments | 12,692,285 | 1,070,023 | 1,611,856 | 1,878,244 | 17,252,408 | 5,518,353 |
| Net cash provided by operating activities | \$ 26,316,998 | \$ 4,635,838 | \$ 244,991 | \$ 1,844,484 | \$ 33,042,311 | \$ 4,863,195 |
| Noncash capital and financing activities: | | | | | | |
| Capital assets received from developers | \$ 650,824 | \$ - | \$ - | \$ - | \$ 650,824 | \$ - |
| Capital assets transferred (to) from other funds | 553,716 | (56,861) | - | (419,718) | 77,137 | - |

See accompanying notes to the basic financial statements.

CITY OF WICHITA FALLS, TEXAS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
SEPTEMBER 30, 2020

| | Agency Fund |
|---------------------------|----------------|
| Assets | |
| Cash and cash equivalents | \$ 216,348 |
| | <u>216,348</u> |
| Liabilities | |
| Other liabilities | \$ 216,348 |
| | <u>216,348</u> |

See accompanying notes to the basic financial statements.

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2020

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

Blended Component Unit

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

Discretely Presented Component Units

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

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2020

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, 2020

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, 2020

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

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

Fund financial statements

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

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

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

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

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

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2020

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

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

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

The City reports the following major governmental funds:

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

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

The City reports the following major proprietary funds:

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

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

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

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

The City additionally reports the following fund types:

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

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2020

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

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

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

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

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

D. Nonexchange Transactions

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

Nonexchange transactions include the following classifications:

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

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2020

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, 2020

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

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

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

4. Deferred Outflows/Inflows of Resources

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

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

5. Long-Term Obligations

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

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

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2020

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, 2020

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, 2020

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, 2020 is based on management's estimate of probable losses in the amount of \$705,077. 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, 2018 to September 30, 2020:

| | Health Care | Workers' Compensation |
|---------------------------------------|----------------|--------------------------|
| Liability balance, October 1, 2018 | \$ 524,926 | \$ 776,840 |
| Incurred claims/adjustments | 12,671,940 | 1,068,701 |
| Claim payments | (12,705,219) | (1,070,310) |
| Liability balance, September 30, 2019 | 491,647 | 775,231 |
| Incurred claims/adjustments | 13,370,147 | 869,685 |
| Claim payments | (13,182,792) | (939,839) |
| Liability balance, September 30, 2020 | \$ 679,002 | \$ 705,077 |

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, 2020

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, 2020.

Deficit Fund Balances – Individual Funds

The Airport Improvement Grant Fund, a special revenue fund, had a deficit fund balance of \$994,338 as of September 30, 2020. 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, 2020, the total amount of the City's demand and time deposits per the general ledger was \$1,739,950, and the total amount per the City's September 30, 2020 bank statements was \$4,551,181. The entire amount of the year-end bank statement balances was covered by federal depository insurance or by collateral held by the City's agent in the City's name.

Investments

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

The investments of the City and its discretely presented component units at September 30, 2020 are as follows:

| <u>Types of Investments</u> | <u>Fair Value / Carrying Amount</u> | <u>Cost</u> | <u>Average Credit Quality/ Ratings</u> | <u>Weighted Average Months to Maturity</u> |
|---|---|----------------------|--|--|
| Primary Government: | | | | |
| TexPool | \$ 41,346,820 | \$ 41,346,820 | Not rated | 1.00 |
| LOGIC | 33,454,683 | 33,454,683 | Not rated | 1.00 |
| Money market accounts | <u>18,343,799</u> | <u>18,343,799</u> | Not rated | 1.00 |
| Total primary government investments | <u>93,145,302</u> | <u>93,145,302</u> | | |
| Component Units: | | | | |
| TexPool | <u>35,125,973</u> | <u>35,125,973</u> | Not rated | 1.00 |
| Total component unit investments | <u>35,125,973</u> | <u>35,125,973</u> | | |
| Total investments | <u>\$128,271,275</u> | <u>\$128,271,275</u> | | |

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2020

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

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

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

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

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

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

a. Credit Risk

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

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2020

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

b. Custodial Credit Risk

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

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

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

c. Concentration of Credit Risk

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

d. Interest Rate Risk

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

e. Foreign Currency Risk

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

Note 4 - PROPERTY TAXES

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

The City is permitted by its Home Rule Charter to levy taxes up to \$2.25 per \$100 of assessed valuation for general governmental services including the payment of principal and interest on long-term debt. The combined tax rate to finance general governmental services for the year ended September 30, 2020 was \$.763323 per \$100 which means that the City has a tax margin of \$1.486677 per \$100, and could raise up to \$78,445,911 additional tax revenue a year from the present assessed valuation of \$5,276,594,133 before the limit is reached.

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2020

Note 5 - RECEIVABLES

Receivables at September 30, 2020 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 | \$ 1,692,854 | \$ 272,635 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,965,489 | \$ - | \$ 1,965,489 |
| Customer and trade | - | - | 9,185,086 | 2,803,943 | - | 662,339 | - | 12,651,368 | - | 12,651,368 |
| Other City funds | 11,402,745 | - | - | - | - | - | - | 11,402,745 | - | 11,402,745 |
| Government agencies | 4,913,393 | 9,430,945 | 71,859 | - | - | 1,436,754 | - | 15,852,951 | 1,997,048 | 17,849,999 |
| Other | <u>1,467,115</u> | <u>76,560</u> | <u>182,807</u> | <u>19,445</u> | <u>34,244</u> | <u>30,993</u> | <u>64,940</u> | <u>2,376,104</u> | <u>-</u> | <u>2,376,104</u> |
| Gross receivables | 19,476,107 | 9,780,140 | 9,439,752 | 2,823,388 | 34,244 | 2,130,086 | 564,940 | 44,248,657 | 1,997,048 | 46,245,705 |
| Less: Allowance for uncollectible accounts | (<u>809,540</u>) | (<u>38,959</u>) | (<u>3,163,911</u>) | (<u>1,017,702</u>) | - | (<u>215,902</u>) | - | (<u>5,246,014</u>) | - | (<u>5,246,014</u>) |
| Net total receivables | <u>\$18,666,567</u> | <u>\$9,741,181</u> | <u>\$6,275,841</u> | <u>\$1,805,686</u> | <u>\$34,244</u> | <u>\$1,914,184</u> | <u>\$564,940</u> | <u>\$39,002,643</u> | <u>\$1,997,048</u> | <u>\$40,999,691</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 \$1,965,489 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, 2020

Note 6 - RESTRICTED ASSETS

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

Water and Sewer restricted assets are comprised of the following:

| | |
|---------------------------|---------------------|
| For Debt Service: | |
| Cash and cash equivalents | \$12,008,946 |
| For Capital Improvements: | |
| Cash and cash equivalents | <u>1,569,030</u> |
| Total | <u>\$13,577,976</u> |

Regional Airport restricted assets are comprised of the following:

| | |
|---------------------------------|--------------------|
| For Passenger Facility Charges: | |
| Cash and cash equivalents | \$ 315,952 |
| For Customer Facility Charges: | |
| Cash and cash equivalents | <u>817,043</u> |
| Total | <u>\$1,132,995</u> |

Internal Service Fund restricted assets are comprised of the following:

| | |
|---------------------------|--------------------|
| For Employee Insurance: | |
| Cash and cash equivalents | <u>\$7,263,537</u> |

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2020

Note 7 - CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2020 was as follows:

| Governmental activities: | Balance October 1, 2019 | Increases | Decreases | Balance September 30, 2020 |
|---|-------------------------------|--------------------|--------------------|----------------------------------|
| Capital assets not being depreciated: | | | | |
| Land | \$ 10,736,271 | \$ 16,510 | \$ - | \$ 10,752,781 |
| Construction in progress | <u>4,791,960</u> | <u>9,876,338</u> | <u>3,436,361</u> | <u>11,231,937</u> |
| Total capital assets not being depreciated | <u>15,528,231</u> | <u>9,892,848</u> | <u>3,436,361</u> | <u>21,984,718</u> |
| Capital assets being depreciated: | | | | |
| Land betterments | 23,425,044 | - | - | 23,425,044 |
| Buildings, systems and improvements | 75,551,641 | - | - | 75,551,641 |
| Infrastructure | 194,404,846 | 6,421,190 | 2,351,805 | 198,474,231 |
| Machinery and equipment | 27,322,073 | 396,232 | - | 27,718,305 |
| Furniture and fixtures | <u>143,082</u> | <u>-</u> | <u>-</u> | <u>143,082</u> |
| Total capital assets being depreciated | <u>320,846,686</u> | <u>6,817,422</u> | <u>2,351,805</u> | <u>325,312,303</u> |
| Less accumulated depreciation for: | | | | |
| Land betterments | 8,219,509 | 492,553 | - | 8,712,062 |
| Buildings, systems and improvements | 29,585,786 | 1,724,984 | - | 31,310,770 |
| Infrastructure | 100,592,117 | 3,696,351 | 2,327,907 | 101,960,561 |
| Machinery and equipment | 19,542,008 | 1,771,571 | - | 21,313,579 |
| Furniture and fixtures | <u>141,217</u> | <u>466</u> | <u>-</u> | <u>141,683</u> |
| Total accumulated depreciation | <u>158,080,637</u> | <u>7,685,925</u> | <u>2,327,907</u> | <u>163,438,655</u> |
| Total capital assets being depreciated, net | <u>162,766,049</u> | <u>(868,503)</u> | <u>23,898</u> | <u>161,873,648</u> |
| Governmental activities capital assets, net | <u>\$178,294,280</u> | <u>\$9,024,345</u> | <u>\$3,460,259</u> | <u>\$183,858,366</u> |

Depreciation expense was charged to functions as follows:

| | |
|---------------------------------|---------------------|
| Governmental activities: | |
| Administrative services | \$ 1,224,337 |
| Police | 1,061,056 |
| Fire | 210,280 |
| Parks and recreation | 219,525 |
| Accounting/finance | 2,652 |
| Community development | 6,918 |
| Public works | 3,088,425 |
| Health | 165,693 |
| Traffic and transportation | 682,718 |
| Multi-Purpose Events Center | <u>1,024,321</u> |
| Total governmental depreciation | <u>\$ 7,685,925</u> |

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2020

Note 7 - CAPITAL ASSETS (CONT'D.)

| Business-type activities: | Balance October 1, <u>2019</u> | <u>Increases</u> | <u>Decreases</u> | Balance September 30, <u>2020</u> |
|--|--------------------------------------|---------------------|---------------------|---|
| Capital assets not being depreciated: | | | | |
| Land | \$ 10,835,178 | \$ 2,069 | \$ - | \$ 10,837,247 |
| Construction in progress | <u>8,612,617</u> | <u>10,553,934</u> | <u>8,010,045</u> | <u>11,156,506</u> |
| Total capital assets not being depreciated | <u>19,447,795</u> | <u>10,556,003</u> | <u>8,010,045</u> | <u>21,993,753</u> |
| Capital assets being depreciated: | | | | |
| Land betterments | 59,094,244 | 218,133 | - | 59,312,377 |
| Buildings, systems and improvements | 462,135,135 | 11,912,790 | 205,000 | 473,842,925 |
| Infrastructure | - | 1,308,101 | - | 1,308,101 |
| Machinery and equipment | 9,717,209 | 553,803 | - | 10,251,012 |
| Furniture and fixtures | 16,943 | - | - | 16,943 |
| Motor vehicles | <u>62,953,552</u> | <u>5,439,363</u> | <u>1,960,642</u> | <u>66,432,273</u> |
| Total capital assets being depreciated | <u>593,917,083</u> | <u>19,432,190</u> | <u>2,165,642</u> | <u>611,163,631</u> |
| Less accumulated depreciation for: | | | | |
| Land betterments | 21,015,230 | 1,635,807 | - | 22,651,037 |
| Buildings, systems and improvements | 152,084,626 | 10,691,827 | 205,000 | 162,571,453 |
| Infrastructure | - | 8,721 | - | 8,721 |
| Machinery and equipment | 7,570,039 | 463,897 | - | 8,033,936 |
| Furniture and fixtures | 13,095 | 2,566 | - | 15,661 |
| Motor vehicles | <u>44,773,402</u> | <u>3,919,864</u> | <u>1,958,290</u> | <u>46,734,976</u> |
| Total accumulated depreciation | <u>225,456,392</u> | <u>16,722,682</u> | <u>2,163,290</u> | <u>240,015,784</u> |
| Total capital assets being depreciated, net | <u>368,460,691</u> | <u>2,709,508</u> | <u>2,352</u> | <u>371,147,847</u> |
| Business-type activities capital assets, net | <u>\$387,908,486</u> | <u>\$13,265,511</u> | <u>\$ 8,012,397</u> | <u>\$393,141,600</u> |

Depreciation expense was charged to programs as follows:

| | |
|----------------------------------|---------------------|
| Business-type activities: | |
| Regional Airport | \$ 1,524,546 |
| Kickapoo Airport | 547,990 |
| Transit | 350,271 |
| Sanitation | 3,455,844 |
| Water and sewer | 10,122,883 |
| Stormwater drainage | 479,409 |
| Waterpark | <u>241,739</u> |
| Total business-type depreciation | <u>\$16,722,682</u> |

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2020

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, 2020. Detailed information for each plan follows.

| | <u>TMRS</u> | <u>WFFRRF</u> | <u>Total</u> |
|--------------------------------|--------------|---------------|---------------|
| Net pension liability | \$48,125,352 | \$73,008,653 | \$121,134,005 |
| Deferred outflows of resources | 5,914,077 | 31,330,510 | 37,244,587 |
| Deferred inflows of resources | 8,964,792 | 7,674,294 | 16,639,086 |
| Pension expense | 21,741,938 | 9,795,078 | 31,537,016 |

Texas Municipal Retirement System

Plan Description

The City participates as one of 887 plans in the nontraditional, joint contributory, hybrid defined benefit plan administered by the TMRS. TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401(a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report 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, 2020

Note 8 - PENSION PLANS (CONT'D.)

Employees Covered by Benefit Terms

At the December 31, 2019 valuation and measurement date, the following employees were covered by the benefit terms:

| | |
|--|-----|
| Inactive employees or beneficiaries currently receiving benefits | 684 |
| Inactive employees entitled to but not yet receiving benefits | 478 |
| Active employees | 975 |

Contributions

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

Employees of the City were required to contribute 5% of their annual gross earnings during calendar year 2019. Employees were required to contribute 7% of their annual gross earnings beginning January 1, 2020. The contribution rates for the City were 12.77% and 16.32% in calendar years 2019 and 2020, respectively. The City's contributions to TMRS for the year ended September 30, 2020, were \$7,313,080, and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2019, 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, 2019 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 2019 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, 2020

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 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> |
|-----------------------|--------------------------|--|
| 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, 2020

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, 2018 | \$271,553,338 | \$217,929,373 | \$53,623,965 |
| Changes for the year: | | | |
| Service cost | 6,447,967 | - | 6,447,967 |
| Interest on total pension liability | 18,913,918 | - | 18,913,918 |
| Change of benefit terms | 12,613,317 | - | 12,613,317 |
| Difference between expected and actual experience | (1,475,630) | - | (1,475,630) |
| Change of assumptions | (26,378) | - | (26,378) |
| Contributions – employer | - | 5,913,578 | (5,913,578) |
| Contributions – employee | - | 2,590,541 | (2,590,541) |
| Net investment income | - | 33,663,780 | (33,663,780) |
| Benefit payments, including refunds of employee contributions | (14,368,878) | (14,368,878) | - |
| Administrative expense | - | (190,372) | 190,372 |
| Other changes | - | (5,720) | 5,720 |
| Balances as of December 31, 2019 | <u>\$293,657,654</u> | <u>\$245,532,302</u> | <u>\$48,125,352</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 | \$86,636,840 | \$48,125,352 | \$16,281,547 |

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

For the year ended September 30, 2020, the City recognized pension expense of \$21,741,938 related to its participation in TMRS.

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2020

Note 8 - PENSION PLANS (CONT'D.)

At September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to TMRS from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|-----------------------------------|----------------------------------|
| Differences between expected and actual experience | \$ 409,811 | \$1,369,626 |
| Net difference in assumptions | - | 19,306 |
| Net difference between projected and actual earnings | - | 7,575,860 |
| Contributions made subsequent to measurement date | <u>5,504,266</u> | <u> </u> |
| Total | <u>\$5,914,077</u> | <u>\$8,964,792</u> |

\$5,504,266 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, 2020. 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> | |
|-------------------------------------|----------------------|
| 2020 | (\$2,629,233) |
| 2021 | (2,531,422) |
| 2022 | 396,382 |
| 2023 | <u>(3,790,711)</u> |
| Total | <u>(\$8,554,984)</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, 2020

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, 2019.

Employees Covered by Benefit Terms

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

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

Contributions

The contribution rate for the firefighters is 13% and the City contributes 13%. 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, 2020, were \$1,442,485, and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of January 1, 2020, 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, 2020, 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, 2020

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-2019 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 2020 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, 2019 are summarized in the following table:

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

Discount Rate

The projection of cash flows used to determine the discount rate assumed that current plan member and sponsor contributions will be made at the current contribution rate. Future member's contributions in excess of their normal cost were also included. Based on these assumptions, the pension plan's Fiduciary Net Position was projected to 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, 2020

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, 2019 | \$119,084,652 | \$46,695,574 | \$72,389,078 |
| Changes for the year: | | | |
| Service cost | 2,916,767 | - | 2,916,767 |
| Interest on total pension liability | 6,110,936 | - | 6,110,936 |
| Change of benefit terms | - | - | - |
| Difference between expected and actual experience | (399,085) | - | (399,085) |
| Change of assumptions | 3,933,059 | - | 3,933,059 |
| Contributions – employer | - | 1,442,485 | (1,442,485) |
| Contributions – employee | - | 1,468,465 | (1,468,465) |
| Net investment income | - | 9,142,584 | (9,142,584) |
| Benefit payments, including refunds of employee contributions | (5,759,722) | (5,759,722) | - |
| Administrative expense | - | (111,432) | 111,432 |
| Balances as of December 31, 2020 | <u>\$125,886,607</u> | <u>\$52,877,954</u> | <u>\$73,008,653</u> |

Sensitivity Analysis

The following presents the net pension liability of the City, calculated using the discount rate of 4.99%, as well as what the City's net pension liability / (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (3.99%) or 1 percentage point higher (5.99%) than the current rate.

| | 1% Decrease 3.99% | Current Discount Rate 4.99% | 1% Increase 5.99% |
|-----------------------|-------------------------|-----------------------------------|-------------------------|
| Net pension liability | \$90,152,789 | \$73,008,653 | \$58,873,997 |

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

For the year ended September 30, 2020, the City recognized pension expense of \$9,795,078 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, 2020

Note 8 - PENSION PLANS (CONT'D.)

At September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to the WFFRRF from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|-----------------------------------|----------------------------------|
| Differences between expected and actual experience | \$ 3,536,466 | \$2,330,732 |
| Difference due to changes in actuarial assumptions | 26,672,916 | 1,374,216 |
| Net difference between projected and actual earnings | - | 3,969,346 |
| Contributions made subsequent to measurement date | <u>1,121,128</u> | <u>-</u> |
| Total | <u>\$31,330,510</u> | <u>\$7,674,294</u> |

\$1,121,128 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, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| <u>Year Ended December 31:</u> | |
|--------------------------------|---------------------|
| 2021 | \$ 3,780,271 |
| 2022 | 3,569,632 |
| 2023 | 4,354,856 |
| 2024 | 3,597,980 |
| 2025 | 4,962,586 |
| Thereafter | <u>2,269,763</u> |
| Total | <u>\$22,535,088</u> |

Note 9 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

Plan Description

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

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2020

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

Retiree Premiums

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

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

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

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

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

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

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

Benefits for Spouses of Retired Employees

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

Vision Coverage

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

Dental Coverage

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

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2020

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

Life Insurance Coverage

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

Employees Covered by Benefit Terms

At the December 31, 2019 measurement date, the following employees were covered by the benefit terms:

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

Actuarial Assumptions

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

Actuarial Methods and Assumptions:

| | |
|-------------------------|---|
| Valuation Date | December 31, 2018 |
| Actuarial Cost Method | Individual Entry Age Normal |
| Discount Rate | 6.75% as of December 31, 2019 |
| Inflation | 2.50% |
| Salary Increases | 3.50% to 11.50% for TMRS and 3.50% to 12.00% for firemen, including inflation |
| Demographic Assumptions | TMRS: Based on the experience study covering the four-year period ending December 31, 2018 as conducted for TMRS. Based on the January 1, 2018 valuation for the Wichita Falls Firemen's Relief and Retirement Fund. |
| Mortality | TMRS: For healthy retirees, the gender-distinct 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. WFRF: The gender-distinct RP-2000 Combined Healthy Mortality Table for males and females, projected to year 2024 using Scale AA. |
| Participation Rates | TMRS: 45% of employees retiring after the age of 49 or with disability at any age were assumed to elect retiree health care benefits through the City. 0% of TMRS employees retiring before the age of 49 were assumed to elect coverage. Fire: 70% of employees retiring at any age were assumed to elect retiree health care benefits through the City. |

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2020

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

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

Discount Rate

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

Changes in Net OPEB Liability

| | Increase (Decrease) | | |
|---|--------------------------------|---------------------------------------|------------------------------------|
| | Total OPEB Liability (a) | Plan Fiduciary Net Position (b) | Net OPEB Liability (a) – (b) |
| Balances as of December 31, 2018 | \$21,809,118 | \$5,186,456 | \$16,622,662 |
| Changes for the year: | | | |
| Service cost | 523,568 | - | 523,568 |
| Interest on total OPEB liability | 1,432,914 | - | 1,432,914 |
| Change of benefit terms | - | - | - |
| Difference between expected and actual experience | - | - | - |
| Change of assumptions | 281,546 | - | 281,546 |
| Contributions – employer | - | 2,214,088 | (2,214,088) |
| Contributions – employee | - | - | - |
| Net investment income | - | 1,204,836 | (1,204,836) |
| Benefit payments, including refunds of employee contributions | (1,685,098) | (1,685,098) | - |
| Administrative expense | - | - | - |
| Other changes | - | (344,259) | 344,259 |
| Balances as of December 31, 2019 | <u>\$22,362,048</u> | <u>\$6,576,023</u> | <u>\$15,786,025</u> |

Discount Rate Sensitivity Analysis

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

| 1% Decrease 5.75% | Current Discount Rate 6.75% | 1% Increase 7.75% |
|-------------------------|--------------------------------------|-------------------------|
| <u>\$17,744,038</u> | <u>\$15,786,025</u> | <u>\$14,060,281</u> |

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2020

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

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

| <u>1% Decrease</u> | <u>Current Healthcare Cost Trend Rate</u> | <u>1% Increase</u> |
|------------------------|---|------------------------|
| <u>\$14,309,262</u> | <u>\$15,786,025</u> | <u>\$17,501,721</u> |

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

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

For the year ended September 30, 2020, the City recognized OPEB expense of \$1,885,888 related to the City of Wichita Falls Retiree Health Care Plan.

At September 30, 2020, 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 | \$ - | \$453,997 |
| Difference due to changes in actuarial assumptions | 724,652 | - |
| Differences between expected and actual experience, assets | - | 400,742 |
| Contributions made subsequent to measurement date | <u>1,628,752</u> | <u>-</u> |
| Total | <u>\$2,353,404</u> | <u>\$854,739</u> |

\$1,628,752 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, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in pension expense as follows:

| <u>Year Ended December 31:</u> | |
|--------------------------------|--------------------|
| 2020 | (\$ 46,914) |
| 2021 | (46,912) |
| 2022 | 43,384 |
| 2023 | (110,561) |
| 2024 | <u>30,916</u> |
| Total | <u>(\$130,087)</u> |

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2020

Note 10 - DEFERRED COMPENSATION PLAN

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

Note 11 - AIRPORT LEASE

The Regional Airport facilities are located on land at Sheppard Air Force Base. The land is leased from the Department of the Air Force for a period of fifty years, beginning May 15, 2009 and expiring May 14, 2059. The City's expense for the year ended September 30, 2020 was \$50,397. The lease payment increases by 3% per year with a final lease payment of \$157,805 in 2058.

Note 12 - DESCRIPTION OF LEASING ARRANGEMENTS

The majority of the City's operating leases contain an option for annual renewal at the end of the initial lease term. In most cases, these leases will be canceled or replaced by other leases. The City leases certain equipment under operating leases expiring at various times through the year ending September 30, 2020.

The following is a schedule by years of future minimum rental payments required under operating leases that have initial or remaining noncancellable lease terms in excess of one year as of September 30, 2020:

| | |
|---------------------------------|--------------------|
| Year ending September 30: | |
| 2021 | \$ 140,135 |
| 2022 | 125,234 |
| 2023 | 88,760 |
| 2024 | 61,537 |
| 2025 | 59,496 |
| 2026-2030 | 325,351 |
| 2031-2035 | 377,171 |
| 2036-2040 | 437,245 |
| 2041-2045 | 506,887 |
| 2046-2050 | 587,621 |
| 2051-2055 | 681,213 |
| 2056-2058 | <u>459,759</u> |
| Total minimum payments required | <u>\$3,850,409</u> |

The total rental expenses for all operating leases for the year ended September 30, 2020 was \$139,735. There were no contingent rentals during the year ended September 30, 2020.

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2020

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

State and federal laws and regulations require that the City place a final cover on its landfill when closed, and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. In accordance with the Texas Administrative Code, Title 30, Part 1, Chapter 7, the City annually submits a financial assurance letter to the Texas Commission on Environmental Quality (TCEQ). In addition to operating expenses related to current activities of the landfill, an expense provision and related liability are being recognized based on the future closure and postclosure care costs that will be incurred near or after the date the landfill no longer accepts waste. The recognition of these landfill closure and postclosure care costs is based on the amount of the landfill used during the year. The estimated liability for landfill closure and postclosure care costs has a balance of \$5,446,644 as of September 30, 2020, which is based on 23% usage of the landfill. The City will recognize the remaining estimated cost of closure and postclosure care of \$18,203,258 as the remaining estimated capacity is filled. The landfill is expected to be filled to capacity in 2153. Additionally, the City has recorded a liability of \$71,934 for closure and postclosure care costs related to the City's transfer station. Actual costs may be higher due to inflation, change in technology, or changes in regulations.

Note 14 - LONG-TERM LIABILITIES

Long-term liabilities transactions for the year ended September 30, 2020 are summarized as follows:

| | Balance at October 1, 2019 | Issued | Retired and Transferred | Balance at September 30, 2020 | Due Within One Year |
|--|----------------------------------|--------------------|----------------------------|-------------------------------------|------------------------|
| <u>Governmental Activities:</u> | | | | | |
| General obligation bonds | \$ 31,785,000 | \$ - | \$ 2,715,000 | \$ 29,070,000 | \$ 2,795,000 |
| Combination tax and revenue bonds | 19,370,000 | - | 1,330,000 | 18,040,000 | 1,375,000 |
| Premiums on bonds | 2,102,269 | - | 302,254 | 1,800,015 | - |
| Accrued vacation and sick leave payable | 9,472,646 | 3,011,597 | 2,913,754 | 9,570,489 | 2,900,000 |
| Capital lease payable | 5,068,472 | - | 512,794 | 4,555,678 | 545,440 |
| Claims and judgments payable | <u>775,231</u> | <u>869,685</u> | <u>939,839</u> | <u>705,077</u> | <u>70,153</u> |
| Total governmental activities | <u>68,573,618</u> | <u>3,881,282</u> | <u>8,713,641</u> | <u>63,741,259</u> | <u>7,685,593</u> |
| <u>Business-type Activities:</u> | | | | | |
| Utility system revenue bonds, net of premium (discount) | 61,570,000 | - | 7,265,000 | 54,305,000 | 7,635,000 |
| Combination tax and revenue bonds | 39,665,000 | - | 1,525,000 | 38,140,000 | 1,550,000 |
| Premiums on bonds | 7,687,091 | - | 1,777,086 | 5,910,005 | - |
| Accrued vacation and sick leave payable | 733,033 | 745,893 | 637,049 | 841,877 | 675,000 |
| Note payable | 280,485 | - | 41,540 | 238,945 | 44,287 |
| Capital leases payable | 17,287,584 | - | 983,577 | 16,304,007 | 1,092,296 |
| Landfill closure, post-closure costs | <u>5,280,762</u> | <u>237,816</u> | <u>-</u> | <u>5,518,578</u> | <u>-</u> |
| Total business-type activities | <u>132,503,955</u> | <u>983,709</u> | <u>12,229,252</u> | <u>121,258,412</u> | <u>10,996,583</u> |
| Total long-term liabilities | <u>\$201,077,573</u> | <u>\$4,864,991</u> | <u>\$20,942,893</u> | <u>\$184,999,671</u> | <u>\$18,682,176</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, 2020

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

Bonds Payable

Bonds payable at September 30, 2020 are comprised of the following individual issues:

| | Range of Interest Rates | Final Maturity Date | Annual Serial Payments | Bonds Authorized | Bonds Outstanding At 9/30/20 |
|--|-------------------------------|---------------------------|------------------------------|---------------------|------------------------------------|
| General Obligation Bonds: | | | | | |
| General Obligation Refunding Bonds, Series 2011 | 1.50% - 3.00% | 9/01/21 | \$405,000 to \$485,000 | \$ 4,365,000 | \$ 485,000 |
| General Obligation Refunding Bonds, Series 2015A | 2.00% - 5.00% | 9/01/26 | \$200,000 to \$1,105,000 | 9,650,000 | 6,050,000 |
| General Obligation Refunding Bonds, Series 2015B | 0.73% - 3.48% | 9/01/26 | \$110,000 to \$310,000 | 2,885,000 | 1,740,000 |
| General Obligation Bonds, Series 2018A | 2.00% - 5.00% | 9/01/38 | \$550,000 to \$1,155,000 | 16,345,000 | 15,220,000 |
| General Obligation Refunding Bonds, Series 2018B | 2.00% - 4.00% | 10/01/28 | \$80,000 to \$725,000 | 6,170,000 | <u>5,575,000</u> |
| Total General Obligation Bonds | | | | | <u>29,070,000</u> |
| Combination Tax and Revenue Bonds: | | | | | |
| Combination Tax and Revenue Certificates of Obligation, Series 2010 | 5.60% | 2/01/25 | \$165,000 to \$375,000 | 3,930,000 | 1,685,000 |
| Combination Tax and Revenue Certificates of Obligation, Series 2011 | 2.00% - 4.00% | 9/01/31 | \$135,000 to \$220,000 | 3,200,000 | 2,045,000 |
| Combination Tax and Revenue Certificates of Obligation, Series 2013 | 2.00% - 3.375% | 9/01/33 | \$530,000 to \$1,315,000 | 19,875,000 | 14,310,000 |
| Combination Tax and Revenue Certificates of Obligation, Series 2013A | 2.00% - 4.625% | 9/01/33 | \$505,000 to \$905,000 | 13,000,000 | 9,330,000 |
| 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 | 28,810,000 |
| Total Combination Tax and Revenue Bonds | | | | | <u>56,180,000</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 | 54,305,000 |
| Total All Bonds | | | | | <u>\$139,555,000</u> |

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2020

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

Aggregate maturities of the long-term debt (principal and interest) for the years subsequent to September 30, 2020 are as follows:

| Year Ending September 30, | General Obligation Bonds | | Combination Tax and Revenue Bonds | | Revenue Bonds | | Notes Payable | | Capital Lease Payable | | Total | |
|------------------------------|--------------------------|--------------------|--------------------------------------|---------------------|---------------------|---------------------|------------------|-----------------|-----------------------|--------------------|----------------------|---------------------|
| | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest |
| 2021 | \$ 2,795,000 | \$1,134,911 | \$ 2,925,000 | \$ 1,468,812 | \$ 7,635,000 | \$ 2,682,000 | \$ 44,287 | \$ 7,686 | \$ 1,637,738 | \$ 645,765 | \$ 15,037,025 | \$ 5,939,174 |
| 2022 | 2,390,000 | 1,041,300 | 2,995,000 | 1,394,165 | 8,010,000 | 2,300,250 | 45,728 | 6,246 | 1,734,574 | 600,305 | 15,175,302 | 5,342,266 |
| 2023 | 2,480,000 | 948,517 | 3,065,000 | 1,315,342 | 8,410,000 | 1,899,750 | 47,216 | 4,758 | 1,834,600 | 551,933 | 15,836,816 | 4,720,300 |
| 2024 | 2,585,000 | 856,924 | 3,145,000 | 1,231,866 | 8,835,000 | 1,479,250 | 48,752 | 3,222 | 1,379,038 | 500,536 | 15,992,790 | 4,071,798 |
| 2025 | 2,665,000 | 769,912 | 3,240,000 | 1,143,626 | 9,275,000 | 1,037,500 | 52,962 | 1,636 | 1,011,161 | 457,978 | 16,244,123 | 3,410,652 |
| 2026-2030 | 8,055,000 | 2,449,488 | 15,500,000 | 4,463,202 | 12,140,000 | 728,750 | - | - | 5,032,409 | 1,791,834 | 40,727,409 | 9,433,274 |
| 2031-2035 | 4,765,000 | 1,311,550 | 12,290,000 | 2,105,556 | - | - | - | - | 7,421,065 | 829,479 | 24,476,065 | 4,246,585 |
| 2036-2040 | 3,335,000 | 304,850 | 6,180,000 | 1,036,616 | - | - | - | - | 809,100 | 13,065 | 10,324,100 | 1,354,531 |
| 2041-2045 | - | - | <u>6,840,000</u> | <u>367,556</u> | - | - | - | - | - | - | <u>6,840,000</u> | <u>367,556</u> |
| Totals | <u>\$29,070,000</u> | <u>\$8,817,452</u> | <u>\$56,180,000</u> | <u>\$14,526,741</u> | <u>\$54,305,000</u> | <u>\$10,127,500</u> | <u>\$238,945</u> | <u>\$23,548</u> | <u>\$20,859,685</u> | <u>\$5,390,895</u> | <u>\$160,653,630</u> | <u>\$38,886,136</u> |

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2020

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

All of the General Obligation Bonds were issued on the full faith and credit of the City and are secured by ad valorem taxes levied against all taxable property. These bonds are serviced by the Debt Service Fund with an apportionment of the ad valorem tax levy. At September 30, 2020, this fund had a fund balance of \$1,486,350.

