



Comprehensive Annual Financial Report

Year Ended September 30, 2014



New Wichita Falls Regional Airport Terminal



CITY OF WICHITA FALLS, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2014

ISSUED BY:
DEPARTMENT OF FINANCE

CITY OF WICHITA FALLS, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED SEPTEMBER 30, 2014

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Introductory Section



OFFICE OF THE CITY MANAGER

March 23, 2015

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

I am pleased to submit herewith, the Comprehensive Annual Financial Report (CAFR) of the City of Wichita Falls, Texas for the fiscal year ended September 30, 2014. The purpose of this report is to provide the City Council, City Manager, citizens and other interested parties with detailed information concerning the financial condition of the City of Wichita Falls. In addition, this report provides assurance that the City presents fairly its financial position as verified by independent auditors.

COMPREHENSIVE ANNUAL FINANCIAL REPORT

The CAFR of the City of Wichita Falls, Texas, for the year ended September 30, 2014, was prepared according to accounting principles as promulgated by the Governmental Accounting Standards Board (GASB). The financial statements and related notes have been audited by the independent audit firm of Edgin, Parkman, Fleming & Fleming, PC, whose report is included herein.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the data, as presented, are accurate in all material aspects; that they are presented in a manner designed to fairly set forth the financial position and results of operation of the City as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain understanding of the City's financial activities have been included.

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

GENERAL INFORMATION - CITY OF WICHITA FALLS, TEXAS

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

The economy is based on mineral production, retail trade, manufacturing, agribusiness, and government installations. Principal sources of agricultural income include cattle, cotton and wheat. Wichita Falls is home to Sheppard Air Force Base, which operates the Euro-NATO jet pilot training program. The city's major university is Midwestern State University. The city is also home to a branch of Vernon College, a fully accredited

CITY OF WICHITA FALLS

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community college. Principal manufacturers within the area include metal fabrication, industrial and commercial equipment, engine components, flexible packaging, and assorted plastic, glass and fiberglass. North Texas State Hospital-Wichita Falls Branch, Midwestern State University, James V. Allred Prison and Sheppard Air Force Base are also large employers located within the city. The City operates a Multi-Purpose Events Center, which includes a coliseum, exhibit hall, and an agricultural arena/show barn. The 2014 population for Wichita Falls, as estimated by the City, is 104,552, an increase of 0.3% from the 2010 Census estimates, and an increase of 8.62% over the 2000 population.

CITY SERVICES AND ORGANIZATION OF THE GOVERNMENT

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

The City provides on a continuing basis a full range of basic municipal services including: public safety (police, fire and building inspection); highways, streets and engineering; health and welfare services; parks, recreation and cemeteries; library services; public improvements; planning and zoning; and general administrative services. In addition, the City provides water, sewer, sanitation and transportation services for its citizens.

ECONOMIC CONDITION AND ACTIVITY

Over the past few decades, 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 MSA houses a robust manufacturing sector, with many companies having employment in excess of 100 persons. This sector of the economy generates almost \$271 million in annual payroll, representing approximately 9% of total employment within the city, and accounts for more than \$1.2 billion in gross sales annually. Wichita Falls is also a nexus of international investment. Three area manufacturing facilities are foreign-owned, representing France, Sweden, and Germany.

The city is the economic hub of a 60-mile radius trade area, populated by an estimated 379,400 people. Of that population, an estimated 240,000 are currently in the workforce and look to Wichita Falls for their employment, shopping, entertainment, educational, cultural and health care needs. Being the largest community within 100 miles, Wichita Falls boasts a larger retail trade than a community its size would normally enjoy. Many national retailers and restaurants have found Wichita Falls to be a superb location.

A few years ago, the national recession considerably affected the local economy. During that time, four local manufacturing companies closed, eliminating almost 1,200 jobs and several other companies reduced their workforce by 10 to 20 percent. In response to this downturn in the local economy, efforts were made to nearly double the economic development marketing campaigns and develop a community-wide branding, marketing and public relations campaign. Additionally, the City and the Wichita Falls Economic Development Corporation have been aggressive over the last few years in granting economic development incentives for primary job creation. Since 2010, 18 projects have been approved for incentive funding with the potential for creating and/or retaining over 1,800 jobs. Several of these projects have invested in the local economy resulting in the addition or retention of hundreds of jobs. Others are still in the early phases of their expansion plans and the results remain to be seen.