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

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

Notes Payable

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

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

This contractual arrangement is strictly a cost-sharing agreement and is not considered a joint venture as defined in Section J50 of the Codification of Governmental Accounting and Financial Reporting Standards. The remaining debt payable to the U.S. Government at September 30, 2020 is classified as follows:

| | |
|-----------------|-------------------|
| Long-term | \$ 194,658 |
| Current portion | <u>44,287</u> |
| Total | <u>\$ 238,945</u> |

Capital Leases Payable

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

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2020

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

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

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

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

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

Note 15 - INTERFUND BALANCES

Transfers to and from other funds during the year ended September 30, 2020 were as follows:

| <u>Transfers From</u> | <u>Transfers To</u> | <u>Amount</u> | <u>Reason</u> |
|-----------------------------|-----------------------------|---------------------|-------------------------------|
| General Fund | Nonmajor Governmental Funds | \$ 158,858 | Supplement operating grants |
| General Fund | Nonmajor Governmental Funds | 447,982 | Supplement operating deficits |
| Nonmajor Governmental Funds | General Fund | 595,450 | Consolidate budgeted funds |
| Nonmajor Governmental Funds | Nonmajor Governmental Funds | 943,094 | Fund debt service payment |
| Nonmajor Governmental Funds | Nonmajor Governmental Funds | 1,457,527 | Fund operating deficits |
| Nonmajor Governmental Funds | Regional Airport Fund | 1,308,101 | Fund operating deficits |
| Nonmajor Governmental Funds | Internal Service Funds | 184,500 | Fund capital projects |
| Water and Sewer Fund | General Fund | 1,844,186 | Administrative overhead |
| Water and Sewer Fund | Nonmajor Governmental Funds | 500,000 | Fund debt service payment |
| Water and Sewer Fund | Internal Service Funds | 256,585 | Purchase capital assets |
| Sanitation Fund | General Fund | 1,620,717 | Administrative overhead |
| Sanitation Fund | Water and Sewer Fund | 56,861 | Transfer capital assets |
| Sanitation Fund | Internal Service Funds | 2,156,600 | Purchase capital assets |
| Regional Airport Fund | Nonmajor Governmental Funds | 85,138 | Supplement capital grants |
| Regional Airport Fund | Internal Service Fund | 37,693 | Purchase capital assets |
| Nonmajor Enterprise Funds | Nonmajor Governmental Funds | 406,971 | Fund debt service payment |
| Nonmajor Enterprise Funds | Nonmajor Governmental Funds | 32,570 | Supplement capital grants |
| Nonmajor Enterprise Funds | Water and Sewer Fund | 419,718 | Transfer capital assets |
| Nonmajor Enterprise Funds | Internal Service Funds | 1,158,453 | Purchase capital assets |
| Internal Service Funds | General Fund | 312,000 | Administrative overhead |
| | Total | <u>\$13,983,004</u> | |

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

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2020

Note 15 - INTERFUND BALANCES (CONT'D.)

Balances due to and from other funds as of September 30, 2020 were as follows:

| <u>Due To Fund</u> | <u>Due From Fund</u> | <u>Amount</u> | <u>Purpose</u> |
|--------------------|-----------------------------|---------------------|-----------------|
| General Fund | Nonmajor Governmental Funds | \$ 6,610,604 | Short-term loan |
| General Fund | Regional Airport Fund | 1,018,979 | Short-term loan |
| General Fund | Nonmajor Enterprise Funds | 1,506,698 | Short-term loan |
| General Fund | Internal Service Funds | <u>2,266,466</u> | Short-term loan |
| | Total | <u>\$11,402,747</u> | |

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

Note 16 - COMMITMENTS AND CONTINGENCIES

Litigation

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

Contract Commitment With West Texas Utilities Company

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

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

For water actually consumed, the Company shall pay the City and Wichita County Water Improvement District Number 2 equally, at the base rate of \$0.23 per one thousand gallons, which is adjusted annually. The rate for the year ended September 30, 2020 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 2020, this contract was assumed by Oklaunion Industrial Park, LLC.

Contract Commitments

At September 30, 2020, the City was committed to various contracts. The amounts for which the various funds are committed to complete these contracts are as follows:

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2020

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

| | |
|-----------------------------------|---------------------|
| Nonmajor Governmental Funds | \$ 6,472,404 |
| Water and Sewer Fund | 8,625,084 |
| Sanitation Fund | 274,455 |
| Nonmajor Enterprise Funds | <u>8,692,988</u> |
| Total contract commitments - City | <u>\$24,064,931</u> |

Federal and State Grants - Compliance Audits

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

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

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

Note 17 - TAX ABATEMENT AGREEMENTS

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

For the fiscal year ended September 30, 2020, the City abated property taxes totaling \$1,739,805 under this program and received payments in lieu of taxes totaling \$1,417,238.

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2020

Note 18 - CONDENSED FINANCIAL INFORMATION FOR DISCRETELY PRESENTED COMPONENT UNITS

The City has five component units that are discretely presented in the City's basic financial statements. Condensed financial information for the year ended September 30, 2020 is as follows:

| | Wichita Falls Economic Development Corporation | Wichita Falls 4B Sales Tax Corporation | Wichita Falls Reinvestment | | | Totals |
|--|---|---|----------------------------|------------------|------------------|---------------------|
| | | | Zone #2 | Zone #3 | Zone #4 | |
| Condensed statement of net position: | | | | | | |
| Cash, investments and other current assets | \$14,894,515 | \$7,540,210 | \$2,054,317 | \$709,608 | \$374,659 | \$25,573,309 |
| Capital assets, net of accumulated depreciation | <u>2,113,675</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,113,675</u> |
| Total assets | <u>17,008,190</u> | <u>7,540,210</u> | <u>2,054,317</u> | <u>709,608</u> | <u>374,659</u> | <u>27,686,984</u> |
| Accounts payable and other current liabilities | <u>49,112</u> | <u>195</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>49,307</u> |
| Total liabilities | <u>49,112</u> | <u>195</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>49,307</u> |
| Net position | <u>\$16,959,078</u> | <u>\$7,540,015</u> | <u>\$2,054,317</u> | <u>\$709,608</u> | <u>\$374,659</u> | <u>\$27,637,677</u> |
| Condensed statement of activities: | | | | | | |
| Expenses: | | | | | | |
| Community development | <u>\$ 4,788,829</u> | <u>\$3,702,091</u> | <u>\$ 357,807</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 8,848,727</u> |
| Program revenues: | | | | | | |
| Operating grants and contributions | <u>-</u> | <u>567,373</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>567,373</u> |
| Net program expense | <u>(4,788,829)</u> | <u>(3,134,718)</u> | <u>(357,807)</u> | <u>-</u> | <u>-</u> | <u>(8,281,354)</u> |
| General revenues: | | | | | | |
| Tax revenues | 4,200,982 | 4,200,982 | 788,372 | 38,301 | 134,582 | 9,363,219 |
| Non-tax general revenues | <u>2,456,228</u> | <u>87,918</u> | <u>6,258</u> | <u>5,670</u> | <u>1,377</u> | <u>2,557,451</u> |
| Total general revenues | <u>6,657,210</u> | <u>4,288,900</u> | <u>794,630</u> | <u>43,971</u> | <u>135,959</u> | <u>11,920,670</u> |
| Change in net position | 1,868,381 | 1,154,182 | 436,823 | 43,971 | 135,959 | 3,639,316 |
| Beginning net position | <u>15,090,697</u> | <u>6,385,833</u> | <u>1,617,494</u> | <u>665,637</u> | <u>238,700</u> | <u>23,998,361</u> |
| Ending net position | <u>\$16,959,078</u> | <u>\$7,540,015</u> | <u>\$2,054,317</u> | <u>\$709,608</u> | <u>\$374,659</u> | <u>\$27,637,677</u> |

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF WICHITA FALLS, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

| | Budgeted Amounts | | Actual | Variance With Final Budget - Positive (Negative) |
|--|----------------------|----------------------|----------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Taxes | \$ 69,431,911 | \$ 69,431,911 | \$ 69,804,085 | \$ 372,174 |
| Charges for services | 2,944,450 | 2,944,450 | 2,898,166 | (46,284) |
| Licenses and permits | 2,026,636 | 2,026,636 | 1,737,778 | (288,858) |
| Fines and forfeitures | 2,734,600 | 2,734,600 | 1,656,205 | (1,078,395) |
| Contributions | 194,678 | 194,678 | 183,004 | (11,674) |
| Miscellaneous revenue | 1,653,096 | 1,653,096 | 1,893,021 | 239,925 |
| Total revenues | <u>78,985,371</u> | <u>78,985,371</u> | <u>78,172,259</u> | <u>(813,112)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Administrative services | 14,103,542 | 14,305,030 | 13,148,370 | 1,156,660 |
| Police | 27,084,229 | 27,084,229 | 22,886,486 | 4,197,743 |
| Fire | 17,642,542 | 17,642,542 | 17,369,693 | 272,849 |
| Parks and recreation | 5,962,431 | 5,962,431 | 5,130,886 | 831,545 |
| Accounting/finance | 856,951 | 856,951 | 845,894 | 11,057 |
| Community development | 2,626,172 | 2,626,172 | 2,249,486 | 376,686 |
| Public works | 5,523,387 | 5,523,257 | 5,152,523 | 370,734 |
| Health | 3,666,029 | 3,666,029 | 3,304,904 | 361,125 |
| Traffic and transportation | 1,813,994 | 1,813,994 | 1,795,063 | 18,931 |
| Capital outlay | 2,792,410 | 3,849,117 | 1,385,517 | 2,463,600 |
| Total expenditures | <u>82,071,687</u> | <u>83,329,752</u> | <u>73,268,822</u> | <u>10,060,930</u> |
| Excess of revenues over (under) expenditures | <u>(3,086,316)</u> | <u>(4,344,381)</u> | <u>4,903,437</u> | <u>9,247,818</u> |
| Other financing sources (uses): | | | | |
| Transfers in | 4,076,903 | 4,076,903 | 4,372,353 | 295,450 |
| Transfers out | (990,585) | (990,585) | (606,840) | 383,745 |
| Total other financing sources (uses) | <u>3,086,318</u> | <u>3,086,318</u> | <u>3,765,513</u> | <u>679,195</u> |
| Excess of revenues and other sources over (under) expenditures and other uses | 2 | (1,258,063) | 8,668,950 | 9,927,013 |
| Fund balance - beginning | <u>18,669,824</u> | <u>18,669,824</u> | <u>18,669,824</u> | <u>-</u> |
| Fund balance - ending | <u>\$ 18,669,826</u> | <u>\$ 17,411,761</u> | <u>\$ 27,338,774</u> | <u>\$ 9,927,013</u> |

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

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

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

CITY OF WICHITA FALLS, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
TEXAS MUNICIPAL RETIREMENT SYSTEM

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

Valuation Date:

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

Methods and Assumptions Used to Determine Contribution Rates:

| | |
|-------------------------------|---|
| Actuarial Cost Method | Entry Age Normal |
| Amortization Method | Level Percentage of Payroll, Closed |
| Remaining Amortization Period | 26 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 bases 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:

Adopted 7% contribution rate for all employees.

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

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

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

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

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

Valuation Date: 1/1/2020

Methods and Assumptions Used to Determine Contribution Rates:

| | |
|-------------------------------|--|
| Actuarial Cost Method | Entry Age Normal |
| 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. |

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

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

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

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

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

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

Valuation Date: December 31, 2018

Methods and Assumptions Used to Determine Contribution Rates:

| | |
|-------------------------------|--|
| Actuarial Cost Method | Individual Entry Age Normal |
| Amortization Method | Level Percentage of Pay |
| Remaining Amortization Period | 13 years; closed |
| Asset Valuation | Market Value |
| Investment Rate of Return | 7.10%, net of investment expenses, including inflation |
| Inflation | 2.50% |
| Salary Increases | 3.50% to 10.50% for TMRS and 4.10% to 8.00% 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, 2017 valuation for the Wichita Falls Firemen's Relief and Retirement Fund. |
| Mortality | TMRS: For healthy retirees, the gender-distinct RP-2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. Fire: The firefighters' mortality table was the RP-2000 Combined Healthy Mortality Table for males and females, projected to year 2024 using Scale AA. |
| Participation Rates | TMRS: 50% of employees retiring after the age of 49 or with disability at any age were assumed to elect retiree health care benefits through the City. 0% of TMRS employees retiring before the age of 49 were assumed to elect coverage. Fire: 100% of employees retiring at any age were assumed to elect retiree health care benefits through the City. |
| Healthcare Cost Trend Rates | Initial rate of 7.30% declining to ultimate rates of 4.25% after 14 years. |

Other Information:

There were no benefit changes during the year.

CITY OF WICHITA FALLS, TEXAS
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2020

Budgetary Information

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

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

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

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

The City Council must approve any transfer of appropriation balances or portions thereof from one department to another. The City Manager has the authority, without City Council approval, to transfer appropriation balances from one expenditure account to another within a single department of the City. Supplemental appropriations of \$1,258,065 were approved by the City Council. The reported budgetary data includes amendments made during the year.

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

Wichita Falls Firemen's Relief and Retirement Fund

Changes of benefit terms:

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

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

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONT'D.) SEPTEMBER 30, 2020

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.

Hotel/Motel Tax Fund

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

Airport Improvement Grant Fund

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

Golf Fund

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

MPEC Fund

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

Miscellaneous Special Revenue Fund

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

Debt Service Funds

Debt Service Fund

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

Excess Sales Tax Fund

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

Capital Projects Funds

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

4B Sales Tax Projects

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

2018-A Bond Projects

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

Miscellaneous Capital Projects Funds

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

Permanent Fund

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

CITY OF WICHITA FALLS, TEXAS

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020

| | Special Revenue | | | | | | | Debt Service | | Capital Projects | | | Permanent Fund | Total Nonmajor Governmental Funds | |
|--|-----------------------------------|-------------------|---------------------------------------|-----------------|---------------------------|------------|------------|-------------------------------|--------------|------------------|-----------------------|----------------------|--------------------------------|-----------------------------------|---------------|
| | Community Development Block Grant | Section 8 Housing | Home Investment Partnership Agreement | Hotel/Motel Tax | Airport Improvement Grant | Golf Fund | MPEC Fund | Miscellaneous Special Revenue | Debt Service | Excess Sales Tax | 4B Sales Tax Projects | 2018-A Bond Projects | Miscellaneous Capital Projects | Perpetual Care | |
| ASSETS | | | | | | | | | | | | | | | |
| Cash and cash equivalents | \$ 50 | \$ 1,804,384 | \$ 89,969 | \$ - | \$ 29,535 | \$ - | \$ 24,062 | \$ 1,575,961 | \$ 1,480,935 | \$ 435,547 | \$ 146,483 | \$ 10,044,761 | \$ 273,158 | \$ 1,365,890 | \$ 17,270,735 |
| Receivables: | | | | | | | | | | | | | | | |
| Taxes and assessments | - | - | - | 153,028 | - | - | - | 38,448 | 42,200 | - | - | - | - | - | 233,676 |
| Government agencies | 1,208,954 | - | 799,968 | - | 2,037,918 | - | - | 4,498,881 | 15,982 | - | 869,242 | - | - | - | 9,430,945 |
| Other | 8,455 | - | - | - | - | - | 26,948 | 40,607 | - | - | - | - | - | 550 | 76,560 |
| Prepaid items | - | - | - | - | - | - | 695 | - | - | - | - | - | - | - | 695 |
| Other assets | - | - | - | - | - | 229,246 | 518,841 | 3,000 | - | - | - | - | - | - | 751,087 |
| Total assets | \$ 1,217,459 | \$ 1,804,384 | \$ 889,937 | \$ 153,028 | \$ 2,067,453 | \$ 229,246 | \$ 570,546 | \$ 6,156,897 | \$ 1,539,117 | \$ 435,547 | \$ 1,015,725 | \$ 10,044,761 | \$ 273,158 | \$ 1,366,440 | \$ 27,763,698 |
| LIABILITIES AND FUND BALANCE | | | | | | | | | | | | | | | |
| Liabilities | | | | | | | | | | | | | | | |
| Accounts payable - trade | \$ 157,024 | \$ 141 | \$ - | \$ - | \$ 358,709 | \$ 63,412 | \$ 2,824 | \$ 98,261 | \$ - | \$ - | \$ 452,406 | \$ 732,999 | \$ 10,400 | \$ - | \$ 1,876,176 |
| Accrued payroll | 8,786 | 19,605 | 2,319 | 2,036 | - | - | 9,011 | 87,577 | - | - | - | - | - | - | 129,334 |
| Payable to other City funds | 248,909 | - | - | 150,120 | 2,697,468 | 124,570 | - | 3,392,162 | - | - | - | - | (2,625) | - | 6,610,604 |
| Payable to government agencies | - | 72,460 | 20,000 | - | - | - | (6,704) | 2,302 | - | - | - | - | - | - | 88,058 |
| Other liabilities | 2,725 | 64,238 | 24,744 | - | 5,614 | 682 | 565,415 | 84,314 | - | - | 18,794 | 226,341 | 39,869 | - | 1,032,736 |
| Unearned revenue | - | - | - | - | - | - | - | 37,236 | - | - | - | - | - | - | 37,236 |
| Total liabilities | 417,444 | 156,444 | 47,063 | 152,156 | 3,061,791 | 188,664 | 570,546 | 3,701,852 | - | - | 471,200 | 959,340 | 47,644 | - | 9,774,144 |
| Deferred inflows of resources | | | | | | | | | | | | | | | |
| Unavailable revenues | - | - | - | - | - | - | - | - | 52,767 | - | - | - | - | - | 52,767 |
| Fund balance: | | | | | | | | | | | | | | | |
| Nonspendable: | | | | | | | | | | | | | | | |
| Inventory and prepaid items | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Restricted for: | | | | | | | | | | | | | | | |
| Perpetual care | - | - | - | - | - | - | - | - | - | - | - | - | - | 1,366,440 | 1,366,440 |
| Debt service | - | - | - | - | - | - | - | - | 1,486,350 | 435,547 | - | - | - | - | 1,921,897 |
| Capital projects | - | - | - | - | - | - | - | - | - | - | 544,525 | 9,085,421 | 225,514 | - | 9,855,460 |
| Federal and state grant programs | 800,015 | 1,647,940 | 842,874 | - | - | - | - | - | - | - | - | - | - | - | 3,290,829 |
| Tourism | - | - | - | 872 | - | - | - | - | - | - | - | - | - | - | 872 |
| Committed for: | | | | | | | | | | | | | | | |
| Golf course | - | - | - | - | - | 40,582 | - | - | - | - | - | - | - | - | 40,582 |
| Local projects | - | - | - | - | - | - | - | 2,455,045 | - | - | - | - | - | - | 2,455,045 |
| Unassigned | - | - | - | - | (994,338) | - | - | - | - | - | - | - | - | - | (994,338) |
| Total fund balance | 800,015 | 1,647,940 | 842,874 | 872 | (994,338) | 40,582 | - | 2,455,045 | 1,486,350 | 435,547 | 544,525 | 9,085,421 | 225,514 | 1,366,440 | 17,936,787 |
| Total liabilities, deferred inflows of resources and fund balances | \$ 1,217,459 | \$ 1,804,384 | \$ 889,937 | \$ 153,028 | \$ 2,067,453 | \$ 229,246 | \$ 570,546 | \$ 6,156,897 | \$ 1,539,117 | \$ 435,547 | \$ 1,015,725 | \$ 10,044,761 | \$ 273,158 | \$ 1,366,440 | \$ 27,763,698 |

CITY OF WICHITA FALLS, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

| | Special Revenue | | | | | | | Debt Service | | Capital Projects | | | Permanent Fund | Total Nonmajor Governmental Funds | |
|--|-----------------------------------|-------------------|---------------------------------------|------------------|---------------------------|-----------|-------------|-------------------------------|--------------|------------------|-----------------------|----------------------|--------------------------------|-----------------------------------|---------------|
| | Community Development Block Grant | Section 8 Housing | Home Investment Partnership Agreement | Hotel/ Motel Tax | Airport Improvement Grant | Golf Fund | MPEC Fund | Miscellaneous Special Revenue | Debt Service | Excess Sales Tax | 4B Sales Tax Projects | 2018-A Bond Projects | Miscellaneous Capital Projects | Perpetual Care | |
| Revenues: | | | | | | | | | | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ 1,556,527 | \$ - | \$ - | \$ - | \$ 269,335 | \$ 2,238,551 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 4,064,413 |
| Charges for services | 2,559 | - | - | - | - | 416,646 | - | 81,693 | - | - | - | - | - | - | 500,898 |
| Fines and forfeitures | - | - | - | - | - | - | - | 142,196 | - | - | - | - | - | - | 142,196 |
| Intergovernmental revenue | 1,241,545 | 4,089,726 | 250,612 | - | 2,358,748 | - | - | 7,861,591 | - | - | 1,711,816 | - | - | - | 17,514,038 |
| Contributions | - | - | - | - | - | - | 35,000 | 1,090,185 | 1,882,945 | - | 534,721 | - | - | - | 3,542,851 |
| Miscellaneous revenue | 359 | 19,756 | 5,600 | - | - | 387,061 | 3,540 | 469,186 | 15,726 | - | - | 153,714 | 3,161 | 142,864 | 1,200,967 |
| Total revenues | 1,244,463 | 4,109,482 | 256,212 | 1,556,527 | 2,358,748 | 803,707 | 38,540 | 9,914,186 | 4,137,222 | - | 2,246,537 | 153,714 | 3,161 | 142,864 | 26,965,363 |
| Expenditures: | | | | | | | | | | | | | | | |
| Current: | | | | | | | | | | | | | | | |
| Administrative services | 130,362 | - | - | 99,000 | - | 806,024 | - | 210,431 | - | - | - | - | - | - | 1,245,817 |
| Police | - | - | - | - | - | - | - | 4,529,712 | - | - | - | - | - | - | 4,529,712 |
| Fire | - | - | - | - | - | - | - | 370,949 | - | - | - | - | - | - | 370,949 |
| Parks and recreation | 131,980 | - | - | - | - | - | - | 19,771 | - | - | 32,104 | - | - | - | 183,855 |
| Community development | 865,251 | 3,784,629 | 167,625 | - | - | - | - | 14,504 | - | - | - | - | - | - | 4,832,009 |
| Public works | 35,058 | - | - | - | - | - | - | 215,091 | - | - | - | 6,775 | 1,600 | - | 258,524 |
| Health | - | - | - | - | - | - | - | 2,378,624 | - | - | - | - | 1,600 | - | 2,380,224 |
| Traffic and transportation | 7,470 | - | - | - | 260,437 | - | - | 510,992 | - | - | - | - | - | - | 778,899 |
| Multi-Purpose Events Center | - | - | - | (863) | - | - | 1,941,733 | - | - | - | - | - | - | - | 1,940,870 |
| Capital outlay | 42,185 | - | - | - | (29,535) | - | - | 1,491,747 | - | - | 2,139,770 | 6,179,151 | 81,600 | - | 9,904,918 |
| Debt service: | | | | | | | | | | | | | | | |
| Principal retirement | - | - | - | - | - | - | - | - | 4,045,000 | - | - | - | - | - | 4,045,000 |
| Interest and paying agent fees | - | - | - | - | - | - | - | - | 1,877,363 | - | - | - | - | - | 1,877,363 |
| Total expenditures | 1,212,306 | 3,784,629 | 167,625 | 98,137 | 230,902 | 806,024 | 1,941,733 | 9,741,821 | 5,922,363 | - | 2,171,874 | 6,185,926 | 84,800 | - | 32,348,140 |
| Excess of revenues over (under) expenditures | 32,157 | 324,853 | 88,587 | 1,458,390 | 2,127,846 | (2,317) | (1,903,193) | 172,365 | (1,785,141) | - | 74,663 | (6,032,212) | (81,639) | 142,864 | (5,382,777) |
| Other financing sources (uses): | | | | | | | | | | | | | | | |
| Transfers in | - | - | - | - | 40,464 | 2,316 | 1,903,193 | 236,102 | 1,850,065 | - | - | - | - | - | 4,032,140 |
| Transfers out | - | - | - | (1,457,527) | (2,168,310) | - | - | (779,950) | - | - | - | (82,885) | - | - | (4,488,672) |
| Total other financing sources (uses) | - | - | - | (1,457,527) | (2,127,846) | 2,316 | 1,903,193 | (543,848) | 1,850,065 | - | - | (82,885) | - | - | (456,532) |
| Net change in fund balance | 32,157 | 324,853 | 88,587 | 863 | - | (1) | - | (371,483) | 64,924 | - | 74,663 | (6,115,097) | (81,639) | 142,864 | (5,839,309) |
| Fund balance - beginning | 767,858 | 1,323,087 | 754,287 | 9 | (994,338) | 40,583 | - | 2,826,528 | 1,421,426 | 435,547 | 469,862 | 15,200,518 | 307,153 | 1,223,576 | 23,776,096 |
| Fund balance - ending | \$ 800,015 | \$ 1,647,940 | \$ 842,874 | \$ 872 | \$ (994,338) | \$ 40,582 | \$ - | \$ 2,455,045 | \$ 1,486,350 | \$ 435,547 | \$ 544,525 | \$ 9,085,421 | \$ 225,514 | \$ 1,366,440 | \$ 17,936,787 |

CITY OF WICHITA FALLS, TEXAS

BUDGETARY COMPARISON SCHEDULE - COMMUNITY DEVELOPMENT BLOCK GRANT FUND FOR THE YEAR ENDED SEPTEMBER 30, 2020

| | Budgeted Amounts | | Actual | Variance With Final Budget - Positive (Negative) |
|--|-------------------|-------------------|-------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Charges for services | \$ - | \$ - | \$ 2,559 | \$ 2,559 |
| Intergovernmental revenue | 1,341,545 | 1,341,545 | 1,241,545 | (100,000) |
| Miscellaneous revenue | - | - | 359 | 359 |
| Total revenues | <u>1,341,545</u> | <u>1,341,545</u> | <u>1,244,463</u> | <u>(97,082)</u> |
| Expenditures: | | | | |
| Administrative services | 145,362 | 145,362 | 130,362 | 15,000 |
| Parks and recreation | - | 196,073 | 131,980 | 64,093 |
| Community development | 1,183,783 | 1,366,725 | 865,251 | 501,474 |
| Public works | - | 41,654 | 35,058 | 6,596 |
| Traffic and transportation | - | 12,400 | 7,470 | 4,930 |
| Capital outlay | - | 147,400 | 42,185 | 105,215 |
| Total expenditures | <u>1,329,145</u> | <u>1,909,614</u> | <u>1,212,306</u> | <u>697,308</u> |
| Excess of revenues over (under) expenditures | 12,400 | (568,069) | 32,157 | 600,226 |
| Fund balance - beginning | <u>767,858</u> | <u>767,858</u> | <u>767,858</u> | <u>-</u> |
| Fund balance - ending | <u>\$ 780,258</u> | <u>\$ 199,789</u> | <u>\$ 800,015</u> | <u>\$ 600,226</u> |

CITY OF WICHITA FALLS, TEXAS

BUDGETARY COMPARISON SCHEDULE - SECTION 8 HOUSING FUND FOR THE YEAR ENDED SEPTEMBER 30, 2020

| | Budgeted Amounts | | | Variance With Final Budget - Positive (Negative) |
|--|---------------------|---------------------|---------------------|---|
| | Original | Final | Actual | |
| Revenues: | | | | |
| Intergovernmental revenue | \$ 3,962,877 | \$ 3,962,877 | \$ 4,089,726 | \$ 126,849 |
| Miscellaneous revenue | - | - | 19,756 | 19,756 |
| Total revenues | <u>3,962,877</u> | <u>3,962,877</u> | <u>4,109,482</u> | <u>146,605</u> |
| Expenditures: | | | | |
| Community development | <u>3,987,877</u> | <u>3,987,877</u> | <u>3,784,629</u> | <u>203,248</u> |
| Total expenditures | <u>3,987,877</u> | <u>3,987,877</u> | <u>3,784,629</u> | <u>203,248</u> |
| Excess of revenues over (under) expenditures | (25,000) | (25,000) | 324,853 | 349,853 |
| Fund balance - beginning | <u>1,323,087</u> | <u>1,323,087</u> | <u>1,323,087</u> | <u>-</u> |
| Fund balance - ending | <u>\$ 1,298,087</u> | <u>\$ 1,298,087</u> | <u>\$ 1,647,940</u> | <u>\$ 349,853</u> |

CITY OF WICHITA FALLS, TEXAS

BUDGETARY COMPARISON SCHEDULE - HOME INVESTMENT PARTNERSHIP AGREEMENT FUND FOR THE YEAR ENDED SEPTEMBER 30, 2020

| | Budgeted Amounts | | Actual | Variance With Final Budget - Positive (Negative) |
|--|-------------------|-------------------|-------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental revenue | \$ 391,866 | \$ 391,866 | \$ 250,612 | \$ (141,254) |
| Miscellaneous revenue | - | - | 5,600 | 5,600 |
| Total revenues | <u>391,866</u> | <u>391,866</u> | <u>256,212</u> | <u>(135,654)</u> |
| Expenditures: | | | | |
| Community development | 391,865 | 391,866 | 167,625 | 224,241 |
| Total expenditures | <u>391,865</u> | <u>391,866</u> | <u>167,625</u> | <u>224,241</u> |
| Excess of revenues over (under) expenditures | 1 | - | 88,587 | 88,587 |
| Fund balance - beginning | <u>754,287</u> | <u>754,287</u> | <u>754,287</u> | <u>-</u> |
| Fund balance - ending | <u>\$ 754,288</u> | <u>\$ 754,287</u> | <u>\$ 842,874</u> | <u>\$ 88,587</u> |

CITY OF WICHITA FALLS, TEXAS

BUDGETARY COMPARISON SCHEDULE - HOTEL/MOTEL TAX FUND FOR THE YEAR ENDED SEPTEMBER 30, 2020

| | Budgeted Amounts | | Actual | Variance With Final Budget - Positive (Negative) |
|--|--------------------|--------------------|--------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Taxes | \$ 2,000,000 | \$ 2,000,000 | \$ 1,556,527 | \$ (443,473) |
| Total revenues | <u>2,000,000</u> | <u>2,000,000</u> | <u>1,556,527</u> | <u>(443,473)</u> |
| Expenditures: | | | | |
| Administrative services | 99,000 | 99,000 | 99,000 | - |
| Multi-Purpose Events Center | - | - | (863) | 863 |
| Total expenditures | <u>99,000</u> | <u>99,000</u> | <u>98,137</u> | <u>863</u> |
| Excess of revenues over (under) expenditures | <u>1,901,000</u> | <u>1,901,000</u> | <u>1,458,390</u> | <u>(442,610)</u> |
| Other financing sources (uses): | | | | |
| Transfers out | <u>(1,901,000)</u> | <u>(1,901,000)</u> | <u>(1,457,527)</u> | <u>443,473</u> |
| Total other financing sources (uses) | <u>(1,901,000)</u> | <u>(1,901,000)</u> | <u>(1,457,527)</u> | <u>443,473</u> |
| Excess of revenues and other sources over (under) expenditures and other uses | - | - | 863 | 863 |
| Fund balance - beginning | <u>9</u> | <u>9</u> | <u>9</u> | <u>-</u> |
| Fund balance - ending | <u>\$ 9</u> | <u>\$ 9</u> | <u>\$ 872</u> | <u>\$ 863</u> |

CITY OF WICHITA FALLS, TEXAS

BUDGETARY COMPARISON SCHEDULE - GOLF FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

| | Budgeted Amounts | | | Variance With Final Budget - Positive (Negative) |
|--|------------------|------------------|------------------|---|
| | Original | Final | Actual | |
| Revenues: | | | | |
| Charges for services | \$ 830,000 | \$ 830,000 | \$ 416,646 | \$ (413,354) |
| Miscellaneous revenue | - | - | 387,061 | 387,061 |
| Total revenues | <u>830,000</u> | <u>830,000</u> | <u>803,707</u> | <u>(26,293)</u> |
| Expenditures: | | | | |
| Administrative services | 910,000 | 910,000 | 806,024 | 103,976 |
| Total expenditures | <u>910,000</u> | <u>910,000</u> | <u>806,024</u> | <u>103,976</u> |
| Excess of revenues over (under) expenditures | <u>(80,000)</u> | <u>(80,000)</u> | <u>(2,317)</u> | <u>77,683</u> |
| Other financing sources (uses): | | | | |
| Transfers in | 80,000 | 80,000 | 2,316 | (77,684) |
| Total other financing sources (uses) | <u>80,000</u> | <u>80,000</u> | <u>2,316</u> | <u>(77,684)</u> |
| Excess of revenues and other sources over (under) expenditures and other uses | - | - | (1) | (1) |
| Fund balance - beginning | <u>40,583</u> | <u>40,583</u> | <u>40,583</u> | <u>-</u> |
| Fund balance - ending | <u>\$ 40,583</u> | <u>\$ 40,583</u> | <u>\$ 40,582</u> | <u>\$ (1)</u> |

CITY OF WICHITA FALLS, TEXAS

BUDGETARY COMPARISON SCHEDULE - MPEC FUND FOR THE YEAR ENDED SEPTEMBER 30, 2020

| | Budgeted Amounts | | Actual | Variance With Final Budget - Positive (Negative) |
|--|--------------------|--------------------|--------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Contributions | \$ 35,000 | \$ 35,000 | \$ 35,000 | \$ - |
| Miscellaneous revenue | 1,289,702 | 1,289,702 | 3,540 | (1,286,162) |
| Total revenues | <u>1,545,702</u> | <u>1,324,702</u> | <u>38,540</u> | <u>(1,286,162)</u> |
| Expenditures: | | | | |
| MPEC | 3,426,387 | 3,426,387 | 1,941,733 | 1,484,654 |
| Total expenditures | <u>3,426,387</u> | <u>3,426,387</u> | <u>1,941,733</u> | <u>1,484,654</u> |
| Excess of revenues over (under) expenditures | <u>(1,880,685)</u> | <u>(2,101,685)</u> | <u>(1,903,193)</u> | <u>198,492</u> |
| Other financing sources (uses): | | | | |
| Transfers in | 2,101,685 | 2,101,685 | 1,903,193 | (198,492) |
| Total other financing sources (uses) | <u>2,101,685</u> | <u>2,101,685</u> | <u>1,903,193</u> | <u>(198,492)</u> |
| Excess of revenues and other sources over (under) expenditures and other uses | 221,000 | - | - | - |
| Fund balance - beginning | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balance - ending | <u>\$ 221,000</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

CITY OF WICHITA FALLS, TEXAS

BUDGETARY COMPARISON SCHEDULE - DEBT SERVICE FUND FOR THE YEAR ENDED SEPTEMBER 30, 2020

| | Budgeted Amounts | | Actual | Variance With Final Budget - Positive (Negative) |
|--|---------------------|---------------------|---------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Taxes | \$ 2,203,104 | \$ 2,203,104 | \$ 2,238,551 | \$ 35,447 |
| Contributions | 1,882,945 | 1,882,945 | 1,882,945 | - |
| Miscellaneous revenue | - | - | 15,726 | 15,726 |
| Total revenues | <u>4,086,049</u> | <u>4,086,049</u> | <u>4,137,222</u> | <u>51,173</u> |
| Expenditures: | | | | |
| Debt service - principal | 4,045,000 | 4,045,000 | 4,045,000 | - |
| Debt service - interest and paying agent fees | <u>1,881,114</u> | <u>1,881,114</u> | <u>1,877,363</u> | <u>3,751</u> |
| Total expenditures | <u>5,926,114</u> | <u>5,926,114</u> | <u>5,922,363</u> | <u>3,751</u> |
| Excess of revenues over (under) expenditures | <u>(1,840,065)</u> | <u>(1,840,065)</u> | <u>(1,785,141)</u> | <u>54,924</u> |
| Other financing sources (uses): | | | | |
| Transfers in | <u>1,840,065</u> | <u>1,840,065</u> | <u>1,850,065</u> | <u>10,000</u> |
| Total other financing sources (uses) | <u>1,840,065</u> | <u>1,840,065</u> | <u>1,850,065</u> | <u>10,000</u> |
| Excess of revenues and other sources over (under) expenditures and other uses | - | - | 64,924 | 64,924 |
| Fund balance - beginning | <u>1,421,426</u> | <u>1,421,426</u> | <u>1,421,426</u> | <u>-</u> |
| Fund balance - ending | <u>\$ 1,421,426</u> | <u>\$ 1,421,426</u> | <u>\$ 1,486,350</u> | <u>\$ 64,924</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, 2020

| | Kickapoo Airport | Transit | Stormwater Drainage | Waterpark | Total Nonmajor Enterprise Funds |
|---|----------------------|---------------------|------------------------|---------------------|--|
| Assets | | | | | |
| Current assets: | | | | | |
| Cash and cash equivalents | \$ 7,798 | \$ 3,000 | \$ 6,764,817 | \$ 464,114 | \$ 7,239,729 |
| Receivables (net of allowance for uncollectible accounts): | | | | | |
| Customer and trade | - | - | 446,436 | - | 446,436 |
| Government agencies | - | 1,436,754 | - | - | 1,436,754 |
| Other | 34,160 | (3,093) | - | (74) | 30,993 |
| Inventory | 46,755 | - | - | - | 46,755 |
| Prepaid items | 159 | 43,248 | - | 7,274 | 50,681 |
| Total current assets | <u>88,872</u> | <u>1,479,909</u> | <u>7,211,253</u> | <u>471,314</u> | <u>9,251,348</u> |
| Capital assets, net of accumulated depreciation | <u>12,083,523</u> | <u>10,327,920</u> | <u>27,741,989</u> | <u>2,894,383</u> | <u>53,047,815</u> |
| Total assets | <u>12,172,395</u> | <u>11,807,829</u> | <u>34,953,242</u> | <u>3,365,697</u> | <u>62,299,163</u> |
| Deferred outflows of resources | | | | | |
| Pension-related | 20,549 | 105,539 | 15,760 | 6,940 | 148,788 |
| OPEB-related | <u>6,825</u> | <u>43,303</u> | <u>8,472</u> | <u>4,471</u> | <u>63,071</u> |
| Total deferred outflows of resources | <u>27,374</u> | <u>148,842</u> | <u>24,232</u> | <u>11,411</u> | <u>211,859</u> |
| Liabilities | | | | | |
| Current liabilities payable from current assets: | | | | | |
| Accounts payable - trade | 984 | 632,337 | 34,430 | 54 | 667,805 |
| Accrued payroll | 11,464 | 55,960 | 7,784 | 3,339 | 78,547 |
| Accrued vacation and sick leave | 9,105 | 52,661 | 15,581 | 1,712 | 79,059 |
| Payable to other City funds | - | 1,506,698 | - | - | 1,506,698 |
| Payable to government agencies | 76 | - | - | 423 | 499 |
| Other liabilities | <u>20,058</u> | <u>305,250</u> | <u>(394)</u> | <u>965</u> | <u>325,879</u> |
| Total current liabilities payable from current assets | <u>41,687</u> | <u>2,552,906</u> | <u>57,401</u> | <u>6,493</u> | <u>2,658,487</u> |
| Long-term liabilities: | | | | | |
| Net pension liability | 167,212 | 858,816 | 128,243 | 56,473 | 1,210,744 |
| Net OPEB liability | <u>45,779</u> | <u>290,463</u> | <u>56,830</u> | <u>29,993</u> | <u>423,065</u> |
| Total long-term liabilities | <u>212,991</u> | <u>1,149,279</u> | <u>185,073</u> | <u>86,466</u> | <u>1,633,809</u> |
| Total liabilities | <u>254,678</u> | <u>3,702,185</u> | <u>242,474</u> | <u>92,959</u> | <u>4,292,296</u> |
| Deferred inflows of resources | | | | | |
| Pension-related | 31,148 | 159,980 | 23,889 | 10,520 | 225,537 |
| OPEB-related | <u>2,479</u> | <u>15,727</u> | <u>3,077</u> | <u>1,624</u> | <u>22,907</u> |
| Total deferred inflows of resources | <u>33,627</u> | <u>175,707</u> | <u>26,966</u> | <u>12,144</u> | <u>248,444</u> |
| Net position | | | | | |
| Net investment in capital assets | 12,083,523 | 10,327,920 | 27,741,989 | 2,894,383 | 53,047,815 |
| Unrestricted | <u>(172,059)</u> | <u>(2,249,141)</u> | <u>6,966,045</u> | <u>377,622</u> | <u>4,922,467</u> |
| Total net position | <u>\$ 11,911,464</u> | <u>\$ 8,078,779</u> | <u>\$ 34,708,034</u> | <u>\$ 3,272,005</u> | <u>\$ 57,970,282</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, 2020

| | Kickapoo Airport | Transit | Stormwater Drainage | Waterpark | Total Nonmajor Enterprise Funds |
|--|----------------------|---------------------|------------------------|---------------------|--|
| Operating revenues: | | | | | |
| Charges for services | \$ - | \$ 341,869 | \$ 3,787,383 | \$ 871,364 | \$ 5,000,616 |
| Rents, concessions and other | 765,536 | 64,100 | - | 400,144 | 1,229,780 |
| Total operating revenues | <u>765,536</u> | <u>405,969</u> | <u>3,787,383</u> | <u>1,271,508</u> | <u>6,230,396</u> |
| Operating expenses: | | | | | |
| Personnel services | 292,582 | 1,630,112 | 221,195 | 470,210 | 2,614,099 |
| Supplies and materials | 324,544 | 318,418 | 1,619 | 204,977 | 849,558 |
| Maintenance and repairs | 3,210 | 188,850 | 81,810 | 47,082 | 320,952 |
| Utilities and other services | 97,127 | 159,265 | 146,591 | 462,020 | 865,003 |
| Insurance and contract support | 21,335 | 25,002 | 100 | 52,404 | 98,841 |
| Other expenses | 53,601 | 79,173 | 17,959 | 18,030 | 168,763 |
| Depreciation and amortization | 521,560 | 203,334 | 380,307 | 241,739 | 1,346,940 |
| Total operating expenses | <u>1,313,959</u> | <u>2,604,154</u> | <u>849,581</u> | <u>1,496,462</u> | <u>6,264,156</u> |
| Operating income (loss) | <u>(548,423)</u> | <u>(2,198,185)</u> | <u>2,937,802</u> | <u>(224,954)</u> | <u>(33,760)</u> |
| Nonoperating revenues (expenses): | | | | | |
| Interest income | 243 | - | 67,900 | 1,488 | 69,631 |
| Gain (loss) on sale of capital assets | - | 1,619 | - | - | 1,619 |
| Intergovernmental operating grants | - | 5,738,059 | - | - | 5,738,059 |
| Total nonoperating revenues (expenses) | <u>243</u> | <u>5,739,678</u> | <u>67,900</u> | <u>1,488</u> | <u>5,809,309</u> |
| Income (loss) before contributions and transfers | <u>(548,180)</u> | <u>3,541,493</u> | <u>3,005,702</u> | <u>(223,466)</u> | <u>5,775,549</u> |
| Transfers in | - | - | - | - | - |
| Transfers out | <u>(52,793)</u> | <u>(888,285)</u> | <u>(1,076,634)</u> | <u>-</u> | <u>(2,017,712)</u> |
| Change in net position | (600,973) | 2,653,208 | 1,929,068 | (223,466) | 3,757,837 |
| Net position - beginning | 12,512,437 | 5,425,571 | 32,778,966 | 3,495,471 | 54,212,445 |
| Net position - ending | <u>\$ 11,911,464</u> | <u>\$ 8,078,779</u> | <u>\$ 34,708,034</u> | <u>\$ 3,272,005</u> | <u>\$ 57,970,282</u> |

CITY OF WICHITA FALLS, TEXAS

**COMBINING STATEMENT OF CASH FLOWS NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

| | Kickapoo Airport | Transit | Stormwater Drainage | Waterpark | Total Nonmajor Enterprise Funds |
|--|---------------------|--------------------|------------------------|-------------------|--|
| Cash flows from operating activities: | | | | | |
| Receipts from customers and users | \$ 778,525 | \$ 406,629 | \$ 3,746,682 | \$ 1,223,554 | \$ 6,155,390 |
| Payments to suppliers | (452,542) | 314,183 | (630,355) | (829,507) | (1,598,221) |
| Payments for interfund services | (119,063) | (667,607) | (180,996) | (19,498) | (987,164) |
| Payments to employees | (185,291) | (958,989) | (123,120) | (458,121) | (1,725,521) |
| Net cash provided (used) by operating activities | <u>21,629</u> | <u>(905,784)</u> | <u>2,812,211</u> | <u>(83,572)</u> | <u>1,844,484</u> |
| Cash flows from noncapital financing activities: | | | | | |
| Intergovernmental operating grants | - | 5,587,566 | - | - | 5,587,566 |
| Interfund loan received (repaid) | - | (695,500) | - | - | (695,500) |
| Transfers out to other funds | (52,793) | (888,285) | (656,916) | - | (1,597,994) |
| Net cash provided (used) by noncapital financing activities | <u>(52,793)</u> | <u>4,003,781</u> | <u>(656,916)</u> | <u>-</u> | <u>3,294,072</u> |
| Cash flows from capital and related financing activities: | | | | | |
| Acquisition and construction of capital assets | - | (3,099,616) | (1,409,745) | (22,133) | (4,531,494) |
| Proceeds from sale of capital assets | - | 1,619 | - | - | 1,619 |
| Net cash provided (used) for capital and related financing activities | <u>-</u> | <u>(3,097,997)</u> | <u>(1,409,745)</u> | <u>(22,133)</u> | <u>(4,529,875)</u> |
| Cash flows from investing activities: | | | | | |
| Interest on investments | 243 | - | 67,900 | 1,488 | 69,631 |
| Net cash provided by investing activities | <u>243</u> | <u>-</u> | <u>67,900</u> | <u>1,488</u> | <u>69,631</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | (30,921) | - | 813,450 | (104,217) | 678,312 |
| Cash and Cash Equivalents - Beginning | <u>38,719</u> | <u>3,000</u> | <u>5,951,367</u> | <u>568,331</u> | <u>6,561,417</u> |
| Cash and Cash Equivalents - Ending | <u>\$ 7,798</u> | <u>\$ 3,000</u> | <u>\$ 6,764,817</u> | <u>\$ 464,114</u> | <u>\$ 7,239,729</u> |

CITY OF WICHITA FALLS, TEXAS

COMBINING STATEMENT OF CASH FLOWS (CONT'D.) NONMAJOR ENTERPRISE FUNDS FOR THE YEAR ENDED SEPTEMBER 30, 2020

| | Kickapoo Airport | Transit | Stormwater Drainage | Waterpark | Totals |
|--|---------------------|----------------|------------------------|--------------|--------------|
| Cash flows from operating activities: | | | | | |
| Operating income (loss) | \$ (548,423) | \$ (2,198,185) | \$ 2,937,802 | \$ (224,954) | \$ (33,760) |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: | | | | | |
| Depreciation and amortization | 521,560 | 203,334 | 380,307 | 241,739 | 1,346,940 |
| (Increase) decrease in assets and deferred outflows of resources: | | | | | |
| Receivables: | | | | | |
| Customer and trade | - | - | (40,701) | - | (40,701) |
| Other | 12,989 | 660 | - | (47,954) | (34,305) |
| Inventory | 747 | - | - | - | 747 |
| Prepaid items | (153) | (43,248) | - | (7,274) | (50,675) |
| Deferred outflows - pension-related | 71,926 | 414,097 | 58,562 | 23,302 | 567,887 |
| Deferred outflows - OPEB-related | 3,236 | (4,914) | 2,383 | 2,413 | 3,118 |
| Increase (decrease) in liabilities and deferred inflows of resources: | | | | | |
| Accounts payable - trade | (1,256) | 591,658 | (495,561) | (545) | 94,296 |
| Accrued payroll | 2,881 | (4,049) | 1,757 | 710 | 1,299 |
| Accrued vacation and sick leave | (2,127) | 35,783 | 4,137 | (36) | 37,757 |
| Payable to government agencies | (33) | - | - | 472 | 439 |
| Other liabilities | - | 265,190 | (394) | (53,066) | 211,730 |
| Net pension liability | (20,945) | (198,478) | (22,978) | (5,060) | (247,461) |
| Net OPEB liability | (17,387) | 49,434 | (11,323) | (13,226) | 7,498 |
| Deferred inflows - pension-related | (1,663) | (24,390) | (2,481) | (210) | (28,744) |
| Deferred inflows - OPEB-related | 277 | 7,324 | 701 | 117 | 8,419 |
| Total adjustments | 570,052 | 1,292,401 | (125,591) | 141,382 | 1,878,244 |
| Net cash provided by (used in) operating activities | \$ 21,629 | \$ (905,784) | \$ 2,812,211 | \$ (83,572) | \$ 1,844,484 |
| Noncash capital and financing activities: | | | | | |
| Capital assets transferred (to) from other funds | \$ - | \$ - | \$ (419,718) | \$ - | \$ (419,718) |

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, 2020

| | Fleet Maintenance | Duplicating Services | Employee Benefit Trust | Information Technology Fund | Totals |
|---|----------------------|-------------------------|------------------------------|-----------------------------------|----------------------|
| Assets | | | | | |
| Current assets: | | | | | |
| Cash and cash equivalents | \$ 1,699,171 | \$ 65,439 | \$ 3,250,117 | \$ 3,699,153 | \$ 8,713,880 |
| Restricted cash and cash equivalents | - | - | 7,263,537 | - | 7,263,537 |
| Receivables: | | | | | |
| Other | 16,814 | - | 548,126 | - | 564,940 |
| Inventory | 745,047 | - | - | - | 745,047 |
| Prepaid items | 475,493 | 600 | 48,377 | 43 | 524,513 |
| Total current assets | <u>2,936,525</u> | <u>66,039</u> | <u>11,110,157</u> | <u>3,699,196</u> | <u>17,811,917</u> |
| Capital assets, net of accumulated depreciation | <u>22,112,131</u> | <u>-</u> | <u>-</u> | <u>4,416,257</u> | <u>26,528,388</u> |
| Total assets | <u>25,048,656</u> | <u>66,039</u> | <u>11,110,157</u> | <u>8,115,453</u> | <u>44,340,305</u> |
| Deferred outflows of resources | | | | | |
| Pension-related | 186,584 | 1,940 | 9,853 | 102,496 | 300,873 |
| OPEB-related | <u>75,309</u> | <u>941</u> | <u>-</u> | <u>28,476</u> | <u>104,726</u> |
| Total deferred outflows of resources | <u>261,893</u> | <u>2,881</u> | <u>9,853</u> | <u>130,972</u> | <u>405,599</u> |
| Liabilities | | | | | |
| Current liabilities: | | | | | |
| Accounts payable - trade | 471,920 | 4,308 | 49,262 | 177,085 | 702,575 |
| Accrued payroll | 105,627 | 948 | 4,927 | 51,634 | 163,136 |
| Accrued vacation and sick leave | 113,183 | - | - | 63,578 | 176,761 |
| Payable to other City funds | - | - | 2,266,466 | - | 2,266,466 |
| Estimated health claims payable | - | - | 679,002 | - | 679,002 |
| Other liabilities | 88 | - | 1,188 | - | 1,276 |
| Capital leases - current maturities | <u>447,692</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>447,692</u> |
| Total current liabilities | <u>1,138,510</u> | <u>5,256</u> | <u>3,000,845</u> | <u>292,297</u> | <u>4,436,908</u> |
| Long-term liabilities: | | | | | |
| Capital leases, less current maturities | 922,154 | - | - | - | 922,154 |
| Net pension liability | 1,518,314 | 15,787 | 80,182 | 834,056 | 2,448,339 |
| Net OPEB liability | <u>505,153</u> | <u>6,314</u> | <u>-</u> | <u>191,011</u> | <u>702,478</u> |
| Total long-term liabilities | <u>2,945,621</u> | <u>22,101</u> | <u>80,182</u> | <u>1,025,067</u> | <u>4,072,971</u> |
| Total liabilities | <u>4,084,131</u> | <u>27,357</u> | <u>3,081,027</u> | <u>1,317,364</u> | <u>8,509,879</u> |
| Deferred inflows of resources | | | | | |
| Pension-related | 282,832 | 2,941 | 14,936 | 155,368 | 456,077 |
| OPEB-related | <u>27,352</u> | <u>342</u> | <u>-</u> | <u>10,342</u> | <u>38,036</u> |
| Total deferred inflows of resources | <u>310,184</u> | <u>3,283</u> | <u>14,936</u> | <u>165,710</u> | <u>494,113</u> |
| Net position | | | | | |
| Net investment in capital assets | 20,742,285 | - | - | 4,416,257 | 25,158,542 |
| Unrestricted | <u>173,949</u> | <u>38,280</u> | <u>8,024,047</u> | <u>2,347,094</u> | <u>10,583,370</u> |
| Total net position | <u>\$ 20,916,234</u> | <u>\$ 38,280</u> | <u>\$ 8,024,047</u> | <u>\$ 6,763,351</u> | <u>\$ 35,741,912</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, 2020**

| | Fleet Maintenance | Duplicating Services | Employee Benefit Trust | Information Technology Fund | Totals |
|--|----------------------|-------------------------|------------------------------|-----------------------------------|----------------------|
| Operating revenues: | | | | | |
| Charges for services | \$ 10,331,610 | \$ 120,589 | \$ - | \$ 3,584,440 | \$ 14,036,639 |
| Rents, concessions and other | 12,000 | - | 1,724,769 | - | 1,736,769 |
| Contributions | - | - | 14,788,782 | - | 14,788,782 |
| Total operating revenues | <u>10,343,610</u> | <u>120,589</u> | <u>16,513,551</u> | <u>3,584,440</u> | <u>30,562,190</u> |
| Operating expenses: | | | | | |
| Personnel services | 2,623,674 | 25,114 | 98,532 | 1,346,055 | 4,093,375 |
| Supplies and materials | 2,437,740 | 2,576 | 54 | 253,689 | 2,694,059 |
| Maintenance and repairs | 2,143,555 | - | - | 786,697 | 2,930,252 |
| Utilities and other services | 71,216 | 572 | 87,429 | 164,021 | 323,238 |
| Insurance and contract support | 39,244 | - | 14,065,874 | 15 | 14,105,133 |
| Other expenses | 189,522 | 76,087 | 1,998,279 | 5,639 | 2,269,527 |
| Depreciation and amortization | 4,126,947 | - | - | 674,817 | 4,801,764 |
| Total operating expenses | <u>11,631,898</u> | <u>104,349</u> | <u>16,250,168</u> | <u>3,230,933</u> | <u>31,217,348</u> |
| Operating income (loss) | <u>(1,288,288)</u> | <u>16,240</u> | <u>263,383</u> | <u>353,507</u> | <u>(655,158)</u> |
| Nonoperating revenues (expenses): | | | | | |
| Interest income | - | - | 614,658 | - | 614,658 |
| Gain (loss) on sale of capital assets | 47,420 | - | - | - | 47,420 |
| Interest expense | (35,815) | - | - | - | (35,815) |
| Total nonoperating revenues (expenses) | <u>11,605</u> | <u>-</u> | <u>614,658</u> | <u>-</u> | <u>626,263</u> |
| Income (loss) before transfers | <u>(1,276,683)</u> | <u>16,240</u> | <u>878,041</u> | <u>353,507</u> | <u>(28,895)</u> |
| Transfers in | 3,609,331 | - | - | 184,500 | 3,793,831 |
| Transfers out | <u>(312,000)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(312,000)</u> |
| Change in net position | 2,020,648 | 16,240 | 878,041 | 538,007 | 3,452,936 |
| Net position - beginning | 18,895,586 | 22,040 | 7,146,006 | 6,225,344 | 32,288,976 |
| Net position - ending | <u>\$ 20,916,234</u> | <u>\$ 38,280</u> | <u>\$ 8,024,047</u> | <u>\$ 6,763,351</u> | <u>\$ 35,741,912</u> |