Although no major plant developments were announced during the 2013-14 fiscal year, several industries made investments in the local economy to create and/or retain hundreds of primary jobs. The projects that occurred over the 2013-14 fiscal year are outlined below:

- FedEx - the sale of 18.5 acres of land in the Business and Industrial Park for \$370,000 to allow FedEx to relocate and expand the size of their facilities in Wichita Falls.

- PPG Reclaimed Water Conveyance Facilities Project – a funding amount of up to \$1,145,000 for the retention of primary jobs through the construction of facilities for the transmission of reclaimed water from the Northside Effluent Pump Station to PPG Industries, Inc.’s industrial facility. This project will allow PPG to use approximately 200,000 gallons per day of reclaimed water at lower prices for the cooling water supply in its manufacturing process.
- Lone Star Milk Producers Recruitment Project – a funding amount up to \$116,000 of costs for expenditures to recruit 20 primary jobs at the company’s proposed headquarters facility in Wichita Falls. Lone Star Milk Producers plans to relocate their main headquarters operations to Wichita Falls.
- Cryovac Printer Installation Project - a funding amount up to \$304,280 to allow Cryovac to expand its manufacturing capabilities and recruitment of 34 jobs through the installation of a new laser package printer. The Press and Laminator machines combined would cost around \$5,500,000 and the total investment, including ancillary equipment would be \$7,000,000.
- Arrow Manufactured Products Downhole Tool Expansion Project – a funding amount up to \$208,250 to recruit 35 primary jobs through an expansion of their existing facilities in Wichita Falls through the addition of a contract with a Brazilian company to manufacture a down-hole completion tool for the oil industry.

4A Economic Development Sales tax funds have also been used to assist with activities of the Military Affairs Committee, a regional organization established a few years ago to work directly with Sheppard Air Force Base (SAFB), Air Education and Training Command, the Chief of Staff for the Air Force, and our Congressional, State and Local elected officials. This Committee was formed to increase the value of SAFB, strengthen community development and build a stronger economy. The City, SAFB and surrounding communities have also conducted a Joint Land Use Study (JLUS), which was a cooperative planning initiative to promote compatible community growth that supports military training and operational missions. The inter-jurisdictional partnership resulted in the identification of actions that can be taken jointly by the community and installation to promote compatible development and address current and future encroachment. The goal of compatibility planning is to promote an environment where both entities (military and civilian) can coexist successfully. Implementation of the JLUS Plan will begin in 2015.

Small business manufacturing represents the fastest growing sector of the economy in terms of the number of new businesses. With many area manufacturers having less than 50 employees, small manufacturers represent a vital link in the economy. Companies in food, beverage and clothing are flourishing in Wichita County.

The value of construction permits is also an indication of economic activity in the community. Residential permits totaled \$39,845,679 during the 2013-14 fiscal year, which is a decrease of \$13,040,087, or 25% from the prior year. The value of commercial construction permits totaled \$61,127,897, which is a decrease of \$26,994,123, or of 31% from the prior fiscal year. However, the prior year figures were the highest in both categories for the last five fiscal years. Additionally, several commercial construction permits issued were above \$1 million in value which directly impacts local construction contractors, and often times results in additional secondary jobs. Those permits include:

- Our Lady Queen of Peace – a total of 20,284 sq. ft. with an estimated value of \$2,750,000.
- Grace Church Chapel – a total of 17,350 sq. ft. with an estimated value of \$5,500,000.
- Taco Casa – a total of 3,650 sq. ft. with an estimated value of \$1,100,000.
- Fed Ex Distribution Center – a total of 151,088 sq. ft. with an estimated value of \$16,573,535.
- Dental Office – a total of 9,116 sq. ft. with an estimated value of \$1,200,000.
- My Dentist – a total of 4,566 sq. ft. with an estimated value of \$1,200,000.
- Medical Offices – a total of 13,434 sq. ft. with an estimated value of \$2,925,000.