CITY OF WICHITA FALLS, TEXAS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

| | Fleet Maintenance | Duplicating Services | Employee Benefit Trust | Information Technology Fund | Totals |
|---|-----------------------|-------------------------|------------------------------|-----------------------------------|----------------------|
| Cash flows from operating activities: | | | | | |
| Received from customers and users | \$ 212,825 | \$ - | \$ 3,939,528 | \$ - | \$ 4,152,353 |
| Received from interfund charges | 10,137,015 | 120,589 | 10,606,024 | 3,584,440 | 24,448,068 |
| Other operating receipts | - | - | 1,432,777 | - | 1,432,777 |
| Payments to suppliers | (4,816,799) | (78,509) | (15,996,726) | (1,271,608) | (22,163,642) |
| Payments for interfund services | (519,594) | (8,750) | - | (126,492) | (654,836) |
| Payments to employees | (1,460,864) | (14,819) | (75,143) | (800,699) | (2,351,525) |
| Net cash provided by operating activities | <u>3,552,583</u> | <u>18,511</u> | <u>(93,540)</u> | <u>1,385,641</u> | <u>4,863,195</u> |
| Cash flows from noncapital financing activities: | | | | | |
| Interfund loans received | - | - | 1,191,205 | - | 1,191,205 |
| Transfers in from other funds | 3,609,331 | - | - | 184,500 | 3,793,831 |
| Transfers out to other funds | (312,000) | - | - | - | (312,000) |
| Net cash provided by noncapital financing activities | <u>3,297,331</u> | <u>-</u> | <u>1,191,205</u> | <u>184,500</u> | <u>4,673,036</u> |
| Cash flows from capital and related financing activities: | | | | | |
| Acquisition of capital assets | (5,510,329) | - | - | (1,501,268) | (7,011,597) |
| Proceeds from sale of capital assets | 49,771 | - | - | - | 49,771 |
| Principal paid on long-term debt | (439,000) | - | - | - | (439,000) |
| Interest and fees paid on long-term debt | (35,815) | - | - | - | (35,815) |
| Net cash used for capital and related financing activities | <u>(5,935,373)</u> | <u>-</u> | <u>-</u> | <u>(1,501,268)</u> | <u>(7,436,641)</u> |
| Cash flows from investing activities: | | | | | |
| Interest on investments | - | - | 614,658 | - | 614,658 |
| Net cash provided by investing activities | <u>-</u> | <u>-</u> | <u>614,658</u> | <u>-</u> | <u>614,658</u> |
| Net Increase in Cash and Cash Equivalents | 914,541 | 18,511 | 1,712,323 | 68,873 | 2,714,248 |
| Cash and Cash Equivalents - Beginning | <u>784,630</u> | <u>46,928</u> | <u>8,801,331</u> | <u>3,630,280</u> | <u>13,263,169</u> |
| Cash and Cash Equivalents - Ending | <u>\$ 1,699,171</u> | <u>\$ 65,439</u> | <u>\$ 10,513,654</u> | <u>\$ 3,699,153</u> | <u>\$ 15,977,417</u> |
| Cash flows from operating activities: | | | | | |
| Operating income (loss) | <u>\$ (1,288,288)</u> | <u>\$ 16,240</u> | <u>\$ 263,383</u> | <u>\$ 353,507</u> | <u>\$ (655,158)</u> |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | | | | |
| Depreciation and amortization | 4,126,947 | - | - | 674,817 | 4,801,764 |
| (Increase) decrease in assets and deferred outflows: | | | | | |
| Receivables: | | | | | |
| Other | 7,371 | - | (537,859) | - | (530,488) |
| Inventory | (38,224) | - | - | - | (38,224) |
| Prepaid items | (678) | (392) | (48,377) | 1,270 | (48,177) |
| Deferred outflows - pension-related | 671,658 | 7,445 | 30,640 | 367,274 | 1,077,017 |
| Deferred outflows - OPEB-related | 5,971 | 912 | 4,501 | 9,913 | 21,297 |
| Increase (decrease) in liabilities and deferred inflows: | | | | | |
| Accounts payable - trade | 262,929 | 446 | 34,161 | 129,572 | 427,108 |
| Accrued payroll | 28,166 | 194 | 903 | 16,143 | 45,406 |
| Accrued vacation and sick leave | 23,084 | - | - | 14,310 | 37,394 |
| Estimated health claims payable | - | - | 187,355 | - | 187,355 |
| Other liabilities | (1,141) | - | 2,637 | - | 1,496 |
| Net pension liability | (227,933) | 776 | (2,209) | (121,777) | (351,143) |
| Net OPEB liability | (5,163) | (5,322) | (28,259) | (50,018) | (88,762) |
| Deferred inflows - pension-related | (21,677) | (1,724) | 569 | (11,309) | (34,141) |
| Deferred inflows - OPEB-related | 9,561 | (64) | (985) | 1,939 | 10,451 |
| Total adjustments | <u>4,840,871</u> | <u>2,271</u> | <u>(356,923)</u> | <u>1,032,134</u> | <u>5,518,353</u> |
| Net cash provided (used) by operating activities | <u>\$ 3,552,583</u> | <u>\$ 18,511</u> | <u>\$ (93,540)</u> | <u>\$ 1,385,641</u> | <u>\$ 4,863,195</u> |

Agency Fund

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

CITY OF WICHITA FALLS, TEXAS

AGENCY FUND STATEMENT OF CHANGES IN ASSETS AND LIABILITIES FOR THE YEAR ENDED SEPTEMBER 30, 2020

| | Balance 10/1/2019 | Additions | Deductions | Balance 9/30/2020 |
|---------------------------|----------------------|------------------|-----------------|----------------------|
| <u>ESCHEATMENT FUND</u> | | | | |
| Assets | | | | |
| Cash and cash equivalents | <u>\$ 182,046</u> | <u>\$ 37,679</u> | <u>\$ 3,377</u> | <u>\$ 216,348</u> |
| Liabilities | | | | |
| Other liabilities | <u>\$ 182,046</u> | <u>\$ 37,679</u> | <u>\$ 3,377</u> | <u>\$ 216,348</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, 2020

| | 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 | \$ 14,104,846 | \$ 6,779,491 | \$ 1,696,510 | \$ 673,404 | \$ 314,591 | \$ 23,568,842 |
| Receivables: | | | | | | |
| Government agencies | 782,250 | 760,719 | 357,807 | 36,204 | 60,068 | 1,997,048 |
| Prepaid items | 7,419 | - | - | - | - | 7,419 |
| Capital assets, net of accumulated depreciation | 2,113,675 | - | - | - | - | 2,113,675 |
| Total assets | 17,008,190 | 7,540,210 | 2,054,317 | 709,608 | 374,659 | 27,686,984 |
| Liabilities | | | | | | |
| Accounts payable - trade | 48,176 | 195 | - | - | - | 48,371 |
| Other liabilities | 936 | - | - | - | - | 936 |
| Total liabilities | 49,112 | 195 | - | - | - | 49,307 |
| Net position | | | | | | |
| Net investment in capital assets | 2,113,675 | - | - | - | - | 2,113,675 |
| Unrestricted | 14,845,403 | 7,540,015 | 2,054,317 | 709,608 | 374,659 | 25,524,002 |
| Total net position | \$ 16,959,078 | \$ 7,540,015 | \$ 2,054,317 | \$ 709,608 | \$ 374,659 | \$ 27,637,677 |

CITY OF WICHITA FALLS, TEXAS

COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS

FOR THE YEAR ENDED SEPTEMBER 30, 2020

| | | | Program Revenue | | Net (Expense) Revenue and Changes in Net Position | | | | |
|--|----|------------|-----------------|---------------|--|---------------|---------------|---------------|----------------|
| | | | Charges for | Operating | Wichita Falls | Wichita Falls | Wichita Falls | Wichita Falls | |
| | | | Services | Grants and | Economic | 4B Sales Tax | Reinvestment | Reinvestment | |
| | | | | Contributions | Development | Corporation | Zone #2 | Zone #3 | Totals |
| | | | Expenses | | Corporation | | | Zone #4 | |
| Community development | | | | | | | | | |
| Wichita Falls Economic Development Corporation | \$ | 4,788,829 | \$ - | \$ - | \$ (4,788,829) | \$ - | \$ - | \$ - | \$ (4,788,829) |
| Wichita Falls 4B Sales Tax Corporation | | 3,702,091 | - | 567,373 | - | (3,134,718) | - | - | (3,134,718) |
| Wichita Falls Reinvestment Zone #2 | | 357,807 | - | - | - | - | (357,807) | - | (357,807) |
| Wichita Falls Reinvestment Zone #3 | | - | - | - | - | - | - | - | - |
| Wichita Falls Reinvestment Zone #4 | | - | - | - | - | - | - | - | - |
| Total component units | \$ | 8,848,727 | \$ - | \$ 567,373 | (4,788,829) | (3,134,718) | (357,807) | - | (8,281,354) |
| | | | | | | | | | |
| General revenues: | | | | | | | | | |
| Taxes: | | | | | | | | | |
| Property tax | | | | | - | - | 788,372 | 38,301 | 961,255 |
| Sales tax | | | | | 4,200,982 | 4,200,982 | - | - | 8,401,964 |
| Investment earnings | | | | | 176,206 | 87,918 | 6,258 | 5,670 | 277,429 |
| Miscellaneous | | | | | 2,280,022 | - | - | - | 2,280,022 |
| Total general revenues | | | | | 6,657,210 | 4,288,900 | 794,630 | 43,971 | 11,920,670 |
| | | | | | | | | | |
| Change in net position | | | | | 1,868,381 | 1,154,182 | 436,823 | 43,971 | 3,639,316 |
| Net position - beginning | | | | | 15,090,697 | 6,385,833 | 1,617,494 | 665,637 | 23,998,361 |
| Net position - ending | \$ | 16,959,078 | \$ | 7,540,015 | \$ | 2,054,317 | \$ | 709,608 | \$ 27,637,677 |

SUPPORTING SCHEDULES

CITY OF WICHITA FALLS, TEXAS

COMBINED SCHEDULE OF BONDED DEBT AND INTEREST MATURITIES
SEPTEMBER 30, 2020

| Fiscal Year Ending September 30, | General Obligation Bonds | | | Combination Tax and Revenue Bonds | | | Water and Sewer Priority Lien Revenue Bonds | | | Totals - All Bonded Debt | | |
|--|---------------------------|----------------------|-----------------------------|-----------------------------------|----------------------|-----------------------------|---|----------------------|-----------------------------|---------------------------|----------------------|-----------------------------|
| | Serial Bond Maturities | Interest on Bonds | Total Bonds and Interest | Serial Bond Maturities | Interest on Bonds | Total Bonds and Interest | Serial Bond Maturities (3) | Interest on Bonds | Total Bonds and Interest | Serial Bond Maturities | Interest on Bonds | Total Bonds and Interest |
| 2021 | \$ 2,795,000 | \$ 1,134,911 | \$ 3,929,911 | \$ 2,925,000 | \$ 1,468,812 | \$ 4,393,812 | \$ 7,635,000 | \$ 2,682,000 | \$ 10,317,000 | \$ 13,355,000 | \$ 5,285,723 | \$ 18,640,723 |
| 2022 | 2,390,000 | 1,041,300 | 3,431,300 | 2,995,000 | 1,394,165 | 4,389,165 | 8,010,000 | 2,300,250 | 10,310,250 | 13,395,000 | 4,735,715 | 18,130,715 |
| 2023 | 2,480,000 | 948,517 | 3,428,517 | 3,065,000 | 1,315,342 | 4,380,342 | 8,410,000 | 1,899,750 | 10,309,750 | 13,955,000 | 4,163,609 | 18,118,609 |
| 2024 | 2,585,000 | 856,923 | 3,441,923 | 3,145,000 | 1,231,866 | 4,376,866 | 8,835,000 | 1,479,250 | 10,314,250 | 14,565,000 | 3,568,039 | 18,133,039 |
| 2025 | 2,665,000 | 769,912 | 3,434,912 | 3,240,000 | 1,143,627 | 4,383,627 | 9,275,000 | 1,037,500 | 10,312,500 | 15,180,000 | 2,951,039 | 18,131,039 |
| 2026 | 2,770,000 | 654,488 | 3,424,488 | 2,935,000 | 1,059,677 | 3,994,677 | 9,705,000 | 607,000 | 10,312,000 | 15,410,000 | 2,321,165 | 17,731,165 |
| 2027 | 1,425,000 | 533,450 | 1,958,450 | 3,010,000 | 982,339 | 3,992,339 | 2,435,000 | 121,750 | 2,556,750 | 6,870,000 | 1,637,539 | 8,507,539 |
| 2028 | 1,480,000 | 475,950 | 1,955,950 | 3,090,000 | 898,512 | 3,988,512 | - | - | - | 4,570,000 | 1,374,462 | 5,944,462 |
| 2029 | 1,535,000 | 416,250 | 1,951,250 | 3,185,000 | 809,554 | 3,994,554 | - | - | - | 4,720,000 | 1,225,804 | 5,945,804 |
| 2030 | 845,000 | 369,350 | 1,214,350 | 3,280,000 | 713,121 | 3,993,121 | - | - | - | 4,125,000 | 1,082,471 | 5,207,471 |
| 2031 | 880,000 | 335,550 | 1,215,550 | 3,375,000 | 613,035 | 3,988,035 | - | - | - | 4,255,000 | 948,585 | 5,203,585 |
| 2032 | 915,000 | 300,350 | 1,215,350 | 3,250,000 | 507,881 | 3,757,881 | - | - | - | 4,165,000 | 808,231 | 4,973,231 |
| 2033 | 950,000 | 263,750 | 1,213,750 | 3,350,000 | 406,666 | 3,756,666 | - | - | - | 4,300,000 | 670,416 | 4,970,416 |
| 2034 | 990,000 | 225,750 | 1,215,750 | 1,145,000 | 299,781 | 1,444,781 | - | - | - | 2,135,000 | 525,531 | 2,660,531 |
| 2035 | 1,030,000 | 186,150 | 1,216,150 | 1,170,000 | 278,191 | 1,448,191 | - | - | - | 2,200,000 | 464,341 | 2,664,341 |
| 2036 | 1,070,000 | 144,950 | 1,214,950 | 1,185,000 | 255,699 | 1,440,699 | - | - | - | 2,255,000 | 400,649 | 2,655,649 |
| 2037 | 1,110,000 | 102,150 | 1,212,150 | 1,215,000 | 232,357 | 1,447,357 | - | - | - | 2,325,000 | 334,507 | 2,659,507 |
| 2038 | 1,155,000 | 57,750 | 1,212,750 | 1,235,000 | 208,162 | 1,443,162 | - | - | - | 2,390,000 | 265,912 | 2,655,912 |
| 2039 | - | - | - | 1,260,000 | 183,148 | 1,443,148 | - | - | - | 1,260,000 | 183,148 | 1,443,148 |
| 2040 | - | - | - | 1,285,000 | 157,250 | 1,442,250 | - | - | - | 1,285,000 | 157,250 | 1,442,250 |
| 2041 | - | - | - | 1,310,000 | 130,455 | 1,440,455 | - | - | - | 1,310,000 | 130,455 | 1,440,455 |
| 2042 | - | - | - | 1,340,000 | 102,761 | 1,442,761 | - | - | - | 1,340,000 | 102,761 | 1,442,761 |
| 2043 | - | - | - | 1,370,000 | 74,237 | 1,444,237 | - | - | - | 1,370,000 | 74,237 | 1,444,237 |
| 2044 | - | - | - | 1,395,000 | 44,997 | 1,439,997 | - | - | - | 1,395,000 | 44,997 | 1,439,997 |
| 2045 | - | - | - | 1,425,000 | 15,105 | 1,440,105 | - | - | - | 1,425,000 | 15,105 | 1,440,105 |
| | <u>\$ 29,070,000</u> | <u>\$ 8,817,451</u> | <u>\$ 37,887,451</u> | <u>\$ 56,180,000</u> | <u>\$ 14,526,740</u> | <u>\$ 70,706,740</u> | <u>\$ 54,305,000</u> | <u>\$ 10,127,500</u> | <u>\$ 64,432,500</u> | <u>\$ 139,555,000</u> | <u>\$ 33,471,691</u> | <u>\$ 173,026,691</u> |

CITY OF WICHITA FALLS, TEXAS

COMBINED SCHEDULE OF BONDS PAYABLE
SEPTEMBER 30, 2020

| | Interest Rates and (Dates) | Issue Date | Final Maturity Date | Annual Serial Payments | Bonds | | | |
|---|--|---------------|---------------------------|--|--------------|--------------|------------------------|-------------|
| | | | | | Authorized | Issued | Retired or Refunded | Outstanding |
| General Obligation Bonds: General Obligation Refunding Bonds, Series 2011 | 1.50, 2.00, 3.00 (3/1, 9/1) | 10/15/11 | 09/01/21 | 415,000 (2012) 405,000 (2013) 410,000 (2014) 420,000 (2015) 425,000 (2016) 435,000 (2017) 445,000 (2018) 455,000 (2019) 470,000 (2020) 485,000 (2021) | \$ 4,365,000 | \$ 4,365,000 | \$ 3,880,000 | \$ 485,000 |
| General Obligation Refunding Bonds, Series 2015A | 2.00, 2.25, 2.625, 2.75, 3.00, 4.00, 5.00 (3/1, 9/1) | 11/15/15 | 09/01/26 | 200,000 (2016) 810,000 (2017) 830,000 (2018) 870,000 (2019) 890,000 (2020) 915,000 (2021) 955,000 (2022) 990,000 (2023) 1,030,000 (2024) 1,055,000 (2025) 1,105,000 (2026) | 9,650,000 | 9,650,000 | 3,600,000 | 6,050,000 |
| General Obligation Refunding Bonds, Series 2015B | 0.73, 1.19, 1.62, 1.99, 2.29, 2.62, 2.83, 2.91, 3.11, 3.27, 3.48 (3/1, 9/1) | 11/15/15 | 09/01/26 | 110,000 (2016) 255,000 (2017) 255,000 (2018) 260,000 (2019) 265,000 (2020) 270,000 (2021) 275,000 (2022) 285,000 (2023) 295,000 (2024) 305,000 (2025) 310,000 (2026) | 2,885,000 | 2,885,000 | 1,145,000 | 1,740,000 |

CITY OF WICHITA FALLS, TEXAS

COMBINED SCHEDULE OF BONDS PAYABLE (CONT'D.)
SEPTEMBER 30, 2020

| | Interest Rates and (Dates) | Issue Date | Final Maturity Date | Annual Serial Payments | Bonds | | | |
|---|---------------------------------------|---------------|---------------------------|---------------------------|------------|------------|------------------------|-------------|
| | | | | | Authorized | Issued | Retired or Refunded | Outstanding |
| General Obligation Bonds, Series 2018A | 2.00, 3.00, 4.00, 5.00 (4/1, 10/1) | 08/01/18 | 09/01/38 | 550,000 (2019) | 16,345,000 | 16,345,000 | 1,125,000 | 15,220,000 |
| | | | | 575,000 (2020) | | | | |
| | | | | 595,000 (2021) | | | | |
| | | | | 615,000 (2022) | | | | |
| | | | | 640,000 (2023) | | | | |
| | | | | 670,000 (2024) | | | | |
| | | | | 695,000 (2025) | | | | |
| | | | | 720,000 (2026) | | | | |
| | | | | 750,000 (2027) | | | | |
| | | | | 780,000 (2028) | | | | |
| | | | | 810,000 (2029) | | | | |
| | | | | 845,000 (2030) | | | | |
| | | | | 880,000 (2031) | | | | |
| | | | | 915,000 (2032) | | | | |
| | | | | 950,000 (2033) | | | | |
| | | | | 990,000 (2034) | | | | |
| | | | | 1,030,000 (2035) | | | | |
| | | | | 1,070,000 (2036) | | | | |
| | | | | 1,110,000 (2037) | | | | |
| | | | | 1,155,000 (2038) | | | | |
| General Obligation Refunding Bonds, Series 2018B | 2.00, 3.00, 4.00 (4/1, 10/1) | 08/01/18 | 10/01/28 | 80,000 (2019) | 6,170,000 | 6,170,000 | 595,000 | 5,575,000 |
| | | | | 515,000 (2020) | | | | |
| | | | | 530,000 (2021) | | | | |
| | | | | 545,000 (2022) | | | | |
| | | | | 565,000 (2023) | | | | |
| | | | | 590,000 (2024) | | | | |
| | | | | 610,000 (2025) | | | | |
| | | | | 635,000 (2026) | | | | |
| | | | | 675,000 (2027) | | | | |
| | | | | 700,000 (2028) | | | | |
| | | | | 725,000 (2029) | | | | |
| | | | | | | | | |
| Total General Obligation Bonds | | | | | 39,415,000 | 39,415,000 | 10,345,000 | 29,070,000 |

CITY OF WICHITA FALLS, TEXAS

COMBINED SCHEDULE OF BONDS PAYABLE (CONT'D.)
SEPTEMBER 30, 2020

| | Interest Rates and (Dates) | Issue Date | Final Maturity Date | Annual Serial Payments | Bonds | | | |
|------------------------------------|-------------------------------|---------------|---------------------------|---------------------------|------------|-----------|------------------------|-------------|
| | | | | | Authorized | Issued | Retired or Refunded | Outstanding |
| Combination Tax and Revenue Bonds: | | | | | | | | |
| Combination Tax and Revenue | 5.60 (2/1, 8/1) | 01/01/10 | 02/01/25 | 165,000 (2011) | 3,930,000 | 3,930,000 | 2,245,000 | 1,685,000 |
| Certificates of Obligation, | | | | 185,000 (2012) | | | | |
| Series 2010 | | | | 195,000 (2013) | | | | |
| | | | | 205,000 (2014) | | | | |
| | | | | 215,000 (2015) | | | | |
| | | | | 230,000 (2016) | | | | |
| | | | | 240,000 (2017) | | | | |
| | | | | 255,000 (2018) | | | | |
| | | | | 270,000 (2019) | | | | |
| | | | | 285,000 (2020) | | | | |
| | | | | 300,000 (2021) | | | | |
| | | | | 320,000 (2022) | | | | |
| | | | | 335,000 (2023) | | | | |
| | | | | 355,000 (2024) | | | | |
| | | | | 375,000 (2025) | | | | |
| Combination Tax and Revenue | 2.00, 3.00, 4.00 | 10/15/11 | 09/01/31 | 135,000 (2013) | 3,200,000 | 3,200,000 | 1,155,000 | 2,045,000 |
| Certificates of Obligation, | (3/1, 9/1) | | | 135,000 (2014) | | | | |
| Series 2011 | | | | 140,000 (2015) | | | | |
| | | | | 145,000 (2016) | | | | |
| | | | | 145,000 (2017) | | | | |
| | | | | 150,000 (2018) | | | | |
| | | | | 150,000 (2019) | | | | |
| | | | | 155,000 (2020) | | | | |
| | | | | 160,000 (2021) | | | | |
| | | | | 165,000 (2022) | | | | |
| | | | | 165,000 (2023) | | | | |
| | | | | 170,000 (2024) | | | | |
| | | | | 180,000 (2025) | | | | |
| | | | | 185,000 (2026) | | | | |
| | | | | 190,000 (2027) | | | | |
| | | | | 195,000 (2028) | | | | |
| | | | | 205,000 (2029) | | | | |
| | | | | 210,000 (2030) | | | | |
| | | | | 220,000 (2031) | | | | |

CITY OF WICHITA FALLS, TEXAS

COMBINED SCHEDULE OF BONDS PAYABLE (CONT'D.)
SEPTEMBER 30, 2020

| | Interest Rates and (Dates) | Issue Date | Final Maturity Date | Annual Serial Payments | Bonds | | | |
|--|--|---------------|---------------------------|---------------------------|------------|------------|------------------------|-------------|
| | | | | | Authorized | Issued | Retired or Refunded | Outstanding |
| Combination Tax and Revenue Certificates of Obligation, Series 2013 | 2.00, 3.00, 3.25, 3.375 (3/1, 9/1) | 03/01/13 | 09/01/33 | 530,000 (2014) | 19,875,000 | 19,875,000 | 5,565,000 | 14,310,000 |
| | | | | 795,000 (2015) | | | | |
| | | | | 815,000 (2016) | | | | |
| | | | | 830,000 (2017) | | | | |
| | | | | 845,000 (2018) | | | | |
| | | | | 860,000 (2019) | | | | |
| | | | | 890,000 (2020) | | | | |
| | | | | 915,000 (2021) | | | | |
| | | | | 940,000 (2022) | | | | |
| | | | | 970,000 (2023) | | | | |
| | | | | 1,000,000 (2024) | | | | |
| | | | | 1,030,000 (2025) | | | | |
| | | | | 1,060,000 (2026) | | | | |
| | | | | 1,090,000 (2027) | | | | |
| | | | | 1,125,000 (2028) | | | | |
| | | | | 1,160,000 (2029) | | | | |
| | | | | 1,195,000 (2030) | | | | |
| | | | | 1,235,000 (2031) | | | | |
| | | | | 1,275,000 (2032) | | | | |
| | | | | 1,315,000 (2033) | | | | |
| Combination Tax and Revenue Certificates of Obligation, Series 2013A | 2.00, 3.00, 3.125, 3.25, 3.625, 3.75, 4.00, 4.25, 4.375, 4.50, 4.625 (3/1, 9/1) | 08/15/13 | 09/01/33 | 505,000 (2014) | 13,000,000 | 13,000,000 | 3,670,000 | 9,330,000 |
| | | | | 500,000 (2015) | | | | |
| | | | | 510,000 (2016) | | | | |
| | | | | 520,000 (2017) | | | | |
| | | | | 530,000 (2018) | | | | |
| | | | | 545,000 (2019) | | | | |
| | | | | 560,000 (2020) | | | | |
| | | | | 580,000 (2021) | | | | |
| | | | | 595,000 (2022) | | | | |
| | | | | 615,000 (2023) | | | | |
| | | | | 630,000 (2024) | | | | |
| | | | | 650,000 (2025) | | | | |
| | | | | 675,000 (2026) | | | | |
| | | | | 700,000 (2027) | | | | |
| | | | | 730,000 (2028) | | | | |
| | | | | 760,000 (2029) | | | | |
| | | | | 795,000 (2030) | | | | |
| | | | | 830,000 (2031) | | | | |
| | | | | 865,000 (2032) | | | | |
| | | | | 905,000 (2033) | | | | |

CITY OF WICHITA FALLS, TEXAS

COMBINED SCHEDULE OF BONDS PAYABLE (CONT'D.)
SEPTEMBER 30, 2020

| | Interest Rates and (Dates) | Issue Date | Final Maturity Date | Annual Serial Payments | Bonds | | | |
|---|--|---------------|---------------------------|--|----------------|----------------|------------------------|----------------|
| | | | | | Authorized | Issued | Retired or Refunded | Outstanding |
| Combination Tax and Revenue Certificates of Obligation, Series 2015 | 0.00, 0.09, 0.40, 0.68, 0.89, 1.05, 1.16, 1.29, 1.40, 1.47, 1.53, 1.59 1.64, 1.69, 1.74, 1.79 1.84, 1.89, 1.93, 1.96 1.99, 2.02, 2.05, 2.08 2.10, 2.11, 2.12 (3/1, 9/1) | 01/02/15 | 03/01/45 | 890,000 (2016) 960,000 (2017) 960,000 (2018) 960,000 (2019) 965,000 (2020) 970,000 (2021) 975,000 (2022) 980,000 (2023) 990,000 (2024) 1,005,000 (2025) 1,015,000 (2026) 1,030,000 (2027) 1,040,000 (2028) 1,060,000 (2029) 1,080,000 (2030) 1,090,000 (2031) 1,110,000 (2032) 1,130,000 (2033) 1,145,000 (2034) 1,170,000 (2035) 1,185,000 (2036) 1,215,000 (2037) 1,235,000 (2038) 1,260,000 (2039) 1,285,000 (2040) 1,310,000 (2041) 1,340,000 (2042) 1,370,000 (2043) 1,395,000 (2044) 1,425,000 (2045) | 33,545,000 | 33,545,000 | 4,735,000 | 28,810,000 |
| Total Combination Tax and Revenue Bonds | | | | | 73,550,000 | 73,550,000 | 17,370,000 | 56,180,000 |
| Priority Lien 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) | 74,005,000 | 74,005,000 | 19,700,000 | 54,305,000 |
| Total Priority Lien Revenue Bonds | | | | | 74,005,000 | 74,005,000 | 19,700,000 | 54,305,000 |
| Total All Bonds | | | | | \$ 186,970,000 | \$ 186,970,000 | \$ 47,415,000 | \$ 139,555,000 |

CITY OF WICHITA FALLS, TEXAS

DEBT SERVICE COVERAGE - REVENUE BONDS

SEPTEMBER 30, 2020

Water and Sewer Revenue Bonds:

| | | | |
|--|--------------|-------------|----------------------|
| Change in net position (Exhibit A-8) | | | \$ 9,538,529 |
| Add: | | | |
| Depreciation and amortization | \$ 9,421,720 | | |
| Interest expense and paying agent fees | 2,904,763 | | |
| Transfers out | 2,600,771 | 14,927,254 | |
| Subtract: | | | |
| West Texas Utilities water revenues | 500,000 | | |
| Gain (loss) on sale/abandonment of capital assets | - | | |
| Capital contributions from developers | 727,961 | | |
| Transfers in | 476,579 | (1,704,540) | |
| Net earnings for determining debt service coverage | | | <u>\$ 22,761,243</u> |

| | Priority Lien Bonds | Subordinate Lien Bonds | |
|--|------------------------|---------------------------|----------------------|
| Net earnings for determining debt service coverage | | | \$ 22,761,243 |
| Principal and interest requirements to maturity | \$ 64,432,500 | \$ - | |
| Number of years remaining to pay bonds | 7 | N/A | |
| Average annual principal and interest requirement | 9,204,643 | N/A | |
| Minimum bond covenant debt service coverage | 1.25 | 1.10 | |
| Minimum debt service coverage requirement | <u>\$ 11,505,804</u> | <u>\$ -</u> | <u>11,505,804</u> |
| Excess over debt service coverage requirements | | | <u>\$ 11,255,439</u> |

CITY OF WICHITA FALLS, TEXAS

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
SEPTEMBER 30, 2020

| | Land and Betterments | Buildings and Improvements | Machinery and Equipment | Furniture and Fixtures | Infrastructure | Construction in Progress | Totals |
|--|-------------------------|----------------------------------|-------------------------------|------------------------------|----------------|-----------------------------|----------------|
| Administrative services: | | | | | | | |
| Mayor and City Council | \$ - | \$ - | \$ - | \$ 5,218 | \$ - | \$ - | \$ 5,218 |
| City Manager | - | 265,898 | 2,020 | 13,644 | - | - | 281,562 |
| Personnel/Risk Management | - | - | 2,963 | 4,660 | - | - | 7,623 |
| Martin Luther King Center | - | 749,447 | - | - | - | - | 749,447 |
| Library | 477,942 | 4,495,425 | 602,240 | 73,266 | - | - | 5,648,873 |
| General Public Information | - | 510,676 | 270,952 | 3,184 | - | - | 784,812 |
| Building Maintenance | - | 2,770,246 | 136,877 | - | - | - | 2,907,123 |
| Nondepartmental | 46,347 | 380,754 | 85,497 | - | - | - | 512,598 |
| Municipal Court | 230,000 | 310,819 | 67,014 | - | - | - | 607,833 |
| Legal | - | - | 1,518 | - | - | - | 1,518 |
| Homeland security | - | - | 604,824 | - | - | - | 604,824 |
| Training Center | - | - | 2,271 | - | - | - | 2,271 |
| Golf course | 3,808,375 | 786,801 | 122,339 | - | - | - | 4,717,515 |
| Total administrative services | 4,562,664 | 10,270,066 | 1,898,515 | 99,972 | - | - | 16,831,217 |
| Police | 1,131,749 | 10,231,507 | 14,976,543 | 8,760 | - | 205,700 | 26,554,259 |
| Fire | 190,565 | 7,051,522 | 864,048 | - | - | - | 8,106,135 |
| Parks and recreation: | | | | | | | |
| Recreation | 754,606 | 1,687,927 | 235,444 | - | - | - | 2,677,977 |
| Park maintenance | 4,593,467 | 589,802 | 60,444 | - | - | - | 5,243,713 |
| Cemetery | 141,685 | - | 6,448 | - | - | - | 148,133 |
| Lake Wichita Revitalization | - | - | - | - | - | 1,261,180 | 1,261,180 |
| Lynwood Community Center | - | - | - | - | - | 42,185 | 42,185 |
| Total parks and recreation | 5,489,758 | 2,277,729 | 302,336 | - | - | 1,303,365 | 9,373,188 |
| Accounting/finance: | | | | | | | |
| Information Systems | - | - | 8,278,865 | - | - | 1,391,139 | 9,670,004 |
| Total accounting/finance | - | - | 8,278,865 | - | - | 1,391,139 | 9,670,004 |
| Community development: | | | | | | | |
| Planning | - | - | 31,458 | - | - | - | 31,458 |
| Inspection | - | - | 3,610 | - | - | - | 3,610 |
| Property management | 10,334,824 | 420,892 | 11,384 | - | - | - | 10,767,100 |
| Weed and Seed program | - | - | 7,504 | - | - | - | 7,504 |
| Hazard Mitigation grant | 170,800 | - | - | - | - | - | 170,800 |
| Total community development | 10,505,624 | 420,892 | 53,956 | - | - | - | 10,980,472 |
| Public works: | | | | | | | |
| Engineering | - | 13,744 | 175,984 | - | - | - | 189,728 |
| Street maintenance | 10,147 | 100,108 | 30,606 | - | - | - | 140,861 |
| Lake Wichita Revitalization | - | - | - | - | - | 784,475 | 784,475 |
| Infrastructure | 1,365,633 | - | - | - | 182,968,753 | 7,547,258 | 191,881,644 |
| Total public works | 1,375,780 | 113,852 | 206,590 | - | 182,968,753 | 8,331,733 | 192,996,708 |
| Health: | | | | | | | |
| Administration | 34,820 | 2,892,755 | 316,783 | 12,233 | - | - | 3,256,591 |
| General City nursing | 76,411 | 1,123 | 10,108 | - | - | - | 87,642 |
| Environmental health | - | - | 66,389 | - | - | - | 66,389 |
| Lab water pollution | - | - | 49,108 | - | - | - | 49,108 |
| Animal reclaim center | 150,737 | 4,114,850 | 26,772 | - | - | - | 4,292,359 |
| Total health | 261,968 | 7,008,728 | 469,160 | 12,233 | - | - | 7,752,089 |
| Traffic and transportation | - | 31,045 | 157,584 | - | 15,505,478 | - | 15,694,107 |
| Multi-Purpose Events Center | 9,560,210 | 38,146,300 | 510,708 | 22,117 | - | - | 48,239,335 |
| Wichita Falls Business Park | 1,099,507 | - | - | - | - | - | 1,099,507 |
| Total capital assets used in the operation of governmental funds | \$ 34,177,825 | \$ 75,551,641 | \$ 27,718,305 | \$ 143,082 | \$ 198,474,231 | \$ 11,231,937 | \$ 347,297,021 |

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, 2020**

| | Beginning Balance 10/1/2019 | Additions | Deletions | Ending Balance 9/30/2020 |
|-------------------------------|-----------------------------------|---------------|--------------|--------------------------------|
| Administrative services: | | | | |
| Mayor and City Council | \$ 5,218 | \$ - | \$ - | \$ 5,218 |
| City Manager | 281,562 | - | - | 281,562 |
| Personnel/Risk Management | 7,623 | - | - | 7,623 |
| Martin Luther King Center | 749,447 | - | - | 749,447 |
| Library | 5,648,873 | - | - | 5,648,873 |
| General Public Information | 775,252 | 9,560 | - | 784,812 |
| Building Maintenance | 2,907,123 | - | - | 2,907,123 |
| Nondepartmental | 512,598 | - | - | 512,598 |
| Municipal Court | 607,833 | - | - | 607,833 |
| Legal | 1,518 | - | - | 1,518 |
| Homeland security | 604,824 | - | - | 604,824 |
| Training center | 2,271 | - | - | 2,271 |
| Golf course | 4,717,515 | - | - | 4,717,515 |
| Total administrative services | 16,821,657 | 9,560 | - | 16,831,217 |
| Police | 26,538,815 | 15,444 | - | 26,554,259 |
| Fire | 8,028,746 | 77,389 | - | 8,106,135 |
| Parks and recreation: | | | | |
| Recreation | 2,677,977 | - | - | 2,677,977 |
| Park maintenance | 5,239,213 | 4,500 | - | 5,243,713 |
| Cemetery | 148,133 | - | - | 148,133 |
| Lake Wichita Revitalization | - | 1,261,180 | - | 1,261,180 |
| Lynwood Community Center | - | 42,185 | - | 42,185 |
| Total parks and recreation | 8,065,323 | 1,307,865 | - | 9,373,188 |
| Accounting/finance: | | | | |
| Information Systems | 8,168,736 | 1,501,268 | - | 9,670,004 |
| Total accounting/finance | 8,168,736 | 1,501,268 | - | 9,670,004 |
| Community development: | | | | |
| Planning | 31,458 | - | - | 31,458 |
| Inspection | 3,610 | - | - | 3,610 |
| Property management | 10,767,100 | - | - | 10,767,100 |
| Weed and Seed program | 7,504 | - | - | 7,504 |
| Hazard Mitigation Grant | 170,800 | - | - | 170,800 |
| Total community development | 10,980,472 | - | - | 10,980,472 |
| Public works: | | | | |
| Engineering | 175,638 | 14,090 | - | 189,728 |
| Street maintenance | 140,861 | - | - | 140,861 |
| Lake Wichita Revitalization | 702,875 | 81,600 | - | 784,475 |
| Infrastructure | 184,015,843 | 13,580,972 | 5,715,171 | 191,881,644 |
| Total public works | 185,035,217 | 13,676,662 | 5,715,171 | 192,996,708 |
| Health: | | | | |
| Administration | 3,250,991 | 5,600 | - | 3,256,591 |
| General city nursing | 87,642 | - | - | 87,642 |
| Environmental health | 66,389 | - | - | 66,389 |
| Lab water pollution | 42,623 | 6,485 | - | 49,108 |
| Animal reclaim center | 4,292,359 | - | - | 4,292,359 |
| Total health | 7,740,004 | 12,085 | - | 7,752,089 |
| Traffic and transportation | 15,657,107 | 109,996 | 72,996 | 15,694,107 |
| Multi-Purpose Events Center | 48,239,335 | - | - | 48,239,335 |
| Wichita Falls Business Park | 1,099,507 | - | - | 1,099,507 |
| Total capital assets | \$ 336,374,919 | \$ 16,710,269 | \$ 5,788,167 | \$ 347,297,021 |

CITY OF WICHITA FALLS, TEXAS

REGIONAL AIRPORT FUND CAPITAL ASSETS AND ACCUMULATED DEPRECIATION FOR THE YEAR ENDED SEPTEMBER 30, 2020

| | Balance 10/1/2019 | Additions | Deletions | Balance 9/30/2020 |
|----------------------------------|----------------------|--------------|-----------|----------------------|
| <u>Capital Assets:</u> | | | | |
| Land and betterments | \$ 20,384,952 | \$ - | \$ - | \$ 20,384,952 |
| Buildings and improvements | 34,086,309 | - | - | 34,086,309 |
| Machinery and equipment | 127,836 | 85,828 | - | 213,664 |
| Furniture and fixtures | 12,829 | - | - | 12,829 |
| Infrastructure | - | 1,308,101 | - | 1,308,101 |
| Total capital assets | 54,611,926 | 1,393,929 | - | 56,005,855 |
| <u>Accumulated Depreciation:</u> | | | | |
| Land and betterments | 4,410,867 | 815,398 | - | 5,226,265 |
| Buildings and improvements | 3,397,175 | 676,665 | - | 4,073,840 |
| Machinery and equipment | 66,939 | 17,763 | - | 84,702 |
| Furniture and fixtures | 8,981 | 2,566 | - | 11,547 |
| Infrastructure | - | 8,721 | - | 8,721 |
| Total accumulated depreciation | 7,883,962 | 1,521,113 | - | 9,405,075 |
| Net capital assets | \$ 46,727,964 | \$ (127,184) | \$ - | \$ 46,600,780 |

CITY OF WICHITA FALLS, TEXAS

KICKAPOO AIRPORT FUND
 CAPITAL ASSETS AND ACCUMULATED DEPRECIATION
 FOR THE YEAR ENDED SEPTEMBER 30, 2020

| | Balance 10/1/2019 | Additions | Deletions | Balance 9/30/2020 |
|----------------------------------|----------------------|--------------|-----------|----------------------|
| <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 | 35,247 | - | - | 35,247 |
| Total capital assets | 17,526,547 | - | - | 17,526,547 |
| <u>Accumulated Depreciation:</u> | | | | |
| Land and betterments | 3,178,811 | 383,209 | - | 3,562,020 |
| Buildings and improvements | 1,304,696 | 107,432 | - | 1,412,128 |
| Machinery and equipment | 437,957 | 30,919 | - | 468,876 |
| Total accumulated depreciation | 4,921,464 | 521,560 | - | 5,443,024 |
| Net capital assets | \$ 12,605,083 | \$ (521,560) | \$ - | \$ 12,083,523 |

CITY OF WICHITA FALLS, TEXAS

TRANSIT FUND CAPITAL ASSETS AND ACCUMULATED DEPRECIATION FOR THE YEAR ENDED SEPTEMBER 30, 2020

| | Balance 10/1/2019 | Additions | Deletions | Balance 9/30/2020 |
|----------------------------------|----------------------|--------------|-----------|----------------------|
| <u>Capital Assets:</u> | | | | |
| Land and betterments | \$ 2,001,247 | \$ - | \$ - | \$ 2,001,247 |
| Buildings and improvements | 6,049,557 | 172,370 | - | 6,221,927 |
| Machinery and equipment | 521,446 | - | - | 521,446 |
| Construction in progress | 118,387 | 2,927,247 | - | 3,045,634 |
| Total capital assets | 8,690,637 | 3,099,617 | - | 11,790,254 |
| <u>Accumulated Depreciation:</u> | | | | |
| Land and betterments | 68,568 | 10,551 | - | 79,119 |
| Buildings and improvements | 851,001 | 147,647 | - | 998,648 |
| Machinery and equipment | 339,431 | 45,136 | - | 384,567 |
| Total accumulated depreciation | 1,259,000 | 203,334 | - | 1,462,334 |
| Net capital assets | \$ 7,431,637 | \$ 2,896,283 | \$ - | \$ 10,327,920 |

CITY OF WICHITA FALLS, TEXAS

STORMWATER DRAINAGE FUND
CAPITAL ASSETS AND ACCUMULATED DEPRECIATION
FOR THE YEAR ENDED SEPTEMBER 30, 2020

| | Balance 10/1/2019 | Additions | Deletions | Balance 9/30/2020 |
|----------------------------------|----------------------|--------------|--------------|----------------------|
| <u>Capital Assets:</u> | | | | |
| Drainage | \$ 25,858,984 | \$ 4,074,416 | \$ - | \$ 29,933,400 |
| Land and betterments | 449,263 | 2,069 | - | 451,332 |
| Machinery and equipment | 94,980 | - | - | 94,980 |
| Construction in progress | 3,511,860 | 54,500 | 3,304,085 | 262,275 |
| Total capital assets | 29,915,087 | 4,130,985 | 3,304,085 | 30,741,987 |
| <u>Accumulated Depreciation:</u> | | | | |
| Drainage | 2,497,720 | 371,949 | - | 2,869,669 |
| Land betterments | 33,538 | 6,354 | - | 39,892 |
| Machinery and equipment | 88,433 | 2,004 | - | 90,437 |
| Total accumulated depreciation | 2,619,691 | 380,307 | - | 2,999,998 |
| Net capital assets | \$ 27,295,396 | \$ 3,750,678 | \$ 3,304,085 | \$ 27,741,989 |

CITY OF WICHITA FALLS, TEXAS

SANITATION FUND CAPITAL ASSETS AND ACCUMULATED DEPRECIATION FOR THE YEAR ENDED SEPTEMBER 30, 2020

| | <u>Balance 10/1/2019</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance 9/30/2020</u> |
|----------------------------------|------------------------------|---------------------------|--------------------------|------------------------------|
| <u>Capital Assets:</u> | | | | |
| Land and betterments | \$ 8,294,100 | \$ 218,133 | \$ - | \$ 8,512,233 |
| Buildings and improvements | 3,561,115 | 10,213 | - | 3,571,328 |
| Machinery and equipment | 680,968 | 6,930 | - | 687,898 |
| Construction in progress | <u>100,959</u> | <u>-</u> | <u>100,959</u> | <u>-</u> |
| Total capital assets | <u>12,637,142</u> | <u>235,276</u> | <u>100,959</u> | <u>12,771,459</u> |
| <u>Accumulated Depreciation:</u> | | | | |
| Land and betterments | 1,560,775 | 165,888 | - | 1,726,663 |
| Buildings and improvements | 1,736,416 | 93,925 | - | 1,830,341 |
| Machinery and equipment | <u>393,870</u> | <u>46,150</u> | <u>-</u> | <u>440,020</u> |
| Total accumulated depreciation | <u>3,691,061</u> | <u>305,963</u> | <u>-</u> | <u>3,997,024</u> |
| Net capital assets | <u><u>\$ 8,946,081</u></u> | <u><u>\$ (70,687)</u></u> | <u><u>\$ 100,959</u></u> | <u><u>\$ 8,774,435</u></u> |

CITY OF WICHITA FALLS, TEXAS

WATER AND SEWER FUND CAPITAL ASSETS AND ACCUMULATED DEPRECIATION FOR THE YEAR ENDED SEPTEMBER 30, 2020

| | Balance 10/1/2019 | Additions | Deletions | Balance 9/30/2020 |
|-------------------------------------|----------------------|--------------|--------------|----------------------|
| <u>Capital Assets:</u> | | | | |
| Land and betterments | \$ 24,330,343 | \$ - | \$ - | \$ 24,330,343 |
| Buildings, systems and improvements | 379,936,323 | 7,632,440 | 205,000 | 387,363,763 |
| Machinery and equipment | 5,833,101 | 371,298 | - | 6,204,399 |
| Furniture and fixtures | 1,164 | - | - | 1,164 |
| Construction in progress | 4,846,161 | 7,572,187 | 4,605,001 | 7,813,347 |
| Total capital assets | 414,947,092 | 15,575,925 | 4,810,001 | 425,713,016 |
| <u>Accumulated Depreciation:</u> | | | | |
| Land and betterments | 11,760,060 | 254,407 | - | 12,014,467 |
| Buildings, systems and improvements | 137,464,482 | 8,943,032 | 205,000 | 146,202,514 |
| Machinery and equipment | 4,664,152 | 224,280 | - | 4,888,432 |
| Furniture and fixtures | 1,164 | - | - | 1,164 |
| Total accumulated depreciation | 153,889,858 | 9,421,719 | 205,000 | 163,106,577 |
| Net capital assets | \$ 261,057,234 | \$ 6,154,206 | \$ 4,605,001 | \$ 262,606,439 |

CITY OF WICHITA FALLS, TEXAS

WATERPARK FUND

CAPITAL ASSETS AND ACCUMULATED DEPRECIATION

FOR THE YEAR ENDED SEPTEMBER 30, 2020

| | Balance 10/1/2019 | Additions | Deletions | Balance 9/30/2020 |
|----------------------------------|----------------------|--------------|-----------|----------------------|
| <u>Capital Assets:</u> | | | | |
| Land and betterments | \$ 389,894 | \$ - | \$ - | \$ 389,894 |
| Buildings and improvements | 4,614,767 | 7,576 | - | 4,622,343 |
| Machinery and equipment | 266,194 | 14,556 | - | 280,750 |
| Total capital assets | 5,270,855 | 22,132 | - | 5,292,987 |
| <u>Accumulated Depreciation:</u> | | | | |
| Buildings and improvements | 1,954,321 | 231,030 | - | 2,185,351 |
| Machinery and equipment | 202,544 | 10,709 | - | 213,253 |
| Total accumulated depreciation | 2,156,865 | 241,739 | - | 2,398,604 |
| Net capital assets | \$ 3,113,990 | \$ (219,607) | \$ - | \$ 2,894,383 |

CITY OF WICHITA FALLS, TEXAS

FLEET MAINTENANCE FUND CAPITAL ASSETS AND ACCUMULATED DEPRECIATION FOR THE YEAR ENDED SEPTEMBER 30, 2020

| | Balance 10/1/2019 | Additions | Deletions | Balance 9/30/2020 |
|----------------------------------|----------------------|---------------------|------------------|----------------------|
| <u>Capital Assets:</u> | | | | |
| Land and betterments | \$ 436,269 | \$ - | \$ - | \$ 436,269 |
| Buildings and improvements | 4,763,350 | 15,775 | - | 4,779,125 |
| Machinery and equipment | 1,609,467 | 55,191 | - | 1,664,658 |
| Furniture and fixtures | 2,950 | - | - | 2,950 |
| Motor vehicles | <u>62,953,552</u> | <u>5,439,363</u> | <u>1,960,642</u> | <u>66,432,273</u> |
| Total capital assets | <u>69,765,588</u> | <u>5,510,329</u> | <u>1,960,642</u> | <u>73,315,275</u> |
| <u>Accumulated Depreciation:</u> | | | | |
| Land and betterments | 2,611 | - | - | 2,611 |
| Buildings and improvements | 2,878,810 | 120,150 | - | 2,998,960 |
| Machinery and equipment | 1,376,714 | 86,935 | - | 1,463,649 |
| Furniture and fixtures | 2,950 | - | - | 2,950 |
| Motor vehicles | <u>44,773,402</u> | <u>3,919,862</u> | <u>1,958,290</u> | <u>46,734,974</u> |
| Total accumulated depreciation | <u>49,034,487</u> | <u>4,126,947</u> | <u>1,958,290</u> | <u>51,203,144</u> |
| Net capital assets | <u>\$ 20,731,101</u> | <u>\$ 1,383,382</u> | <u>\$ 2,352</u> | <u>\$ 22,112,131</u> |

CITY OF WICHITA FALLS, TEXAS

DUPLICATING SERVICES FUND CAPITAL ASSETS AND ACCUMULATED DEPRECIATION FOR THE YEAR ENDED SEPTEMBER 30, 2020

| | Balance 10/1/2019 | Additions | Deletions | Balance 9/30/2020 |
|----------------------------------|----------------------|-------------|-------------|----------------------|
| <u>Capital Assets:</u> | | | | |
| Machinery and equipment | \$ 9,117 | \$ - | \$ - | \$ 9,117 |
| <u>Accumulated Depreciation:</u> | | | | |
| Machinery and equipment | 9,117 | - | - | 9,117 |
| Net capital assets | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

CITY OF WICHITA FALLS, TEXAS

INFORMATION TECHNOLOGY FUND CAPITAL ASSETS AND ACCUMULATED DEPRECIATION FOR THE YEAR ENDED SEPTEMBER 30, 2020

| | Balance 10/1/2019 | Additions | Deletions | Balance 9/30/2020 |
|----------------------------------|----------------------|------------|-----------|----------------------|
| <u>Capital Assets:</u> | | | | |
| Machinery and equipment | \$ 6,717,921 | \$ 246,404 | \$ - | \$ 6,964,325 |
| Construction in progress | 136,274 | 1,254,864 | - | 1,391,138 |
| Total capital assets | 6,854,195 | 1,501,268 | - | 8,355,463 |
| <u>Accumulated Depreciation:</u> | | | | |
| Machinery and equipment | 3,264,389 | 674,817 | - | 3,939,206 |
| Net capital assets | \$ 3,589,806 | \$ 826,451 | \$ - | \$ 4,416,257 |

CITY OF WICHITA FALLS, TEXAS

WICHITA FALLS ECONOMIC DEVELOPMENT CORPORATION CAPITAL ASSETS AND ACCUMULATED DEPRECIATION FOR THE YEAR ENDED SEPTEMBER 30, 2020

| | Balance 10/1/2019 | Additions | Deletions | Balance 9/30/2020 |
|----------------------------------|----------------------|-------------|-----------|----------------------|
| <u>Capital Assets:</u> | | | | |
| Land and betterments | \$ 1,434,069 | \$ - | \$ - | \$ 1,434,069 |
| Buildings and improvements | 957,191 | - | - | 957,191 |
| Total capital assets | 2,391,260 | - | - | 2,391,260 |
| <u>Accumulated Depreciation:</u> | | | | |
| Buildings and improvements | 258,442 | 19,143 | - | 277,585 |
| Net capital assets | \$ 2,132,818 | \$ (19,143) | \$ - | \$ 2,113,675 |

STATISTICAL SECTION (UNAUDITED)

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

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

CITY OF WICHITA FALLS, TEXAS

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS (UNAUDITED)

| | Fiscal Year | | | | | | | | | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2010-2011 | 2011-2012 | 2012-2013 | 2013-2014 | 2014-2015 | 2015-2016 | 2016-2017 | 2017-2018 | 2018-2019 | 2019-2020 |
| Governmental activities | | | | | | | | | | |
| Net investment in capital assets | \$ 138,876,124 | \$ 139,058,565 | \$ 138,319,208 | \$ 128,168,873 | \$ 143,014,752 | \$ 148,206,829 | \$ 150,776,165 | \$ 150,833,699 | \$ 152,824,700 | \$ 155,903,407 |
| Restricted | 6,048,238 | 6,931,511 | 6,248,074 | 5,290,076 | 3,715,125 | 4,468,638 | 5,497,793 | 5,626,033 | 5,974,408 | 6,632,804 |
| Unrestricted | 7,189,782 | 7,453,791 | 6,661,101 | 5,789,973 | (59,103,807) | (64,279,354) | (68,466,161) | (81,755,666) | (85,423,347) | (94,509,218) |
| Total governmental activities net position | <u>\$ 152,114,144</u> | <u>\$ 153,443,867</u> | <u>\$ 151,228,383</u> | <u>\$ 139,248,922</u> | <u>\$ 87,626,070</u> | <u>\$ 88,396,113</u> | <u>\$ 87,807,797</u> | <u>\$ 74,704,066</u> | <u>\$ 73,375,761</u> | <u>\$ 68,026,993</u> |
| Business-type activities | | | | | | | | | | |
| Net investment in capital assets | \$ 172,634,321 | \$ 185,087,683 | \$ 198,540,484 | \$ 225,576,460 | \$ 238,249,137 | \$ 236,074,244 | \$ 250,154,417 | \$ 254,487,928 | \$ 264,868,493 | \$ 270,540,608 |
| Restricted | 11,734,924 | 11,374,316 | 11,881,663 | 11,885,698 | 11,800,667 | 11,082,332 | 11,046,973 | 11,571,092 | 11,780,255 | 12,008,946 |
| Unrestricted | 23,006,940 | 28,157,150 | 25,390,068 | 22,571,945 | 13,941,283 | 31,265,373 | 27,573,458 | 35,237,418 | 37,715,916 | 47,578,892 |
| Total business-type activities net position | <u>\$ 207,376,185</u> | <u>\$ 224,619,149</u> | <u>\$ 235,812,215</u> | <u>\$ 260,034,103</u> | <u>\$ 263,991,087</u> | <u>\$ 278,421,949</u> | <u>\$ 288,774,848</u> | <u>\$ 301,296,438</u> | <u>\$ 314,364,664</u> | <u>\$ 330,128,446</u> |
| Primary government | | | | | | | | | | |
| Net investment in capital assets | \$ 311,510,445 | \$ 324,146,248 | \$ 336,859,692 | \$ 353,745,333 | \$ 381,263,889 | \$ 384,281,073 | \$ 400,930,582 | \$ 405,321,627 | \$ 417,693,193 | \$ 426,444,015 |
| Restricted | 17,783,162 | 18,305,827 | 18,129,737 | 17,175,774 | 15,515,792 | 15,550,970 | 16,544,766 | 17,197,125 | 17,754,663 | 18,641,750 |
| Unrestricted | 30,196,722 | 35,610,941 | 32,051,169 | 28,361,918 | (45,162,524) | (33,013,981) | (40,892,703) | (46,518,248) | (47,707,431) | (46,930,326) |
| Total primary government net position | <u>\$ 359,490,329</u> | <u>\$ 378,063,016</u> | <u>\$ 387,040,598</u> | <u>\$ 399,283,025</u> | <u>\$ 351,617,157</u> | <u>\$ 366,818,062</u> | <u>\$ 376,582,645</u> | <u>\$ 376,000,504</u> | <u>\$ 387,740,425</u> | <u>\$ 398,155,439</u> |

CITY OF WICHITA FALLS, TEXAS

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS (UNAUDITED)

| | Fiscal Year | | | | | | | | | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2010-2011 | 2011-2012 | 2012-2013 | 2013-2014 | 2014-2015 | 2015-2016 | 2016-2017 | 2017-2018 | 2018-2019 | 2019-2020 |
| Expenses | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Administrative services | \$ 10,881,691 | \$ 11,934,804 | \$ 12,782,404 | \$ 13,873,741 | \$ 14,837,668 | \$ 14,235,870 | \$ 15,198,841 | \$ 16,029,050 | \$ 15,853,414 | \$ 15,623,435 |
| Police | 21,822,371 | 22,103,892 | 22,767,560 | 23,195,421 | 23,705,432 | 25,633,843 | 25,513,220 | 25,046,425 | 27,736,316 | 34,225,996 |
| Fire | 13,291,048 | 13,523,616 | 14,226,064 | 14,387,072 | 16,455,087 | 17,476,759 | 21,107,882 | 24,205,615 | 21,059,239 | 26,796,338 |
| Parks and recreation | 5,405,955 | 5,152,616 | 5,579,717 | 5,574,156 | 5,492,124 | 5,637,654 | 5,655,633 | 5,484,893 | 5,995,353 | 6,057,586 |
| Accounting/finance | 2,534,141 | 975,863 | 924,240 | 923,727 | 876,069 | 787,945 | 760,506 | 663,516 | 785,465 | 1,004,472 |
| Community development | 7,084,165 | 6,777,614 | 6,729,171 | 6,497,467 | 6,400,781 | 6,681,803 | 6,902,628 | 6,579,677 | 7,253,122 | 7,586,750 |
| Public works | 7,613,089 | 7,956,752 | 7,747,847 | 8,155,640 | 8,117,413 | 8,334,993 | 8,551,971 | 8,563,442 | 8,533,518 | 8,708,349 |
| Health | 4,911,165 | 5,021,625 | 5,167,794 | 5,166,135 | 5,398,191 | 5,707,386 | 5,814,947 | 5,798,759 | 5,964,161 | 6,630,232 |
| Traffic and transportation | 2,451,154 | 2,510,936 | 2,757,545 | 2,617,801 | 2,555,837 | 2,667,418 | 2,579,284 | 2,383,760 | 2,951,269 | 3,255,742 |
| Multi-Purpose Events Center | 4,295,871 | 3,895,665 | 4,136,952 | 4,302,368 | 4,553,654 | 4,544,817 | 4,021,413 | 3,250,928 | 3,126,421 | 2,791,731 |
| Interest and fees on long-term debt | 1,765,406 | 1,711,328 | 2,122,969 | 1,992,169 | 1,910,975 | 1,631,355 | 1,443,552 | 1,556,402 | 1,780,418 | 1,607,429 |
| Total governmental activities expenses | 82,056,056 | 81,564,711 | 84,942,263 | 86,685,697 | 90,303,231 | 93,339,843 | 97,549,877 | 99,562,467 | 101,038,696 | 114,288,060 |
| Business-type activities: | | | | | | | | | | |
| Municipal Airport | 435,774 | 529,827 | 655,452 | 855,765 | 2,532,243 | 1,881,055 | 1,827,618 | 1,907,909 | 2,014,903 | 2,097,484 |
| Kickapoo Airport | 1,262,976 | 1,419,681 | 1,495,562 | 1,423,952 | 1,412,211 | 1,252,359 | 1,198,823 | 1,259,413 | 1,451,976 | 1,282,322 |
| Transit | 1,847,362 | 1,903,560 | 1,938,827 | 2,416,274 | 2,524,244 | 2,673,176 | 2,540,427 | 2,377,201 | 2,622,657 | 2,552,634 |
| Sanitation | 8,959,973 | 8,904,795 | 9,236,474 | 9,333,512 | 9,489,348 | 9,841,683 | 10,216,686 | 10,300,771 | 11,407,943 | 11,727,774 |
| Water and Sewer | 32,969,719 | 28,996,520 | 30,135,738 | 32,364,514 | 33,554,406 | 32,120,018 | 33,288,819 | 33,426,850 | 33,564,147 | 34,893,459 |
| Stormwater drainage | 533,715 | 406,570 | 430,012 | 560,389 | 674,839 | 828,537 | 816,334 | 796,597 | 785,974 | 864,517 |
| Waterpark | 1,399,255 | 1,375,832 | 1,397,270 | 1,456,084 | 1,557,158 | 1,598,720 | 1,538,193 | 1,591,560 | 1,599,828 | 1,494,829 |
| Total business-type activities expenses | 47,408,774 | 43,536,785 | 45,289,335 | 48,410,490 | 51,744,449 | 50,195,548 | 51,426,900 | 51,660,301 | 53,447,428 | 54,913,019 |
| Total primary government expenses | <u>\$ 129,464,830</u> | <u>\$ 125,101,496</u> | <u>\$ 130,231,598</u> | <u>\$ 135,096,187</u> | <u>\$ 142,047,680</u> | <u>\$ 143,535,391</u> | <u>\$ 148,976,777</u> | <u>\$ 151,222,768</u> | <u>\$ 154,486,124</u> | <u>\$ 169,201,079</u> |
| Program Revenues | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Administrative services | \$ 4,499,281 | \$ 4,390,463 | \$ 4,304,737 | \$ 4,220,786 | \$ 4,030,674 | \$ 4,270,749 | \$ 4,735,471 | \$ 4,501,100 | \$ 4,657,529 | \$ 4,325,538 |
| Police | 527,007 | 541,201 | 624,272 | 339,867 | 396,228 | 335,112 | 420,289 | 338,223 | 288,280 | 311,390 |
| Fire | 11,400 | 14,613 | 18,459 | 15,854 | 6,866 | 1,749 | 36,937 | 39,598 | 85,627 | 43,306 |
| Parks and recreation | 513,746 | 525,505 | 524,519 | 530,305 | 447,990 | 429,207 | 441,751 | 393,227 | 355,005 | 293,275 |
| Accounting/finance | 65,000 | - | - | - | - | - | - | - | - | - |
| Community development | 1,017,718 | 942,649 | 1,131,684 | 1,094,904 | 1,006,966 | 1,101,085 | 1,209,021 | 1,233,431 | 1,419,097 | 1,426,440 |
| Public works | 2,740 | 24,420 | 116,035 | 94,772 | 9,510 | 11,824 | 14,223 | 10,869 | 7,511 | 17,999 |
| Health | 965,741 | 1,075,277 | 1,073,172 | 1,051,444 | 995,634 | 1,051,834 | 1,081,910 | 1,110,658 | 1,126,273 | 1,107,601 |
| Traffic and transportation | 184,138 | 217,262 | 126,163 | 133,133 | 162,184 | 72,965 | 126,334 | 122,384 | 121,251 | 113,048 |
| Multi-Purpose Events Center | 1,644,569 | 1,656,358 | 1,597,702 | 1,553,729 | 1,604,828 | 1,561,783 | 892,049 | 10,872 | - | 3,482 |
| Operating grants and contributions | 13,268,583 | 9,868,484 | 11,157,348 | 10,837,248 | 11,019,845 | 14,803,477 | 14,934,929 | 12,437,104 | 12,908,026 | 21,239,893 |
| Capital grants and contributions | 2,315,245 | 8,066,065 | 4,394,038 | 12,956,740 | 5,349,242 | 3,942,929 | 1,032,502 | 4,296,164 | 60,000 | - |
| Total governmental activities program revenue: | <u>25,015,168</u> | <u>27,322,297</u> | <u>25,068,129</u> | <u>32,828,782</u> | <u>25,029,967</u> | <u>27,582,714</u> | <u>24,925,416</u> | <u>24,493,630</u> | <u>21,028,599</u> | <u>28,881,972</u> |