- The Reserves Multi-Family & Clubhouse – a total of 46,849 sq. ft. with an estimated value of \$4,572,000.
- Sherwood Forest Multi-Family – a total of 13,000 sq. ft. with an estimated value of \$2,737,056.

Another indicator of local economic performance is the retail sales tax. During the 2013-14 fiscal year, the City generated \$30,131,558 in retail sales taxes, which was \$715,071, or 2.43% more than in the prior fiscal year.

MAJOR INITIATIVES

For The Year. The City Council continues to identify programs to meet citizens' requests for services and to safeguard the environment. Over the last 4 years, the City of Wichita Falls has been in an extreme drought. Beginning in 2011 and continuing to date, the City has experienced record setting temperatures and extremely low rainfall which has decreased the City's water supply from nearly maximum lake capacity to approximately 22%. The City's drought contingency plan requires water restrictions and surcharges for excessive water use when the lake capacity gets below 50% (Stage II-Drought Warning). In May 2014, the City entered Stage V-Drought Catastrophe at 25% of lake capacity. Essentially, all outside use of potable water, with the exception of watering home foundations once per week, has been eliminated, decreasing water consumption by almost 56%. Additionally, in August 2013, the City issued \$13 million in Combination Tax and Revenue Certificates of Obligation to construct an emergency above ground pipeline from the River Road Wastewater Treatment Plant to convey 7.5 million gallons per day of treated effluent directly to the Cypress Water Treatment Plant for treatment and distribution. This pipeline and pump station is complete and the City has been using this system in our potable water supply since July 2014. These extreme water conservation measures and the water reuse project have reduced consumption from average daily use of 25 million gallons per day to approximately 11 million gallons per day.

Additionally, in February 2014 the City entered into an agreement with a contractor to begin a weather modification effort, aka cloud seeding. Cloud seeding is a practice that has been ongoing across the state and the country for the past several decades. There are 9 active regions in the state of Texas that have adopted cloud seeding as a water management strategy and numerous other states also have active cloud seeding operations. The process involves evaluation of a cloud to determine if it is ripe for seeding, and if so, then a seeding agent is applied to the cloud to produce nuclei for rain drops. This agent attracts water vapor and causes rain to form. Statistics and data collected over the past several decades have allowed seeding operations to be perfected to the point that is has been proven to increase rainfall by an average 10% to 15%.

In July 2014, the City also entered into an agreement with a contractor to perform a pilot study on water evaporation suppression at Lake Arrowhead. Extensive work has been performed throughout the last few decades to develop a reliable method to reduce water lost to evaporation. Recently, a new product called WaterSavr has been developed and used on larger water bodies in Las Vegas, Nevada. Studies have indicated that the product can reduce evaporation losses by up to 30%. The product is a biodegradable lime based product combined with sterile alcohols. The product forms a thin film of material over the water surface which traps the water vapor and keeps it from exiting the reservoir. This product has been approved by the EPA and the National Science Foundation (NSF) for use on water supply reservoirs. It was also approved by the Texas Commission on Environmental Quality.

Construction of the McNeil Avenue Drainage Project began in the summer of 2014 at an estimated cost of \$6.5 million, with the State of Texas paying for \$2.1 million. The City is responsible for the remaining cost, which is being paid for from the City's Storm Water Utility Fund. The project is generally described as the construction of an underground drainage system including concrete box culverts, storm water inlets, and collection piping. The project will also relocate existing water and sewer facilities along McNeil Avenue to avoid conflicts with the new drainage improvements. TxDOT's share of the project includes the enclosure of a portion of the open channel along SW Parkway at the McNeil/Southwest Parkway intersection to facilitate the construction of a right turn lane on SW Parkway as well as signal improvements at this intersection. The limits of the project are from Pool Street to Southwest Parkway. This project will remove 30 homes from the 100 year floodplain and eliminate to continuous nuisance flooding in the area.