CITY OF WICHITA FALLS, TEXAS

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

| | Fiscal Year | | | | | | | | | |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| | 2010-2011 | 2011-2012 | 2012-2013 | 2013-2014 | 2014-2015 | 2015-2016 | 2016-2017 | 2017-2018 | 2018-2019 | 2019-2020 |
| Business-type activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Municipal Airport | 681,639 | 716,608 | 769,557 | 775,829 | 864,505 | 1,109,959 | 1,120,916 | 1,178,304 | 1,165,060 | 868,429 |
| Kickapoo Airport | 988,457 | 1,153,038 | 1,255,153 | 1,239,973 | 1,090,276 | 970,129 | 884,354 | 924,673 | 944,394 | 765,536 |
| Transit | 367,374 | 405,852 | 410,737 | 476,716 | 541,389 | 503,708 | 432,083 | 431,419 | 498,808 | 405,969 |
| Sanitation | 11,911,026 | 12,807,160 | 12,606,675 | 13,196,489 | 12,790,072 | 13,223,470 | 13,394,186 | 13,701,215 | 14,776,821 | 15,192,130 |
| Water and Sewer | 40,679,751 | 36,771,008 | 32,798,786 | 31,272,972 | 38,855,845 | 42,999,399 | 43,527,980 | 46,225,281 | 44,464,193 | 46,673,593 |
| Stormwater drainage | 2,485,346 | 2,552,650 | 2,503,255 | 2,601,158 | 2,763,120 | 3,703,803 | 3,738,019 | 3,728,335 | 3,730,485 | 3,787,383 |
| Waterpark | 1,633,155 | 1,475,842 | 1,398,164 | 1,292,639 | 1,492,787 | 1,437,615 | 1,321,622 | 1,501,475 | 1,425,913 | 1,271,508 |
| Operating grants and contributions | 1,323,581 | 2,371,658 | 3,787,014 | 1,830,334 | 1,826,749 | 2,282,163 | 1,701,652 | 3,938,011 | 4,857,917 | 5,738,059 |
| Capital grants and contributions | 192,620 | 181,759 | 1,339,265 | 1,017,827 | 1,558,589 | 209,110 | 396,830 | 876,211 | 89,890 | 727,961 |
| Total business-type activities program revenues | 60,262,949 | 58,435,575 | 56,868,606 | 53,703,937 | 61,783,332 | 66,439,356 | 66,517,642 | 72,504,924 | 71,953,481 | 75,430,568 |
| Total primary government program revenues | <u>\$ 85,278,117</u> | <u>\$ 85,757,872</u> | <u>\$ 81,936,735</u> | <u>\$ 86,532,719</u> | <u>\$ 86,813,299</u> | <u>\$ 94,022,070</u> | <u>\$ 91,443,058</u> | <u>\$ 96,998,554</u> | <u>\$ 92,982,080</u> | <u>\$ 104,312,540</u> |
| Net (Expense)/Revenue | | | | | | | | | | |
| Governmental activities | \$ (57,040,888) | \$ (54,242,414) | \$ (59,874,134) | \$ (53,856,915) | \$ (65,273,264) | \$ (65,757,129) | \$ (72,624,461) | \$ (75,068,837) | \$ (80,010,097) | \$ (85,406,088) |
| Business-type activities | 12,854,175 | 14,898,790 | 11,579,271 | 5,293,447 | 10,038,883 | 16,243,808 | 15,090,742 | 20,844,623 | 18,506,053 | 20,517,549 |
| Total primary government net expense | <u>\$ (44,186,713)</u> | <u>\$ (39,343,624)</u> | <u>\$ (48,294,863)</u> | <u>\$ (48,563,468)</u> | <u>\$ (55,234,381)</u> | <u>\$ (49,513,321)</u> | <u>\$ (57,533,719)</u> | <u>\$ (54,224,214)</u> | <u>\$ (61,504,044)</u> | <u>\$ (64,888,539)</u> |
| General Revenues and Other Changes in Net Position | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Taxes: | | | | | | | | | | |
| Property tax | \$ 28,556,762 | \$ 28,625,696 | \$ 29,107,168 | \$ 29,784,202 | \$ 31,072,640 | \$ 34,515,164 | \$ 35,120,896 | \$ 35,842,110 | \$ 37,898,136 | \$ 41,399,096 |
| Sales tax | 21,082,993 | 21,406,823 | 22,062,365 | 22,397,536 | 22,403,406 | 22,373,768 | 22,413,397 | 23,861,013 | 24,894,930 | 25,205,996 |
| Franchise fees | 5,593,781 | 5,574,882 | 5,423,680 | 5,558,600 | 5,414,414 | 5,038,247 | 5,193,721 | 5,326,403 | 5,314,591 | 5,164,750 |
| Hotel occupancy tax | 1,572,105 | 1,677,100 | 1,578,764 | 1,684,329 | 1,775,372 | 1,910,468 | 1,878,061 | 1,952,011 | 2,075,905 | 1,878,957 |
| Beverage tax | 248,350 | 207,735 | 230,728 | 281,598 | 291,091 | 286,986 | 281,687 | 308,333 | 328,163 | 255,816 |
| Bingo tax | 70,747 | 61,696 | 40,122 | 36,688 | 32,764 | 26,736 | 9,098 | 2,626 | - | - |
| Investment earnings | 49,239 | 54,579 | 53,244 | 33,309 | 20,732 | 129,886 | 303,325 | 625,368 | 1,375,504 | 581,802 |
| Miscellaneous | - | 326,861 | 636,417 | 879,538 | 529,526 | 447,357 | 1,651,791 | 496,434 | 341,079 | 525,007 |
| Transfers | 1,754,171 | (2,363,233) | (1,473,837) | (18,778,342) | (2,072,770) | 2,003,892 | 5,184,169 | 4,611,766 | 6,453,485 | 5,045,896 |
| Total governmental activities | 58,928,148 | 55,572,139 | 57,658,651 | 41,877,458 | 59,467,175 | 66,732,504 | 72,036,145 | 73,026,064 | 78,681,793 | 80,057,320 |
| Business-type activities: | | | | | | | | | | |
| Investment earnings | 50,858 | 39,865 | 27,902 | 11,680 | 14,884 | 175,860 | 415,837 | 748,434 | 1,005,000 | 371,124 |
| Miscellaneous | (41,792) | (58,924) | 149,173 | 138,419 | 87,079 | 60,331 | 22,028 | 89,332 | 10,654 | (1,858) |
| Transfers | (1,754,171) | 2,363,233 | 1,473,837 | 18,778,342 | 2,072,770 | (2,003,892) | (5,184,169) | (4,611,766) | (6,453,485) | (5,045,896) |
| Total business-type activities | (1,745,105) | 2,344,174 | 1,650,912 | 18,928,441 | 2,174,733 | (1,767,701) | (4,746,304) | (3,774,000) | (5,437,831) | (4,676,630) |
| Total primary government | <u>\$ 57,183,043</u> | <u>\$ 57,916,313</u> | <u>\$ 59,309,563</u> | <u>\$ 60,805,899</u> | <u>\$ 61,641,908</u> | <u>\$ 64,964,803</u> | <u>\$ 67,289,841</u> | <u>\$ 69,252,064</u> | <u>\$ 73,243,962</u> | <u>\$ 75,380,690</u> |
| Change in Net Position | | | | | | | | | | |
| Governmental activities | \$ 1,887,260 | \$ 1,329,725 | \$ (2,215,483) | \$ (11,979,457) | \$ (5,806,089) | \$ 975,375 | \$ (588,316) | \$ (2,042,773) | \$ (1,328,304) | \$ (5,348,768) |
| Business-type activities | 11,109,070 | 17,242,964 | 13,230,183 | 24,221,888 | 12,213,616 | 14,476,107 | 10,344,438 | 17,070,623 | 13,068,222 | 15,840,919 |
| Total primary government | <u>\$ 12,996,330</u> | <u>\$ 18,572,689</u> | <u>\$ 11,014,700</u> | <u>\$ 12,242,431</u> | <u>\$ 6,407,527</u> | <u>\$ 15,451,482</u> | <u>\$ 9,756,122</u> | <u>\$ 15,027,850</u> | <u>\$ 11,739,918</u> | <u>\$ 10,492,151</u> |

CITY OF WICHITA FALLS, TEXAS

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

| | Fiscal Year | | | | | | | | | |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2010-2011 | 2011-2012 | 2012-2013 | 2013-2014 | 2014-2015 | 2015-2016 | 2016-2017 | 2017-2018 | 2018-2019 | 2019-2020 |
| General Fund | | | | | | | | | | |
| Nonspendable | \$ 478,617 | \$ 352,835 | \$ 384,574 | \$ 180,992 | \$ 210,069 | \$ 157,494 | \$ 131,311 | \$ 309,042 | \$ 359,446 | \$ 383,596 |
| Assigned | 579,022 | 1,010,976 | 958,924 | 1,949,792 | 1,102,026 | 878,314 | 1,059,850 | 964,114 | - | - |
| Unassigned | 16,002,361 | 16,570,675 | 16,226,597 | 14,886,199 | 13,682,061 | 13,161,690 | 13,138,307 | 14,133,369 | 18,310,378 | 26,955,178 |
| Total general fund | <u>\$ 17,060,000</u> | <u>\$ 17,934,486</u> | <u>\$ 17,570,095</u> | <u>\$ 17,016,983</u> | <u>\$ 14,994,156</u> | <u>\$ 14,197,498</u> | <u>\$ 14,329,468</u> | <u>\$ 15,406,525</u> | <u>\$ 18,669,824</u> | <u>\$ 27,338,774</u> |
| All other Governmental Funds | | | | | | | | | | |
| Nonspendable | \$ 81,376 | \$ 89,668 | \$ 84,940 | \$ 120,573 | \$ 95,283 | \$ 84,013 | \$ - | \$ - | \$ 1,822 | \$ - |
| Restricted | 10,927,373 | 10,744,065 | 26,934,100 | 13,834,375 | 5,977,567 | 5,729,434 | 5,617,402 | 23,075,586 | 21,903,321 | 16,435,498 |
| Committed | 1,762,248 | 2,305,013 | 2,896,812 | 2,831,488 | 2,734,119 | 2,694,718 | 2,670,133 | 2,208,977 | 2,865,289 | 2,495,627 |
| Unassigned | (24,418) | (269,288) | (269,288) | (460,883) | (550,863) | (773,238) | (1,224,316) | (904,338) | (994,338) | (994,338) |
| Total all other governmental funds | <u>\$ 12,746,579</u> | <u>\$ 12,869,458</u> | <u>\$ 29,646,564</u> | <u>\$ 16,325,553</u> | <u>\$ 8,256,106</u> | <u>\$ 7,734,927</u> | <u>\$ 7,063,219</u> | <u>\$ 24,380,225</u> | <u>\$ 23,776,094</u> | <u>\$ 17,936,787</u> |

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

| | Fiscal Year | | | | | | | | | |
|---|----------------|---------------|---------------|-----------------|----------------|----------------|---------------|---------------|---------------|---------------|
| | 2010-2011 | 2011-2012 | 2012-2013 | 2013-2014 | 2014-2015 | 2015-2016 | 2016-2017 | 2017-2018 | 2018-2019 | 2019-2020 |
| Revenues | | | | | | | | | | |
| Taxes | \$ 57,122,006 | \$ 57,607,312 | \$ 58,613,615 | \$ 59,739,545 | \$ 61,007,519 | \$ 64,201,677 | \$ 64,886,137 | \$ 67,254,892 | \$ 70,389,292 | \$ 73,868,498 |
| Charges for services | 3,886,160 | 3,710,371 | 3,422,621 | 3,331,183 | 3,362,172 | 3,370,573 | 3,340,750 | 3,339,743 | 3,426,222 | 3,399,064 |
| Licenses and permits | 2,064,972 | 2,002,559 | 2,234,081 | 2,048,293 | 1,941,205 | 1,971,212 | 1,905,507 | 1,963,353 | 2,080,203 | 1,737,778 |
| Fines and forfeitures | 2,209,026 | 2,409,792 | 2,435,625 | 2,402,794 | 2,262,781 | 2,561,817 | 2,795,215 | 2,757,216 | 2,833,785 | 1,798,401 |
| Intergovernmental revenue | 11,041,679 | 14,488,236 | 11,722,524 | 18,081,798 | 12,401,075 | 13,537,869 | 10,833,921 | 9,112,281 | 8,738,383 | 17,514,038 |
| Contributions | 4,542,149 | 3,446,313 | 3,828,862 | 5,712,190 | 4,011,809 | 5,208,537 | 5,133,510 | 4,324,823 | 4,169,643 | 3,725,855 |
| Miscellaneous revenue | 3,216,734 | 3,261,049 | 3,463,425 | 3,642,155 | 3,118,424 | 3,120,633 | 4,239,955 | 2,499,916 | 3,274,916 | 3,093,988 |
| Total revenues | 84,082,726 | 86,925,632 | 85,720,753 | 94,957,958 | 88,104,985 | 93,972,318 | 93,134,995 | 91,252,224 | 94,912,444 | 105,137,622 |
| Expenditures | | | | | | | | | | |
| Administrative services | 10,235,720 | 12,158,781 | 12,677,867 | 13,347,029 | 14,413,640 | 14,805,672 | 14,870,206 | 14,778,947 | 15,235,739 | 14,394,187 |
| Police | 20,235,012 | 20,545,965 | 20,884,744 | 21,539,820 | 21,997,801 | 23,580,992 | 23,883,109 | 24,205,161 | 25,064,950 | 27,416,198 |
| Fire | 12,897,810 | 13,277,876 | 13,807,699 | 14,085,219 | 14,719,074 | 16,077,272 | 16,536,044 | 16,896,863 | 16,891,819 | 17,740,642 |
| Parks and recreation | 4,966,060 | 4,833,743 | 5,157,417 | 5,197,591 | 5,065,222 | 5,204,296 | 5,277,544 | 5,287,117 | 5,423,148 | 5,314,741 |
| Accounting/finance | 2,367,814 | 845,076 | 793,960 | 831,313 | 747,341 | 702,883 | 719,865 | 701,643 | 753,748 | 845,894 |
| Community development | 7,124,851 | 6,829,018 | 6,760,826 | 6,559,064 | 6,440,963 | 6,678,753 | 6,931,301 | 6,685,328 | 7,119,550 | 7,081,495 |
| Public works | 5,170,624 | 5,777,249 | 5,325,013 | 5,613,107 | 5,449,860 | 5,555,929 | 5,732,327 | 5,511,044 | 5,302,692 | 5,411,047 |
| Health | 4,796,934 | 4,894,351 | 5,004,381 | 5,057,946 | 5,217,970 | 5,483,135 | 5,649,913 | 5,793,866 | 5,645,601 | 5,685,128 |
| Traffic and transportation | 2,233,311 | 2,194,962 | 2,468,051 | 2,274,249 | 2,395,837 | 2,224,511 | 2,117,966 | 2,113,558 | 2,362,089 | 2,573,962 |
| Multi-Purpose Events Center | 3,436,052 | 3,062,507 | 3,365,932 | 3,536,661 | 3,747,189 | 3,718,058 | 3,231,913 | 2,415,875 | 2,286,621 | 1,940,870 |
| Capital outlay * | 7,600,491 | 8,537,049 | 7,867,468 | 5,230,269 | 5,368,119 | 6,343,551 | 6,206,493 | 5,628,992 | 7,888,964 | 11,290,435 |
| Debt service - principal | 2,115,000 | 2,270,000 | 2,515,000 | 3,000,000 | 3,350,000 | 3,745,000 | 3,525,000 | 3,610,000 | 4,000,000 | 4,045,000 |
| Debt service - interest | 1,934,935 | 1,604,392 | 1,618,299 | 2,342,331 | 1,998,760 | 1,764,412 | 1,591,022 | 1,597,143 | 1,912,443 | 1,877,363 |
| Debt service - bond issuance costs | - | 137,461 | 310,777 | - | - | - | - | - | - | - |
| Total expenditures | 85,114,614 | 86,968,430 | 88,557,434 | 88,614,599 | 90,911,776 | 95,884,464 | 96,272,703 | 95,225,537 | 99,887,364 | 105,616,962 |
| Excess of revenues over (under) expenditures | (1,031,888) | (42,798) | (2,836,681) | 6,343,359 | (2,806,791) | (1,912,146) | (3,137,708) | (3,973,313) | (4,974,920) | (479,340) |
| Other Financing Sources (Uses) | | | | | | | | | | |
| Proceeds from bonds | - | 7,836,338 | 23,869,261 | - | - | 13,482,256 | - | 24,171,317 | - | - |
| Capital lease proceeds | - | 1,452,760 | 2,666,243 | - | 47,848 | (13,295,568) | - | 3,310,009 | - | - |
| Payment to refunded bonds escrow agent | - | (4,484,698) | (3,831,570) | - | - | - | - | (6,546,898) | - | - |
| Transfers in | 6,239,483 | 6,411,855 | 7,181,518 | 16,643,513 | 17,594,910 | 7,574,334 | 8,965,770 | 8,722,620 | 8,033,886 | 8,404,493 |
| Transfer out | (6,405,589) | (10,176,091) | (10,636,058) | (36,860,991) | (23,335,238) | (6,961,378) | (6,367,674) | (4,393,890) | (3,295,594) | (5,095,512) |
| Total other financing sources (uses) | (166,106) | 1,040,164 | 19,249,394 | (20,217,478) | (5,692,480) | 799,644 | 2,598,096 | 25,263,158 | 4,738,292 | 3,308,981 |
| Net change in fund balances | \$ (1,197,994) | \$ 997,366 | \$ 16,412,713 | \$ (13,874,119) | \$ (8,499,271) | \$ (1,112,502) | \$ (539,612) | \$ 21,289,845 | \$ (236,628) | \$ 2,829,641 |
| Debt service as a percentage of noncapital expenditures | 5.22% | 4.94% | 5.12% | 6.41% | 6.25% | 6.15% | 5.68% | 5.81% | 6.43% | 6.28% |

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

CITY OF WICHITA FALLS, TEXAS

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

| <u>Fiscal Year</u> | <u>Property</u> | <u>Sales</u> | <u>Franchise</u> | <u>Hotel Occupancy</u> | <u>Beverage</u> | <u>Bingo</u> | <u>Total</u> |
|------------------------|-----------------|---------------|------------------|----------------------------|-----------------|--------------|---------------|
| 2010-2011 | \$ 28,554,029 | \$ 21,082,994 | \$ 5,593,781 | \$ 1,572,105 | \$ 248,350 | \$ 70,747 | \$ 57,122,006 |
| 2011-2012 | 28,679,076 | 21,406,823 | 5,574,882 | 1,677,100 | 207,735 | 61,696 | 57,607,312 |
| 2012-2013 | 29,277,956 | 22,062,365 | 5,423,680 | 1,578,764 | 230,728 | 40,122 | 58,613,615 |
| 2013-2014 | 29,780,795 | 22,397,536 | 5,558,599 | 1,684,329 | 281,598 | 36,688 | 59,739,545 |
| 2014-2015 | 31,090,472 | 22,403,406 | 5,414,414 | 1,775,372 | 291,091 | 32,764 | 61,007,519 |
| 2015-2016 | 34,567,763 | 22,373,768 | 5,035,947 | 1,910,477 | 286,986 | 26,736 | 64,201,677 |
| 2016-2017 | 35,110,173 | 22,413,397 | 5,193,721 | 1,878,061 | 281,687 | 9,098 | 64,886,137 |
| 2017-2018 | 35,804,507 | 23,861,013 | 5,326,402 | 1,952,011 | 308,333 | 2,626 | 67,254,892 |
| 2018-2019 | 37,775,703 | 24,894,930 | 5,314,591 | 2,075,905 | 328,163 | - | 70,389,292 |
| 2019-2020 | 41,362,767 | 25,205,996 | 5,164,962 | 1,878,957 | 255,816 | - | 73,868,498 |

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 |
|-------------|------------------------------|----------------------------------|----------------------|-----------------------|------------------------|---|
| 2010-2011 | \$ 3,693,399,778 | \$ 728,642,824 | \$ 4,422,042,602 | \$0.62526 | \$ 4,422,042,602 | 100.00% |
| 2011-2012 | 3,714,449,662 | 716,365,316 | 4,430,814,978 | 0.62526 | 4,430,814,978 | 100.00% |
| 2012-2013 | 3,749,608,055 | 715,113,536 | 4,464,721,591 | 0.63526 | 4,464,721,591 | 100.00% |
| 2013-2014 | 3,777,010,620 | 771,002,233 | 4,548,012,853 | 0.63526 | 4,548,012,853 | 100.00% |
| 2014-2015 | 3,859,560,337 | 765,251,406 | 4,624,811,743 | 0.65526 | 4,624,811,743 | 100.00% |
| 2015-2016 | 3,944,783,610 | 820,827,696 | 4,765,611,306 | 0.70598 | 4,765,611,306 | 100.00% |
| 2016-2017 | 4,031,689,962 | 817,687,012 | 4,849,376,974 | 0.70598 | 4,849,376,974 | 100.00% |
| 2017-2018 | 4,123,022,727 | 818,629,114 | 4,941,651,841 | 0.70598 | 4,941,651,841 | 100.00% |
| 2018-2019 | 4,230,948,499 | 843,630,297 | 5,074,578,796 | 0.72988 | 5,074,578,796 | 100.00% |
| 2019-2020 | 4,387,106,524 | 889,487,609 | 5,276,594,133 | 0.76332 | 5,276,594,133 | 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) | | | Grand Total |
| | M&O | I&S | Total | M&O | I&S | Total | M&O | I&S | Total | |
| 2010-2011 | \$ 0.61 | \$ 0.01 | \$ 0.62 | \$ 0.52 | \$ - | \$ 0.52 | \$ 1.17 | \$ 0.14 | \$ 1.31 | |
| 2011-2012 | 0.61 | 0.01 | 0.62 | 0.53 | - | 0.53 | 1.17 | 0.14 | 1.31 | |
| 2012-2013 | 0.62 | 0.01 | 0.63 | 0.52 | - | 0.52 | 1.17 | 0.13 | 1.30 | |
| 2013-2014 | 0.62 | 0.01 | 0.63 | 0.51 | - | 0.51 | 1.17 | 0.12 | 1.29 | |
| 2014-2015 | 0.64 | 0.02 | 0.66 | 0.51 | - | 0.51 | 1.17 | 0.14 | 1.31 | |
| 2015-2016 | 0.69 | 0.02 | 0.71 | 0.55 | - | 0.55 | 1.17 | 0.14 | 1.31 | |
| 2016-2017 | 0.69 | 0.02 | 0.71 | 0.58 | 0.03 | 0.61 | 1.17 | 0.37 | 1.54 | |
| 2017-2018 | 0.69 | 0.02 | 0.71 | 0.58 | 0.08 | 0.66 | 1.17 | 0.37 | 1.54 | |
| 2018-2019 | 0.69 | 0.04 | 0.73 | 0.59 | 0.07 | 0.66 | 1.17 | 0.37 | 1.54 | |
| 2019-2020 | 0.72 | 0.04 | 0.76 | 0.59 | 0.07 | 0.66 | 1.17 | 0.37 | 1.54 | |
| | City View ISD (2) | | | Iowa Park CISD (3) | | | Wichita Falls ISD (4) | | | Grand Total |
| | M&O | I&S | Total | M&O | I&S | Total | M&O | I&S | Total | |
| 2010-2011 | \$ 1.17 | \$ 0.25 | \$ 1.42 | \$ 1.04 | \$ 0.09 | \$ 1.13 | \$ 1.04 | \$ 0.17 | \$ 1.21 | \$ 6.21 |
| 2011-2012 | 1.17 | 0.25 | 1.42 | 1.04 | 0.24 | 1.28 | 1.04 | 0.17 | 1.21 | 6.37 |
| 2012-2013 | 1.17 | 0.25 | 1.42 | 1.04 | 0.24 | 1.28 | 1.04 | 0.17 | 1.21 | 6.36 |
| 2013-2014 | 1.17 | 0.25 | 1.42 | 1.04 | 0.24 | 1.28 | 1.04 | 0.17 | 1.21 | 6.34 |
| 2014-2015 | 1.17 | 0.25 | 1.42 | 1.04 | 0.23 | 1.27 | 1.04 | 0.10 | 1.14 | 6.31 |
| 2015-2016 | 1.17 | 0.25 | 1.42 | 1.17 | 0.16 | 1.33 | 1.04 | 0.19 | 1.23 | 6.55 |
| 2016-2017 | 1.17 | 0.25 | 1.42 | 1.17 | 0.16 | 1.33 | 1.04 | 0.19 | 1.23 | 6.84 |
| 2017-2018 | 1.17 | 0.25 | 1.42 | 1.17 | 0.16 | 1.33 | 1.04 | 0.19 | 1.23 | 6.89 |
| 2018-2019 | 1.17 | 0.25 | 1.42 | 1.17 | 0.16 | 1.33 | 1.04 | 0.18 | 1.22 | 6.90 |
| 2019-2020 | 1.07 | 0.25 | 1.32 | 1.07 | 0.36 | 1.43 | 1.04 | 0.18 | 1.22 | 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, 2020

| Taxpayer | 2019-2020 | | | 2010-2011 | | |
|------------------------------------|------------------------|------|--|------------------------|------|--|
| | Taxable Assessed Value | Rank | Percentage of Total Assessed Valuation | Taxable Assessed Value | Rank | Percentage of Total Assessed Valuation |
| Oncor Electric Delivery Co | \$ 52,612,300 | 1 | 1.00% | \$ 37,300,850 | 2 | 0.84% |
| GGP - Sikes Senter LLC | 52,000,000 | 2 | 0.99% | 50,522,779 | 1 | 1.14% |
| North American Pipe Corp | 33,608,457 | 3 | 0.64% | 13,969,307 | 10 | 0.32% |
| Atmos Energy / Mid-Tex Division | 26,386,820 | 4 | 0.50% | - | N/A | 0.00% |
| Wal-Mart Stores East Inc | 20,300,099 | 5 | 0.38% | 18,974,411 | 5 | 0.43% |
| Wal-Mart Stores Texas LP | 17,972,311 | 6 | 0.34% | 24,172,866 | 3 | 0.55% |
| Kell West Regional Hospital | 16,577,512 | 7 | 0.31% | 13,143,306 | 7 | 0.30% |
| Quail Creek Crossing Ltd | 16,191,000 | 8 | 0.31% | 14,421,000 | 6 | 0.33% |
| Arbor Creek Apartments LLC | 15,873,900 | 9 | 0.30% | - | N/A | 0.00% |
| TVPX Aircraft Solutions Inc | 1,560,000 | 10 | 0.03% | - | N/A | 0.00% |
| Southwestern Bell | - | N/A | 0.00% | 21,789,249 | 4 | 0.49% |
| Saint-Gobain Vetrotex America Inc. | - | N/A | 0.00% | 13,003,240 | 8 | 0.29% |
| Lowe's Home Centers Inc. | - | N/A | 0.00% | 12,087,569 | 9 | 0.27% |
| Totals | <u>\$ 253,082,399</u> | | <u>4.80%</u> | <u>\$ 219,384,577</u> | | <u>4.96%</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 |
| 2010-2011 | \$ 27,649,264 | \$ 27,179,642 | 98.30% | \$ 323,624 | \$ 27,503,266 | 99.47% |
| 2011-2012 | 27,704,114 | 27,306,706 | 98.57% | 310,210 | 27,616,916 | 99.69% |
| 2012-2013 | 28,362,591 | 27,906,520 | 98.39% | 289,269 | 28,195,789 | 99.41% |
| 2013-2014 | 28,876,552 | 28,375,563 | 98.27% | 285,852 | 28,661,415 | 99.25% |
| 2014-2015 | 30,270,748 | 29,809,308 | 98.48% | 321,474 | 30,130,782 | 99.54% |
| 2015-2016 | 33,644,264 | 33,124,968 | 98.46% | 388,364 | 33,513,332 | 99.61% |
| 2016-2017 | 34,228,872 | 33,694,059 | 98.44% | 343,842 | 34,037,901 | 99.44% |
| 2017-2018 | 34,887,074 | 34,298,367 | 98.31% | 309,267 | 34,607,634 | 99.20% |
| 2018-2019 | 37,037,918 | 36,347,721 | 98.14% | 262,299 | 36,610,020 | 98.84% |
| 2019-2020 | 40,280,490 | 39,531,671 | 98.14% | - | 39,531,671 | 98.14% |

CITY OF WICHITA FALLS, TEXAS

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

| Fiscal Year | Governmental Activities | | | | Business-type Activities | | | | | Total Primary Government | Percentage of Personal Income | Per Capita |
|----------------|--------------------------------|---|-----------------|-----------------------------|------------------------------------|---|--------------------------------|-----------------|------------------------------|--------------------------------|-------------------------------------|---------------|
| | General Obligation Bonds | Combination Tax and Revenue Bonds | Note Payable | Capital Lease Payable | Utility System Revenue Bonds | Combination Tax and Revenue Bonds | General Obligation Bonds | Note Payable | Capital Leases Payable | | | |
| 2010-2011 | \$ 4,450,000 | \$ 34,104,162 | \$ - | \$ - | \$ 105,277,778 | \$ 23,969,757 | \$ - | \$ 577,079 | \$ 371,696 | \$ 168,750,472 | 6.10% | \$ 1,614.02 |
| 2011-2012 | 4,116,110 | 35,503,123 | - | 1,452,760 | 102,566,093 | 19,798,342 | - | 543,877 | 1,704,341 | 165,684,646 | 7.11% | 1,594.18 |
| 2012-2013 | 5,491,678 | 51,570,623 | - | 3,833,640 | 99,211,869 | 27,887,899 | 1,930,000 | 509,596 | 1,261,663 | 191,696,968 | 7.67% | 1,833.51 |
| 2013-2014 | 4,679,866 | 49,302,503 | - | 3,510,950 | 95,723,505 | 24,284,987 | 1,930,000 | 474,200 | 999,606 | 180,905,617 | 7.74% | 1,724.59 |
| 2014-2015 | 3,850,706 | 46,710,294 | - | 3,230,595 | 92,086,092 | 54,125,933 | 1,930,000 | 437,652 | 722,737 | 203,094,009 | 8.47% | 1,932.13 |
| 2015-2016 | 16,129,132 | 31,138,675 | - | 2,857,166 | 87,938,263 | 51,322,900 | - | 399,915 | 16,957,523 | 206,743,574 | 8.63% | 1,974.44 |
| 2016-2017 | 14,132,973 | 29,435,100 | - | 2,466,589 | 83,098,973 | 46,298,092 | - | 360,951 | 19,142,615 | 194,935,293 | 8.14% | 1,861.42 |
| 2017-2018 | 36,285,854 | 21,261,971 | - | 5,468,665 | 78,150,943 | 41,170,000 | - | 320,719 | 18,209,925 | 200,868,077 | 7.73% | 1,917.65 |
| 2018-2019 | 33,792,967 | 19,464,301 | - | 5,068,463 | 69,257,091 | 39,665,000 | - | 280,485 | 17,287,584 | 184,815,891 | 7.58% | 1,767.29 |
| 2019-2020 | 30,787,806 | 18,122,209 | - | 4,555,678 | 60,215,005 | 38,140,000 | - | 238,945 | 16,304,007 | 168,363,650 | 6.58% | 1,610.09 |

(1) Amounts include bond premiums, where applicable.