In November 2014, the City began operations of a new Airport Terminal at the Regional Airport. The total cost for the terminal, apron, and new parking facilities was approximately \$29 million. Funding for the project consisted of nearly \$15 million in Federal Aviation Grants and 20-Year Certificates of Obligation. The debt service for the 20-Year Certificates is being paid from annual entitlement funds received from the Federal Aviation Administration, operating income in the Regional Airport Fund, and annual grants from the 4A and 4B Sales Tax Corporations and the General Fund.

The City, through a private contractor, is currently installing exterior signage throughout the community as part of the City's Wayfinding Project. This project consists of vehicular signage, pedestrian, facility and trail signage, city roadway entry identification features, and water tower identification with the City's new logo. The cost of the project is approximately \$1 million, with the General Fund financing \$750,000 and the 4B Sales Tax Corporation funding the remaining \$250,000.

Two significant projects were completed at the Kay Yeager Coliseum in an effort to attract more events to the facility, particularly sporting events. Over \$820,000 was expended to install a state of the art LED Video Scoreboard, featuring four LED displays approximately 9 ½' X 17', an LED display ring approximately 2 ½' high X 57' long, two stationary and one portable camera and all the software and hardware for a complete system. The 4B Sales Tax Corporation approved \$750,000 for this project and the General Fund financed the remaining amount. The second project consisted of the purchase of an artificial turf system allowing for multiple types of sports such as indoor soccer and arena football. The cost of this new turf system was \$92,000, which was financed exclusively with 4B Sales Tax Funds.

For The Future. To continue addressing our water supply needs, the City authorized the issuance of \$33.5 million of 30-Year Combination Tax and Revenue Certificates of Obligation to finance the cost of engineering and construction associated with the City's Permanent Indirect Potable Water Reuse Project (IPR Project). This project will ultimately replace the Emergency Direct Potable Water Reuse System and involve the construction of a pump station and pipeline to convey treated wastewater effluent from the River Road Wastewater Treatment Plant to Lake Arrowhead. The project is estimated to convey up to 10 mgd of effluent, thereby adding additional water supply to City's water resources. Design and construction of this system is estimated to take approximately 3 years to complete. Near the completion of the project, the pipe being used for the temporary Direct Potable Reuse Project will be dismantled and relocated to the Permanent IPR Project. Until that time, the City plans to continue using the DPR Project, which saves the City approximately 5 mgd of water. The Certificates of Obligation were issued through the Texas Water Development Board as part of their Clean Water State Revolving Loan Program. This financing mechanism provides loans to municipalities for wastewater projects at 1.2% lower interest rates than what the City would receive in the private market. For this particular issue, the State Loan Program is anticipated to save the City approximately \$8 million over the 30-year period.

The City also authorized an engineering firm to update the City's Long Range Water Supply Plan and evaluate potential short term water supply projects that could increase supply over the next few years, should this drought persist. That study has been completed and identified Lake Ringgold as the next long term water supply project for the City. Work has begun toward the permitting of this lake development project. The study also identified two projects that may produce approximately 5 million gallons per day within a two year construction period. More analysis is currently underway on these short term projects, and if proven reliable, they would be undertaken if this drought persists much longer.

The City recently awarded a project in the amount of \$1.2 million for the installation of a new Aqua Loop water slide at Castaway Cove Water Park. This slide is being financed with \$250,000 of 4B Sales Tax Funds and \$950,000 in reserves of the Water Park Fund. Construction of the slide is nearing completion and is expected to be operational at the opening of the park for the 2015 season.

In November 2014, the City awarded a bid for Phase 1 of the Hike and Bike Trail from Seymour Highway to Lucy Park in the amount of \$1.3 million. This project is generally described as the construction of a concrete hike and bike trail with amenity stations/shelters in the Wichita Bluff Nature Area off of Seymour Highway, and associated work. The project is the first of two phases in connecting the Circle Trail along Seymour Highway to Lucy Park. The project is being funded with remaining bond funds from a prior bond issuance and special park revenue funds.