CITY OF WICHITA FALLS, TEXAS

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

| Fiscal Year | Governmental Activities | | | Percentage of Actual Taxable Value of Property | Per Capita |
|----------------|--------------------------------|---|---------------|---|---------------|
| | General Obligation Bonds | Combination Tax and Revenue Bonds | Total | | |
| 2010-2011 | \$ 4,450,000 | \$ 34,104,162 | \$ 38,554,162 | 0.87% | \$ 368.75 |
| 2011-2012 | 4,116,110 | 35,503,123 | 39,619,233 | 0.89% | 381.21 |
| 2012-2013 | 5,491,678 | 51,570,623 | 57,062,301 | 1.28% | 545.78 |
| 2013-2014 | 4,679,866 | 49,302,503 | 53,982,369 | 1.19% | 514.62 |
| 2014-2015 | 3,850,706 | 46,710,294 | 50,561,000 | 1.09% | 481.01 |
| 2015-2016 | 16,129,132 | 31,138,675 | 47,267,807 | 0.99% | 451.42 |
| 2016-2017 | 14,132,973 | 29,435,100 | 43,568,073 | 0.90% | 416.03 |
| 2017-2018 | 36,285,854 | 21,261,971 | 57,547,825 | 1.16% | 549.40 |
| 2018-2019 | 33,792,967 | 19,464,301 | 53,257,268 | 1.05% | 509.27 |
| 2019-2020 | 30,787,806 | 18,122,209 | 48,910,015 | 0.93% | 467.73 |

CITY OF WICHITA FALLS, TEXAS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT (UNAUDITED) SEPTEMBER 30, 2020

| | 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>\$ 53,465,693</u> | 100% | <u>\$ 53,465,693</u> |
| Overlapping: | | | |
| Wichita County | 67,124,043 | 100% | 67,124,043 |
| Burkburnett Independent School District | 43,264,131 | 25% | 10,816,033 |
| City View Independent School District | 16,619,503 | 90% | 14,957,553 |
| Iowa Park Consolidated Independent School District | 37,605,079 | 2% | 752,102 |
| Wichita Falls Independent School District | <u>83,410,326</u> | 99% | <u>82,576,223</u> |
| Total overlapping | <u>248,023,082</u> | | <u>176,225,953</u> |
| Total direct and overlapping bonded debt | <u><u>\$ 301,488,775</u></u> | | <u><u>\$ 229,691,646</u></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 2019 tax roll | \$ 5,276,594,133 |
| Maximum tax rate * | \$ 2.25/\$100 |
| Current tax rate for 2019 tax year | <u>.763323/\$100</u> |
| Maximum tax rate in excess of 2019 tax rate | <u>1.486677/\$100</u> |
| Total legal debt margin | <u><u>\$ 78,445,911</u></u> |

| | Fiscal Year | | | | | | | | | |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | 2010-2011 | 2011-2012 | 2012-2013 | 2013-2014 | 2014-2015 | 2015-2016 | 2016-2017 | 2017-2018 | 2018-2019 | 2019-2020 |
| Assessed value | \$ 4,422,042,602 | \$ 4,430,814,978 | \$ 4,464,721,591 | \$ 4,548,012,853 | \$ 4,624,811,743 | \$ 4,765,611,306 | \$ 4,849,376,974 | \$ 4,941,651,841 | \$ 5,074,578,796 | \$ 5,276,594,133 |
| Maximum tax rate | \$ 2.25/\$100 | \$ 2.25/\$100 | \$ 2.25/\$100 | \$ 2.25/\$100 | \$ 2.25/\$100 | \$ 2.25/\$100 | \$ 2.25/\$100 | \$ 2.25/\$100 | \$ 2.25/\$100 | \$ 2.25/\$100 |
| Current tax rate | .62526/\$100 | .62526/\$100 | .63526/\$100 | .63526/\$100 | .65526/\$100 | .70598/\$100 | .70598/\$100 | .70598/\$100 | .72988/\$100 | .763323/\$100 |
| Maximum tax rate in excess of current rate | <u>1.62474/\$100</u> | <u>1.62474/\$100</u> | <u>1.61474/\$100</u> | <u>1.61474/\$100</u> | <u>1.59474/\$100</u> | <u>1.54402/\$100</u> | <u>1.54402/\$100</u> | <u>1.54402/\$100</u> | <u>1.52012/\$100</u> | <u>1.486677/\$100</u> |
| Total legal debt margin | <u><u>\$ 71,846,695</u></u> | <u><u>\$ 71,989,223</u></u> | <u><u>\$ 72,093,645</u></u> | <u><u>\$ 73,438,583</u></u> | <u><u>\$ 73,753,723</u></u> | <u><u>\$ 73,581,992</u></u> | <u><u>\$ 74,875,350</u></u> | <u><u>\$ 76,300,093</u></u> | <u><u>\$ 77,139,687</u></u> | <u><u>\$ 78,445,911</u></u> |

There is no debt limit established by law. The limit is, therefore, governed by the City's ability to levy and collect taxes to service the outstanding indebtedness. The City's maximum legal tax rate established under its Charter is \$2.25 per \$100 assessed valuation. The 2019 tax rate was \$.763323 per \$100 assessed valuation.

* Maximum tax levy established by City Charter

CITY OF WICHITA FALLS, TEXAS

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

| Fiscal Year | Gross Revenues (1) | Operating Expenses (2) | Net Revenue Available For Debt Service | Debt Service Requirement | | | Coverage |
|----------------|-----------------------|---------------------------|--|--------------------------|--------------|---------------|----------|
| | | | | Principal (3) | Interest | Total | |
| 2010-2011 | \$ 40,084,478 | \$ 22,422,525 | \$ 17,661,953 | \$ 5,805,000 | \$ 5,646,250 | \$ 11,451,250 | 1.54 |
| 2011-2012 | 36,405,921 | 19,501,942 | 16,903,979 | 6,130,000 | 5,364,300 | 11,494,300 | 1.47 |
| 2012-2013 | 32,200,867 | 19,160,351 | 13,040,516 | 3,325,000 | 4,518,925 | 7,843,925 | 1.66 |
| 2013-2014 | 30,839,265 | 20,981,384 | 9,857,881 | 3,460,000 | 4,385,925 | 7,845,925 | 1.26 |
| 2014-2015 | 38,456,107 | 20,477,673 | 17,978,434 | 3,610,000 | 4,238,875 | 7,848,875 | 2.29 |
| 2015-2016 | 42,499,482 | 20,415,375 | 22,084,107 | 4,625,000 | 3,356,255 | 7,981,255 | 2.77 |
| 2016-2017 | 43,054,453 | 21,643,920 | 21,410,533 | 2,635,000 | 3,777,314 | 6,412,314 | 3.34 |
| 2017-2018 | 46,159,318 | 20,861,265 | 25,298,053 | 2,885,000 | 3,535,250 | 6,420,250 | 3.94 |
| 2018-2019 | 44,671,282 | 21,755,354 | 22,915,928 | 6,915,000 | 3,391,000 | 10,306,000 | 2.22 |
| 2019-2020 | 46,388,403 | 23,627,160 | 22,761,243 | 7,635,000 | 2,682,000 | 10,317,000 | 2.21 |

Notes:

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

CITY OF WICHITA FALLS, TEXAS

DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS (UNAUDITED)

| <u>Fiscal Year</u> | <u>Estimated Population (1)</u> | <u>Personal Income</u> | <u>Per Capita Personal Income (2)</u> | <u>Median Age (1)</u> | <u>Education Level</u> | <u>School Enrollment (3)</u> | <u>Unemployment Rate (4)</u> |
|--------------------|---------------------------------|------------------------|---------------------------------------|-----------------------|------------------------|------------------------------|------------------------------|
| 2010-2011 | 104,553 | \$ 2,766,263,274 | \$ 26,458 | 32.8 | 13.2 | 15,539 | 6.6% |
| 2011-2012 | 103,931 | 2,330,756,606 | 22,426 | 32.4 | 13.2 | 14,569 | 6.9% |
| 2012-2013 | 104,552 | 2,499,106,456 | 23,903 | 32.5 | 13.1 | 14,639 | 6.2% |
| 2013-2014 | 104,898 | 2,336,602,950 | 22,275 | 32.5 | 13.2 | 15,181 | 4.9% |
| 2014-2015 | 105,114 | 2,397,229,884 | 22,806 | 32.5 | 13.2 | 15,155 | 4.4% |
| 2015-2016 | 104,710 | 2,394,298,860 | 22,866 | 32.5 | 13.2 | 15,181 | 4.8% |
| 2016-2017 | 104,724 | 2,395,980,396 | 22,879 | 32.5 | 13.2 | 15,124 | 3.4% |
| 2017-2018 | 104,747 | 2,597,725,600 | 24,800 | 32.8 | 13.2 | 15,150 | 3.1% |
| 2018-2019 | 104,576 | 2,439,548,928 | 23,328 | 32.9 | 13.2 | 15,158 | 3.0% |
| 2019-2020 | 104,568 | 2,558,445,480 | 24,467 | 32.9 | 13.2 | 15,133 | 7.0% |

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, 2020

| Employer | 2019-2020 | | | 2010-2011 | | |
|------------------------------------|---------------|------|--|---------------|------|--|
| | Employees | Rank | Percentage of Total City Employment | Employees | Rank | Percentage of Total City Employment |
| Sheppard Air Force Base | 9,576 | 1 | 13.39% | 12,272 | 1 | 17.16% |
| Wichita Falls ISD | 2,378 | 2 | 3.33% | 2,059 | 2 | 2.88% |
| United Regional Health Care System | 2,100 | 3 | 2.94% | 1,778 | 4 | 2.49% |
| Midwestern State University | 1,276 | 4 | 1.78% | 1,284 | 6 | 1.80% |
| City of Wichita Falls | 1,217 | 5 | 1.70% | 1,477 | 5 | 2.07% |
| Wal-Mart - 3 locations | 1,009 | 6 | 1.41% | - | N/A | - |
| North Texas State Hospital | 1,000 | 7 | 1.40% | 1,974 | 3 | 2.76% |
| Vitro Architectural Glass | 934 | 8 | 1.31% | 704 | 10 | 0.98% |
| James V. Allred Prison Unit | 921 | 9 | 1.29% | 971 | 7 | 1.36% |
| Arconic (formerly Howmet Corp. WF) | 895 | 10 | 1.25% | 732 | 8 | 1.02% |
| Work Services Corporation | - | N/A | - | 730 | 9 | 1.02% |
| Howmet Corporation | - | N/A | - | - | N/A | - |
| Totals | <u>21,306</u> | | <u>29.80%</u> | <u>23,981</u> | | <u>33.54%</u> |

Sources:

2019-2020 data is from Wichita Falls Chamber of Commerce.

2009-2010 data is from Texas Workforce Commission.

CITY OF WICHITA FALLS, TEXAS

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

| | 2010-2011 | 2011-2012 | 2012-2013 | 2013-2014 | 2014-2015 | 2015-2016 | 2016-2017 | 2017-2018 | 2018-2019 | 2019-2020 |
|-----------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Administrative services | 97.0 | 94.6 | 94.3 | 94.1 | 95.1 | 94.1 | 86.0 | 85.7 | 85.9 | 86.6 |
| Police | 296.5 | 298.5 | 299.5 | 300.0 | 299.0 | 299.0 | 295.8 | 295.5 | 295.5 | 295.5 |
| Fire | 162.0 | 162.0 | 162.5 | 162.5 | 162.5 | 162.5 | 162.5 | 162.5 | 164.0 | 163.0 |
| Parks and recreation | 88.7 | 89.7 | 92.9 | 92.1 | 92.6 | 92.6 | 89.5 | 88.8 | 90.7 | 106.7 |
| Accounting/finance | 25.0 | 27.0 | 27.0 | 27.0 | 26.4 | 26.2 | 26.0 | 25.7 | 25.7 | 38.4 |
| Community development | 40.0 | 40.0 | 42.0 | 42.0 | 41.0 | 41.0 | 40.0 | 40.0 | 40.0 | 40.0 |
| Public works | 79.2 | 78.5 | 78.5 | 78.5 | 78.5 | 78.5 | 72.5 | 72.5 | 72.5 | 70.0 |
| Health | 71.5 | 72.0 | 81.9 | 78.7 | 77.5 | 78.7 | 78.8 | 76.3 | 75.4 | 69.2 |
| Traffic and transportation | 52.6 | 53.6 | 53.6 | 56.1 | 56.1 | 57.0 | 52.0 | 52.0 | 52.0 | 52.1 |
| Multi-Purpose Events Center | 22.8 | 22.8 | 22.8 | 22.8 | 22.8 | 22.8 | 22.8 | 4.6 | 4.0 | 4.0 |
| Water and sewer | 179.6 | 180.2 | 182.1 | 189.1 | 187.7 | 188.6 | 186.1 | 183.9 | 183.9 | 169.1 |
| Sanitation | 82.5 | 82.5 | 81.5 | 83.5 | 83.5 | 85.5 | 86.5 | 86.5 | 86.5 | 86.5 |
| Regional Airport | 1.6 | 1.6 | 1.6 | 1.6 | 3.0 | 1.6 | 1.6 | 1.6 | 1.6 | 3.1 |
| Kickapoo Airport | 5.4 | 5.6 | 6.4 | 3.4 | 3.4 | 4.4 | 4.4 | 4.4 | 4.4 | 4.4 |
| Transit | 21.6 | 22.2 | 24.7 | 26.2 | 26.7 | 26.7 | 25.2 | 25.2 | 24.2 | 22.2 |
| Stormwater Drainage | 1.3 | 1.3 | 1.8 | 1.8 | 1.8 | 1.8 | 4.8 | 4.8 | 4.8 | 4.8 |

Source: City of Wichita Falls Human Resources Department

CITY OF WICHITA FALLS, TEXAS

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

| | Fiscal Year | | | | | | | | | |
|--|-------------|-----------|-----------|-----------|-----------|-----------|---------|-----------|-----------|-----------|
| | 2010-2011 | 2011-2012 | 2012-2013 | 2013-2014 | 2014-2015 | 2015-2016 | 2016-17 | 2017-2018 | 2018-2019 | 2019-2020 |
| General government | | | | | | | | | | |
| Building permits issued | 8,130 | 7,303 | 9,979 | 8,542 | 7,399 | 7,413 | 7,874 | 6,590 | 5,866 | 5,323 |
| Building inspections conducted | 13,321 | 11,834 | 12,823 | 13,472 | 12,852 | 11,302 | 10,803 | 10,760 | 12,250 | 13,744 |
| Police | | | | | | | | | | |
| Physical arrests | 5,845 | 6,182 | 5,978 | 6,042 | 5,036 | 5,214 | 5,845 | 4,869 | 4,963 | 3,779 |
| Parking violations | 125 | 529 | 65 | 43 | 90 | 110 | 175 | 27 | 113 | 32 |
| Traffic violations | 23,780 | 21,660 | 21,651 | 22,538 | 18,792 | 19,424 | 23,514 | 23,979 | 23,831 | 15,390 |
| Fire | | | | | | | | | | |
| Emergency responses | 9,139 | 9,027 | 8,979 | 8,708 | 9,392 | 9,432 | 8,442 | 11,229 | 12,337 | 12,037 |
| Fires extinguished | 703 | 583 | 591 | 452 | 432 | 477 | 449 | 601 | 490 | 576 |
| Inspections | 3,114 | 3,221 | 3,198 | 3,316 | 2,931 | 4,133 | 3,175 | 3,248 | 3,295 | 937 |
| Refuse collection | | | | | | | | | | |
| Refuse collected (tons) | 141,251 | 116,961 | 124,250 | 121,502 | 76,145 | 136,646 | 136,911 | 131,442 | 155,767 | 155,752 |
| Recyclables collected | 16,780 | 18,743 | 18,884 | 14,643 | 1,384 | 16,134 | 18,232 | 23,079 | 24,311 | 21,730 |
| Library | | | | | | | | | | |
| Volumes in collection | 193,064 | 177,229 | 173,996 | 174,993 | 194,715 | 176,160 | 820,301 | 854,142 | 976,145 | 1,002,768 |
| Total volumes borrowed | 344,107 | 327,336 | 276,065 | 293,860 | 293,364 | 282,808 | 294,798 | 333,381 | 366,800 | 234,496 |
| Water | | | | | | | | | | |
| New connections | 64 | 119 | 134 | (344) | 74 | (2,523) | 3,144 | 160 | 182 | 371 |
| Water main breaks | 1,250 | 1,028 | 954 | 944 | 863 | 696 | 519 | 766 | 546 | 618 |
| Average daily consumption (thousands of gallons) | 25,798 | 20,269 | 15,564 | 13,207 | 12,051 | 14,974 | 14,180 | 15,131 | 13,895 | 14,110 |
| Wastewater | | | | | | | | | | |
| Average daily sewage treatment (thousands of gallons) | 10,080 | 10,551 | 9,217 | 6,452 | 8,440 | 7,900 | 9,877 | 8,974 | 8,927 | 10,339 |
| Transit | | | | | | | | | | |
| Total route miles | 536,181 | 552,238 | 586,893 | 572,744 | 575,004 | 591,417 | 586,565 | 591,538 | 606,501 | 550,901 |
| Passengers | 340,181 | 374,277 | 485,101 | 460,484 | 462,853 | 486,104 | 493,164 | 464,838 | 445,029 | 244,265 |

This information provided by applicable City of Wichita Falls department.

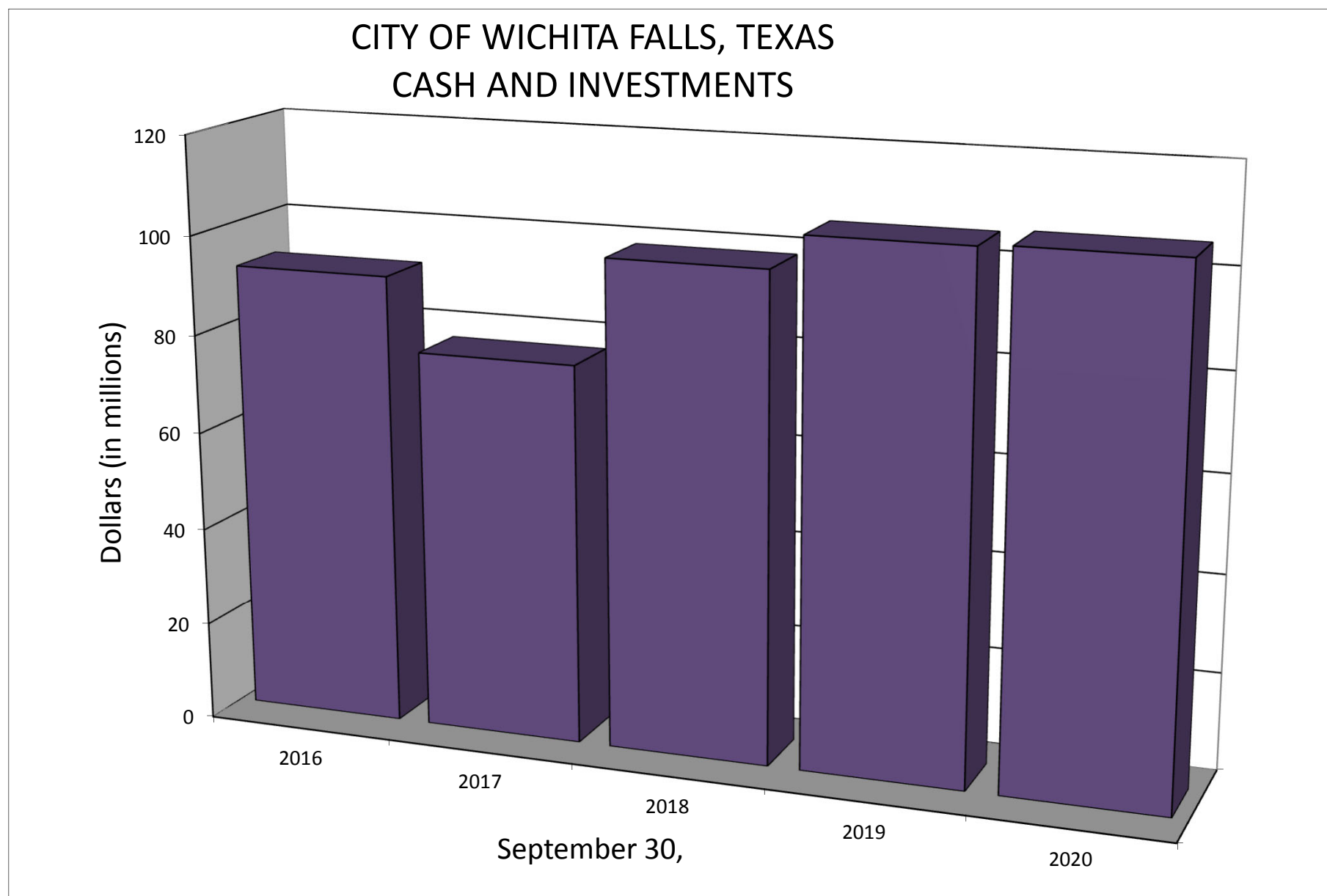
CITY OF WICHITA FALLS, TEXAS

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

| | Fiscal Year | | | | | | | | | |
|---|-------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | 2010-2011 | 2011-2012 | 2012-2013 | 2013-2014 | 2014-2015 | 2015-2016 | 2016-2017 | 2017-2018 | 2018-2019 | 2019-2020 |
| Police | | | | | | | | | | |
| Stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Patrol units | 114 | 114 | 113 | 113 | 113 | 113 | 113 | 113 | 113 | 107 |
| Fire stations | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 |
| Refuse collection | | | | | | | | | | |
| Collection trucks | 36 | 36 | 36 | 36 | 36 | 36 | 36 | 36 | 36 | 36 |
| Other public works | | | | | | | | | | |
| Streets (miles) | 514 | 515 | 515 | 515 | 515 | 530 | 531 | 534 | 534 | 534 |
| Streetlights | 8,084 | 7,931 | 7,942 | 7,972 | 7,996 | 8,015 | 8,451 | 8,465 | 8,432 | 8,453 |
| Traffic signals | 104 | 104 | 104 | 104 | 104 | 104 | 104 | 102 | 102 | 104 |
| Parks and recreation | | | | | | | | | | |
| Acreage | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 |
| Playgrounds | 39 | 39 | 39 | 39 | 39 | 39 | 39 | 39 | 39 | 39 |
| Golf courses | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Water | | | | | | | | | | |
| Water mains (miles) | 572 | 577 | 578 | 579 | 580 | 806 | 782 | 808 | 808 | 785 |
| Fire hydrants | 2,547 | 2,579 | 2,588 | 2,588 | 2,593 | 2,842 | 2,822 | 2,836 | 2,829 | 2,883 |
| Storage capacity (thousands of gallons) | 37,000 | 37,000 | 37,000 | 37,000 | 37,000 | 37,000 | 37,000 | 37,000 | 37,000 | 37,000 |
| Wastewater | | | | | | | | | | |
| Sanitary sewers (miles) | 543 | 545 | 546 | 547 | 548 | 599 | 592 | 594 | 594 | 583 |
| Storm sewers (miles) | 97 | 97 | 98 | 98 | 98 | 98 | 98 | 99 | 99 | 100 |
| Treatment capacity (thousands of gallons) | 24,410 | 24,410 | 21,410 | 21,410 | 21,410 | 21,410 | 21,410 | 21,410 | 21,410 | 24,410 |
| Transit | | | | | | | | | | |
| Buses | 14 | 14 | 14 | 14 | 13 | 13 | 13 | 13 | 13 | 18 |

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

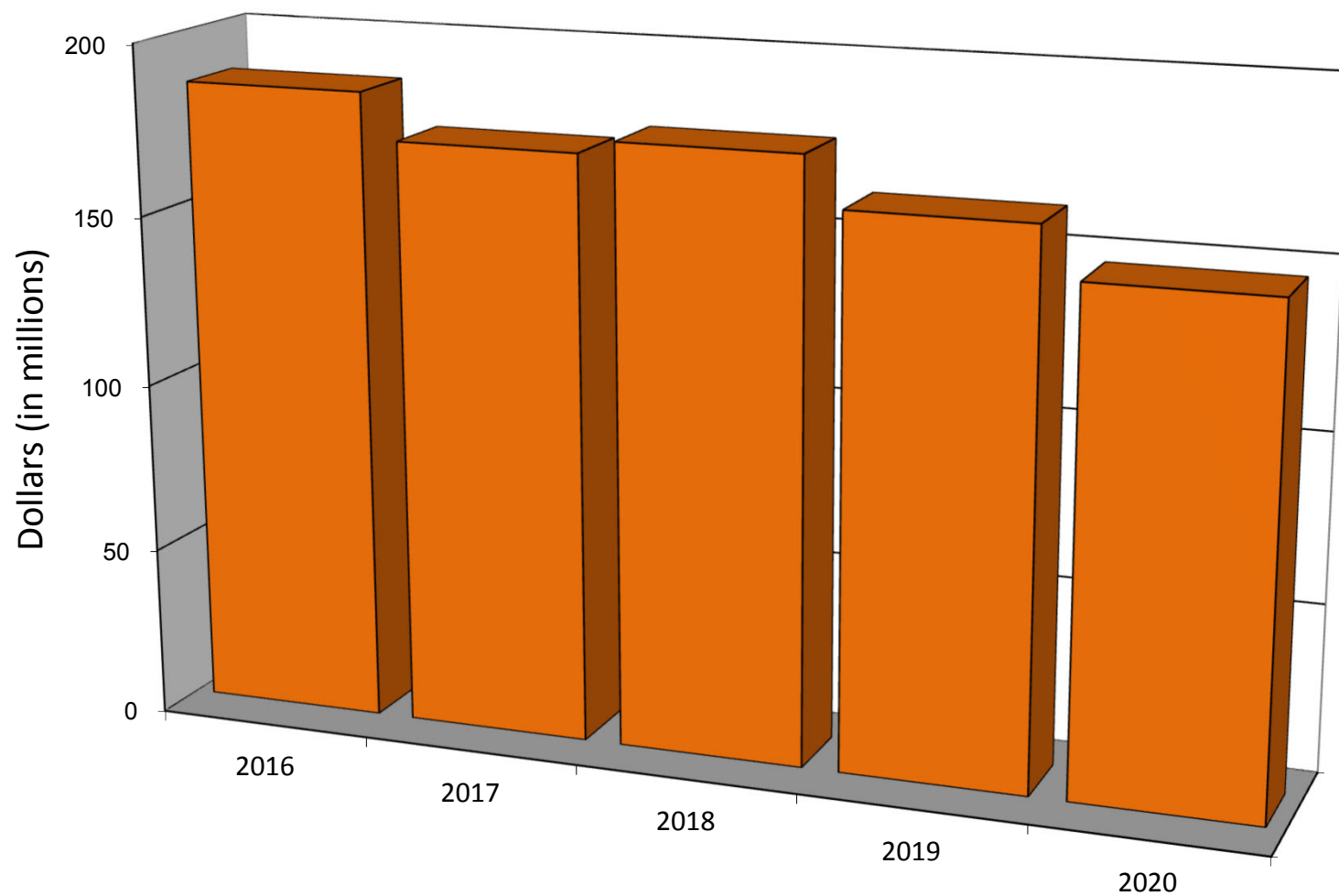
GRAPHICS



(UNAUDITED)

CITY OF WICHITA FALLS, TEXAS

TOTAL BONDS PAYABLE

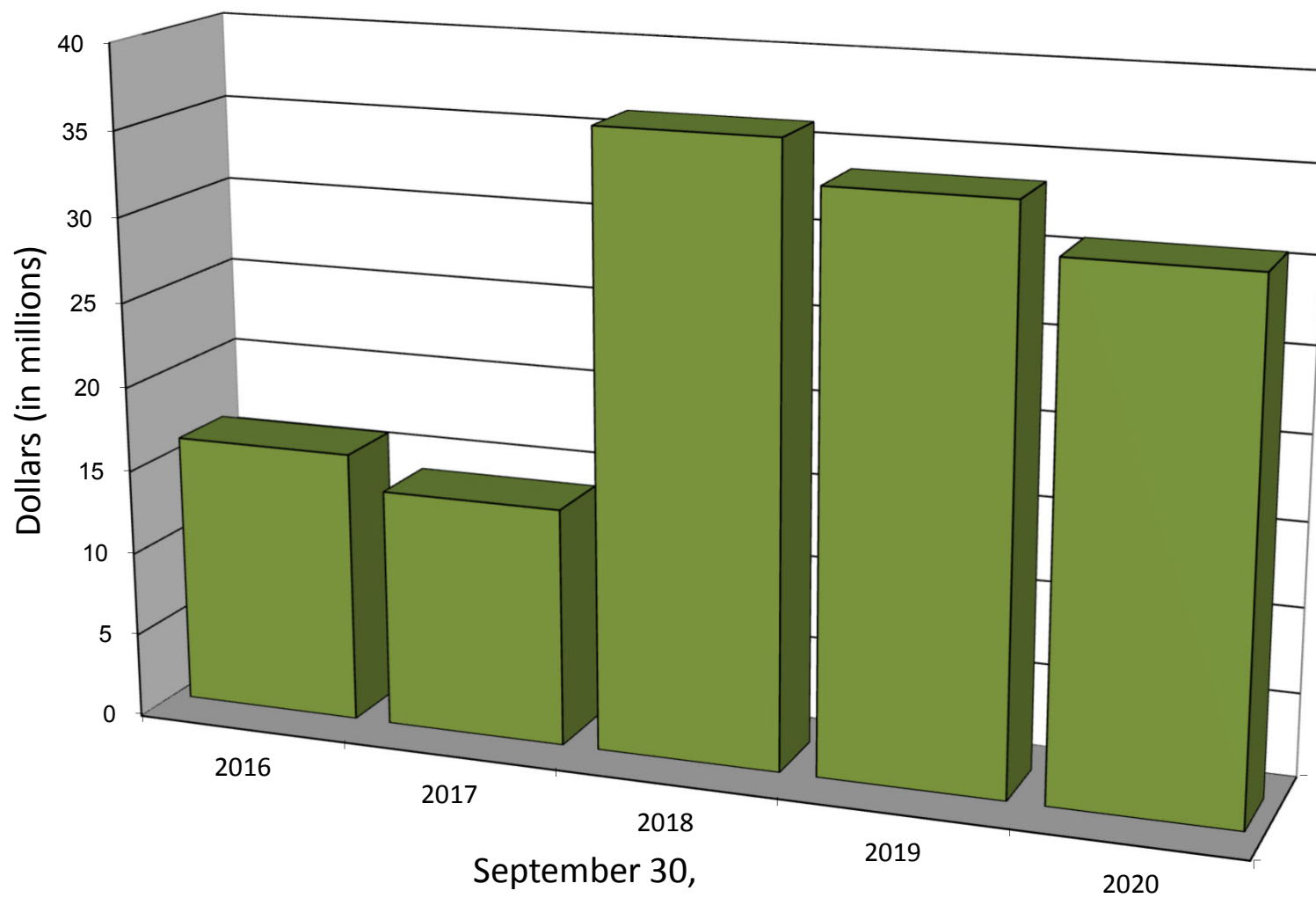


September 30,

(UNAUDITED)

CITY OF WICHITA FALLS, TEXAS

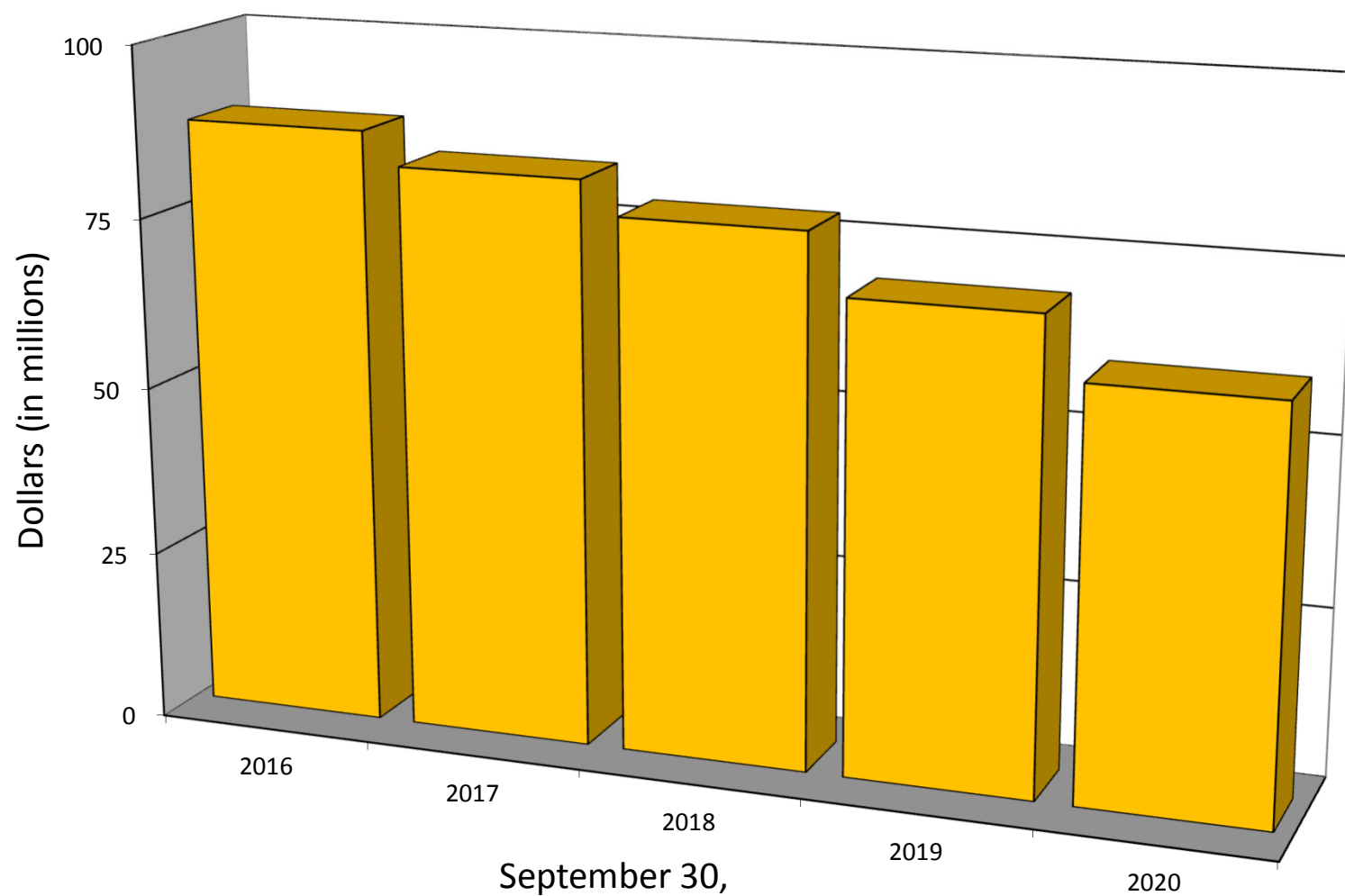
GENERAL OBLIGATION BONDS PAYABLE



(UNAUDITED)

CITY OF WICHITA FALLS, TEXAS

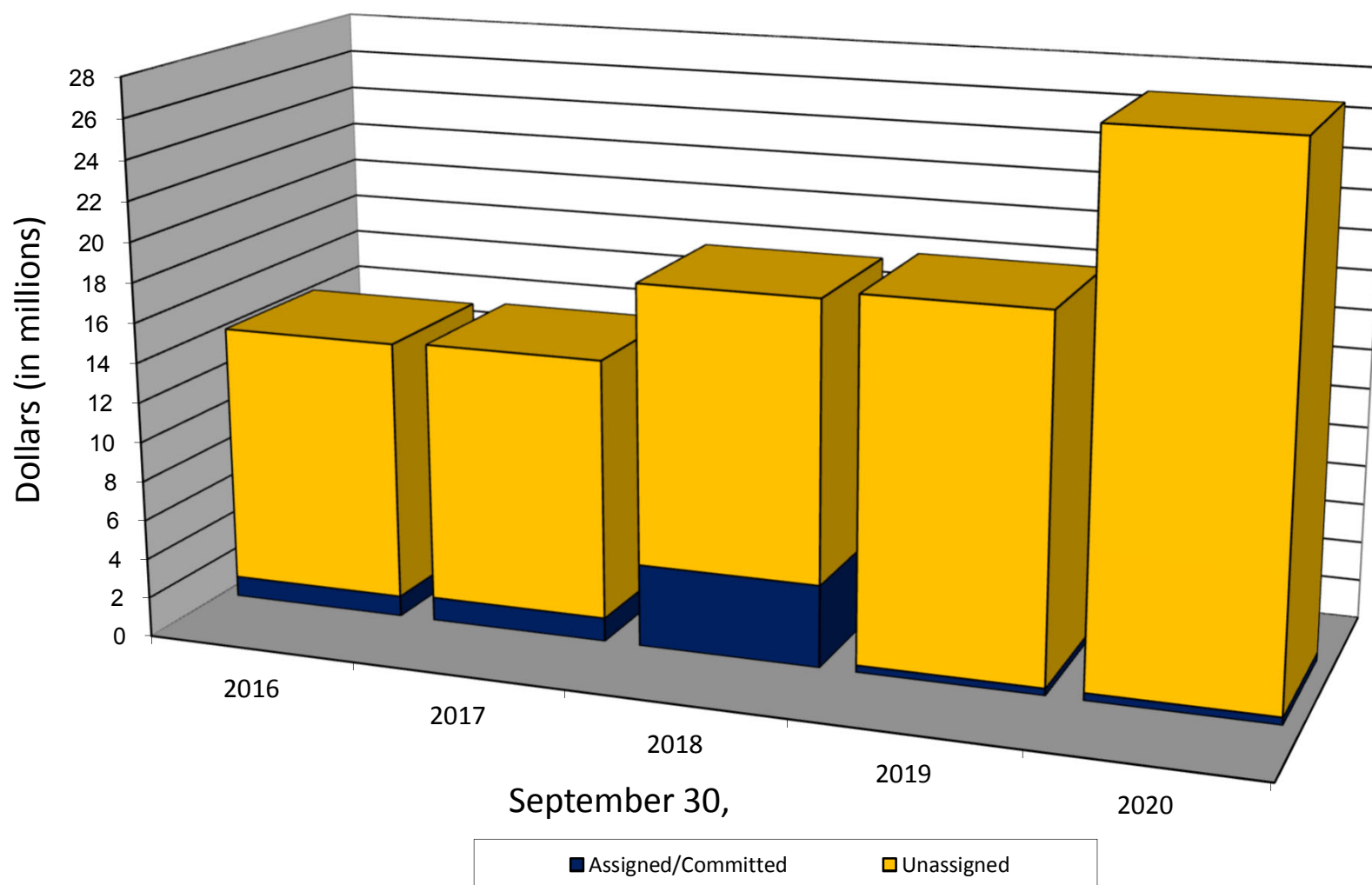
REVENUE BONDS PAYABLE



(UNAUDITED)

CITY OF WICHITA FALLS, TEXAS

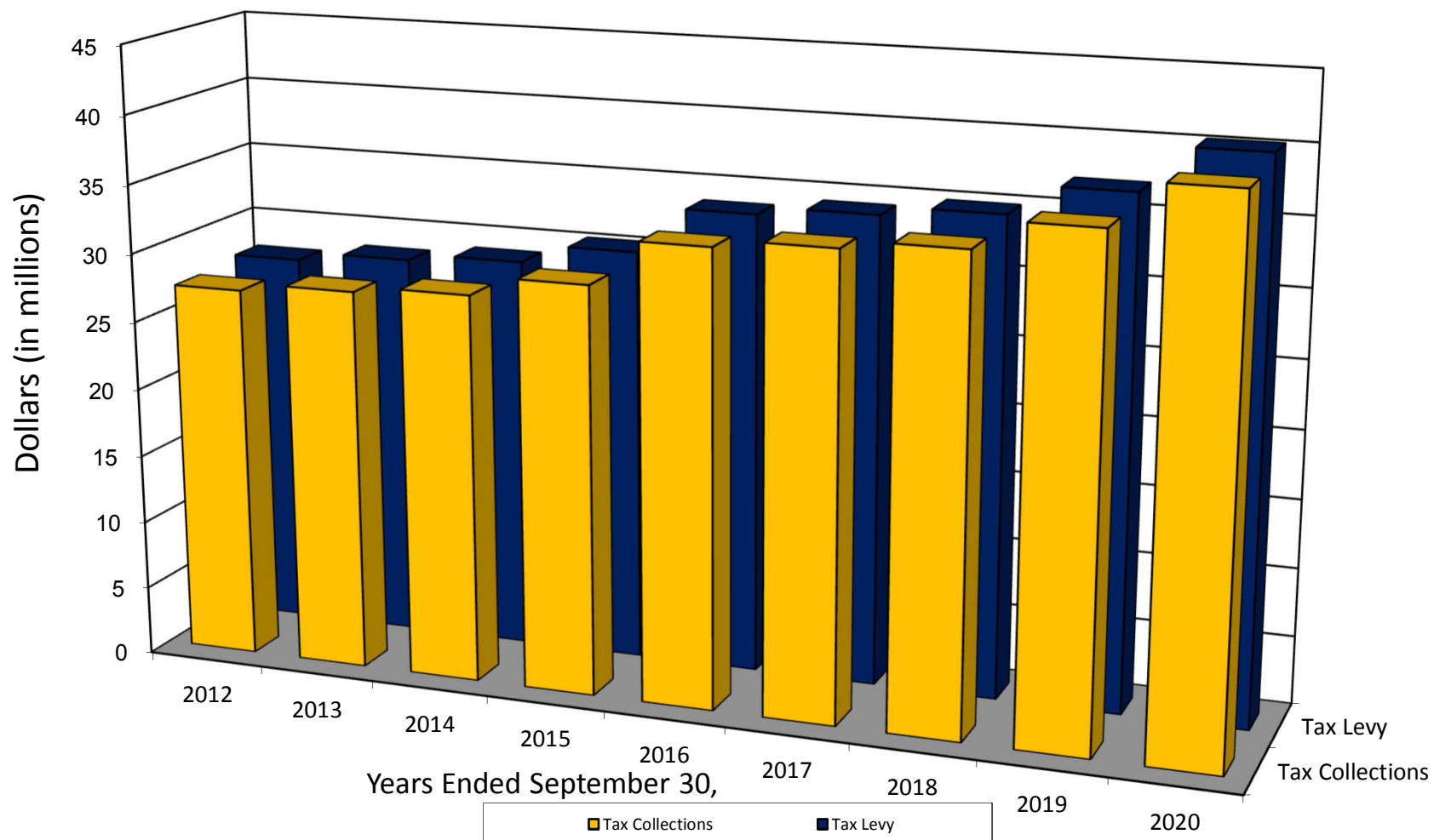
GENERAL FUND EQUITY



(UNAUDITED)

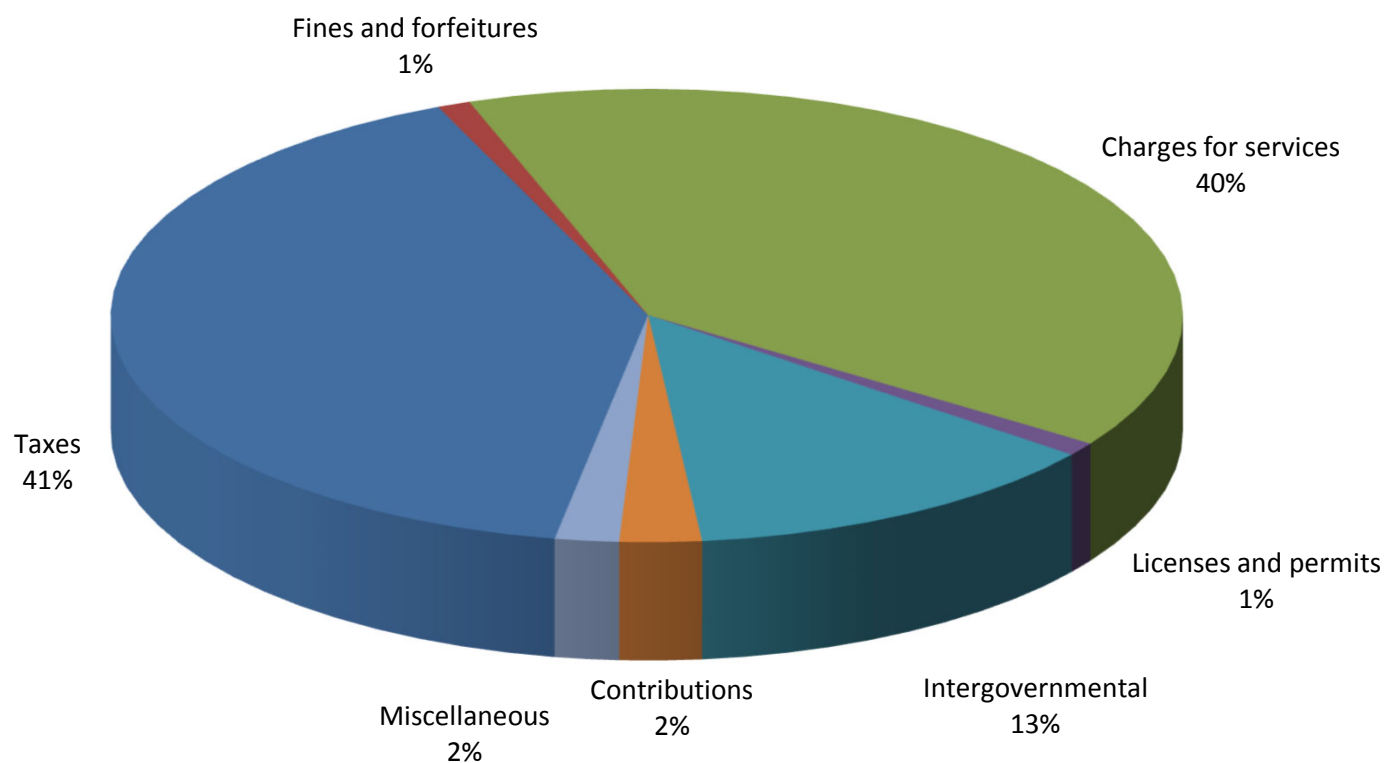
CITY OF WICHITA FALLS, TEXAS

COMPARISON OF TAX LEVY AND COLLECTIONS



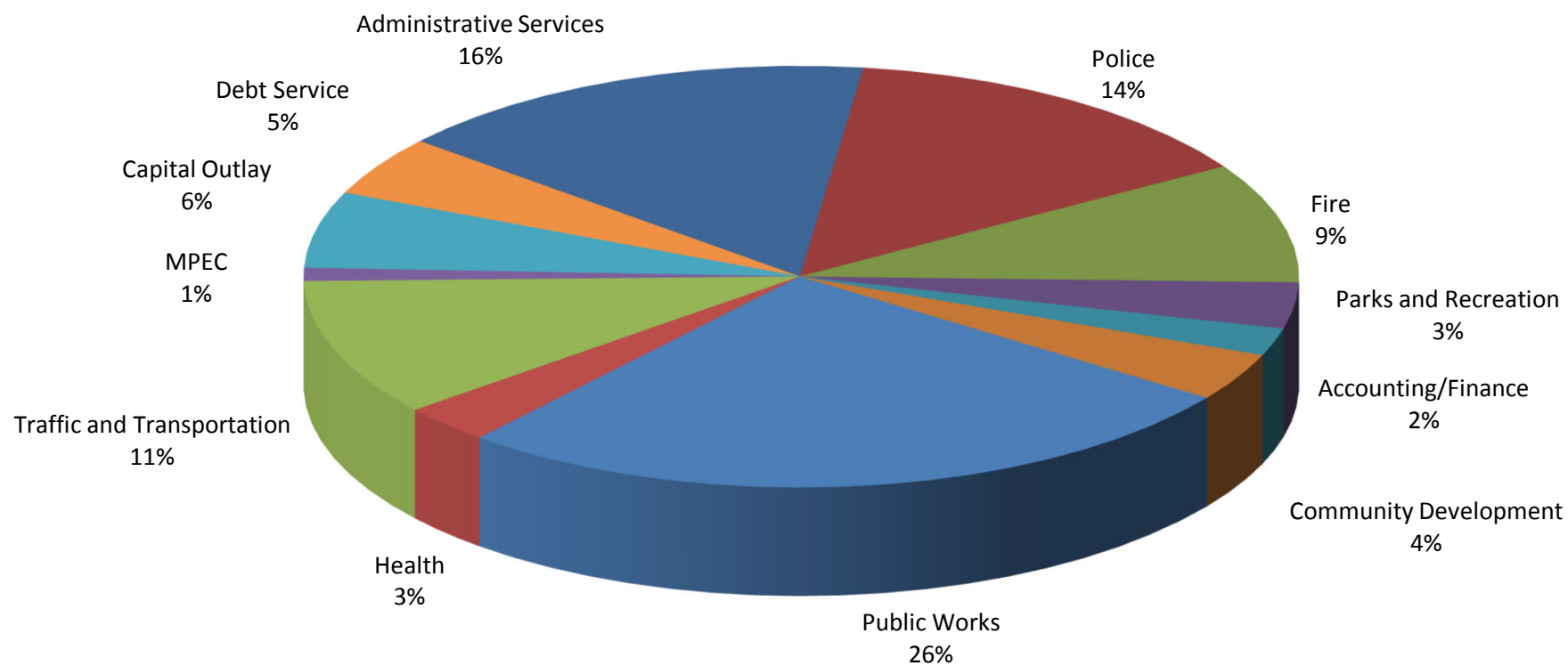
(UNAUDITED)

**CITY OF WICHITA FALLS, TEXAS
REVENUES BY SOURCE - FYE 9/30/20**



(UNAUDITED)

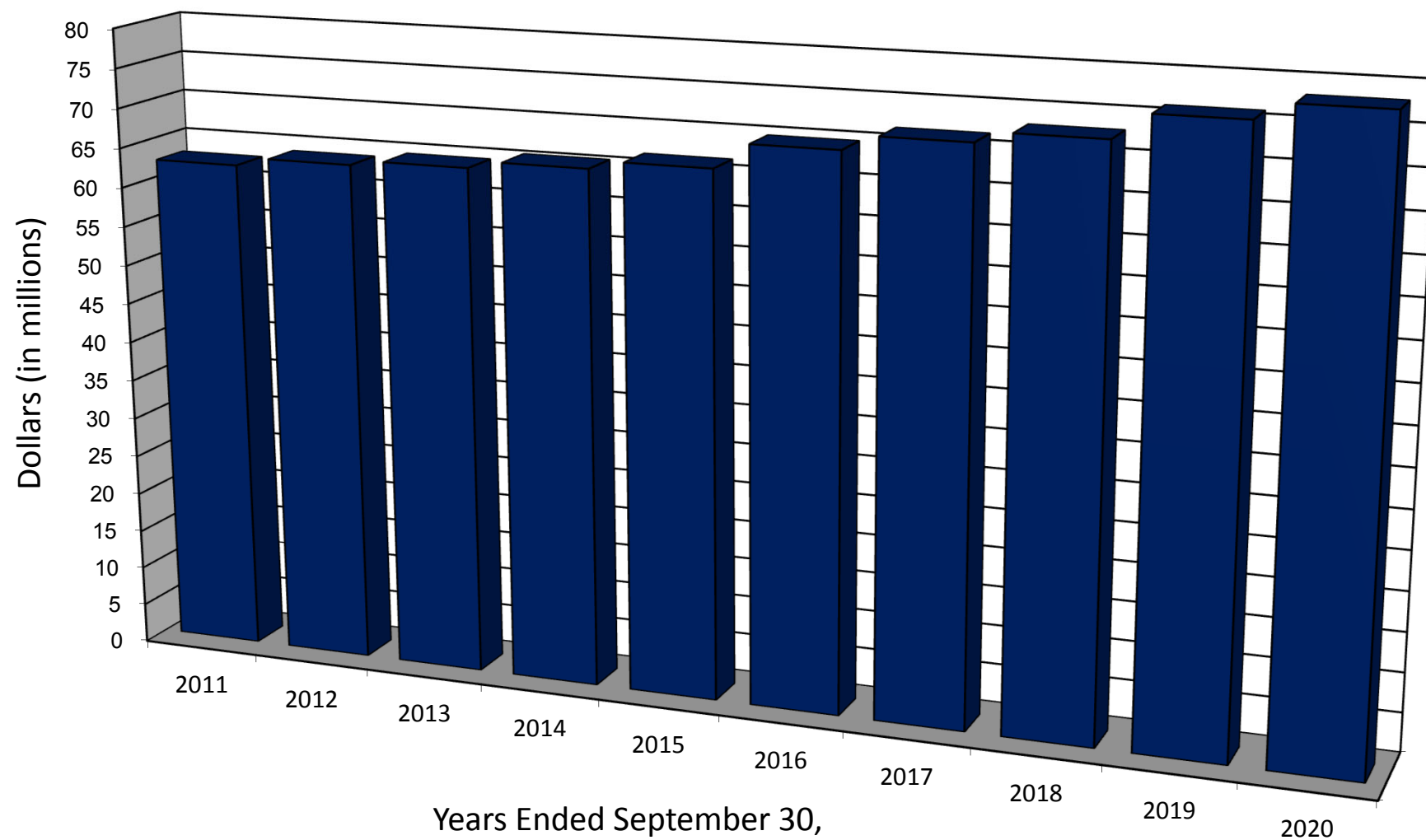
**CITY OF WICHITA FALLS, TEXAS
EXPENDITURES BY FUNCTION - FYE 9/30/20**



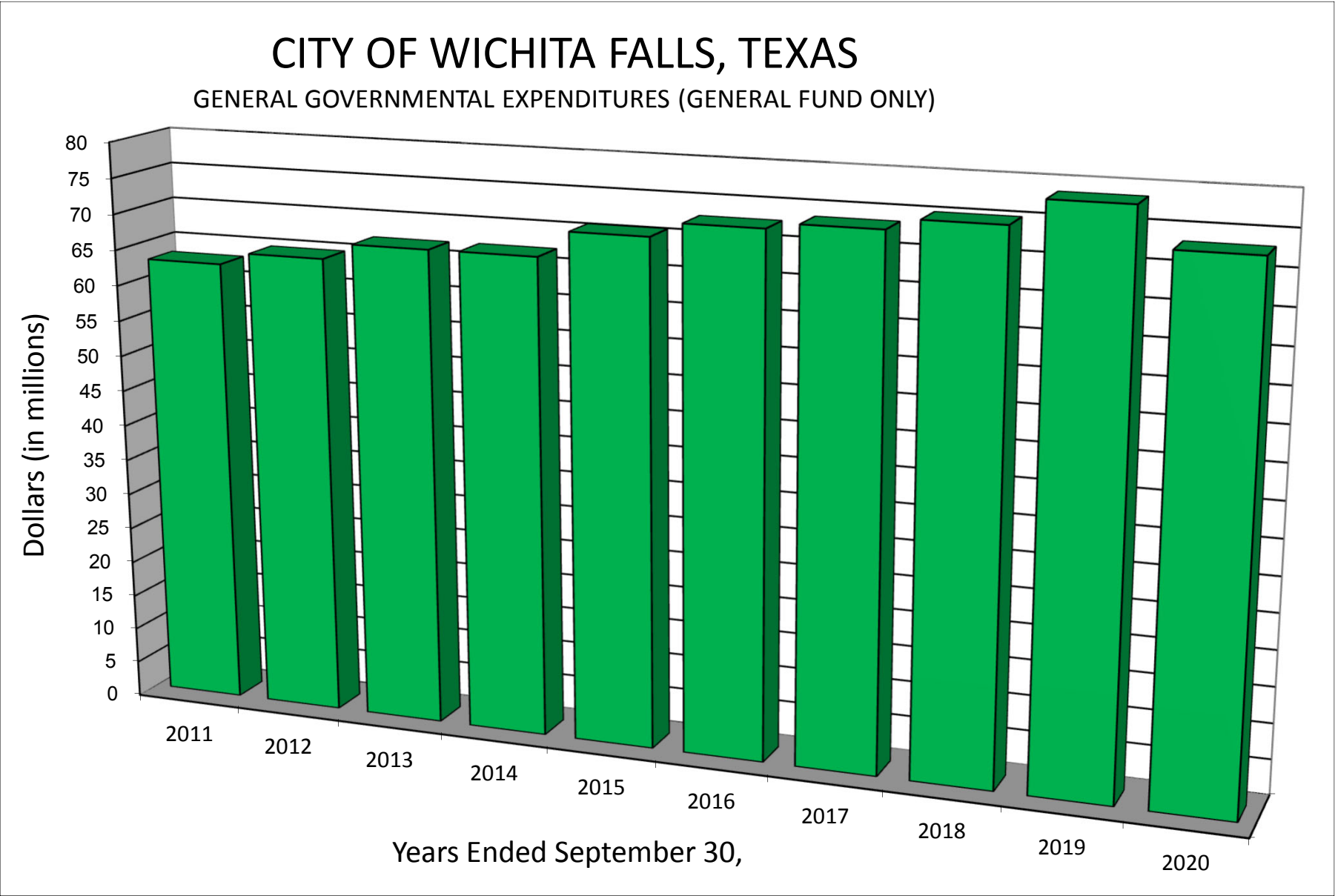
(UNAUDITED)

CITY OF WICHITA FALLS, TEXAS

GENERAL GOVERNMENTAL REVENUES (GENERAL FUND ONLY)



(UNAUDITED)



(UNAUDITED)