Recently, the City authorized an Energy Services Company to perform an Investment Grade Audit on the feasibility of changing our current meter reading program from a manual operation to one using Advanced Metering Infrastructure Technology (AMI). AMI systems automatically measure, collect, and assist with analyzing water usage through two-way radio communication media on a pre-defined schedule (i.e. every few hours). The systems consist of smart meters capable of producing digital output automatically and sending readings from the meters to data collectors/radio repeaters on a fixed tower system and return data to the utility billing office for billing and data analysis. More expensive systems can even sensor water distribution systems to assist with leak detection on City owned water mains. Some of the benefits of AMI Systems include reduced customer service calls, improved customer service bill analysis, improved water conservation and leak detection, more accurate meter readings, empower customers to monitor their own water usage, email notifications of high water use, immediate theft detection of water use, and improved low flow meter reading accuracy. A preliminary study indicated that such a system could produce enough savings and additional revenue to pay the annual debt service of a project costing \$18 million over a 20-year period.

In March 2015, the City established a second generation Tax Increment Financing District for the downtown area. The City's original TIF Zone in the downtown was successful in providing assistance for redevelopment in the downtown, but expired in 2008.

FINANCIAL INFORMATION

In developing and evaluating the City's accounting system, consideration is given to the adequacy of internal control as deemed appropriate by the City Manager. Internal control is designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and the evaluation of costs and benefits requires estimates and judgments by the City Manager.

All internal control evaluations occur within the above framework. The City believes that its internal control adequately safeguards assets and provides reasonable assurance of proper recording of financial transactions.

The Annual Operating Budget is proposed by the City Manager and approved by the City Council following public discussion. Budgetary control is maintained at the class level by the Finance Department within each division by the encumbrance of estimated purchase amounts prior to the release of purchase orders to vendors. Purchase orders which result in an overrun of class level balances are not released until additional appropriations are made available. In instances when budgetary transfers are necessary, management control of the operating budget is maintained at the fund and department level. Transfers within a department of the same fund must be approved by the City Manager. Transfers across departments or funds must be approved by the City Council.

Unencumbered appropriation balances lapse at year end and are not carried forward to new budget periods. Open encumbrances are reported as reservations of fund balance at September 30, 2014, 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. These financial statements reflect that the policy has been followed in the General Fund and Sanitation Fund. Persisting drought conditions and water restrictions resulted in much lower water sales this fiscal year, causing the City to fall below the stated reserve requirements in the Water/Sewer Fund. However, the City Council approved substantial retail water rate increases in August 2014 in an effort to replenish these reserves over the next several years as outlined in the policy.

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, 2014, the City's tax supported debt was approximately \$54 million, which is 1.19% of the taxable value of property, and \$516 per capita.

OTHER INFORMATION

Independent Audit

The City Charter requires an annual audit of the books of account, financial records, and transactions of all administrative departments of the City by Certified Public Accountants. The accounting firm of Edgin, Parkman, Fleming & Fleming, PC was selected by the Mayor and City Council to satisfy this charter requirement. The auditors' report on the basic financial statements and combining fund statements and schedules is included in the financial section of this report. In addition to meeting the requirements set forth in the City Charter, the audit also was designed to meet the requirements of the federal Single Audit Act Amendments of 1996 and related OMB Circular A-133, and the State Single Audit Act. These reports are issued under separate cover.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Wichita Falls for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2013. This was the 19th consecutive year that the government 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 is extended to the various elected officials, city manager, department heads and employees responsible for the fair presentation of the CAFR and for contributing to the sound financial position of the City of Wichita Falls. The City of Wichita Falls has been blessed with a group of persons who appreciate and respect principles of fiscal restraint and propriety. In particular, I would like to acknowledge the special efforts of the Department of Finance employees who contributed directly to the development of this report. The continuing support of City Council and City Manager, who remain committed to fiscal integrity and financial leadership, is likewise appreciated.

Respectfully submitted,



Jim Dockery



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Reporting**

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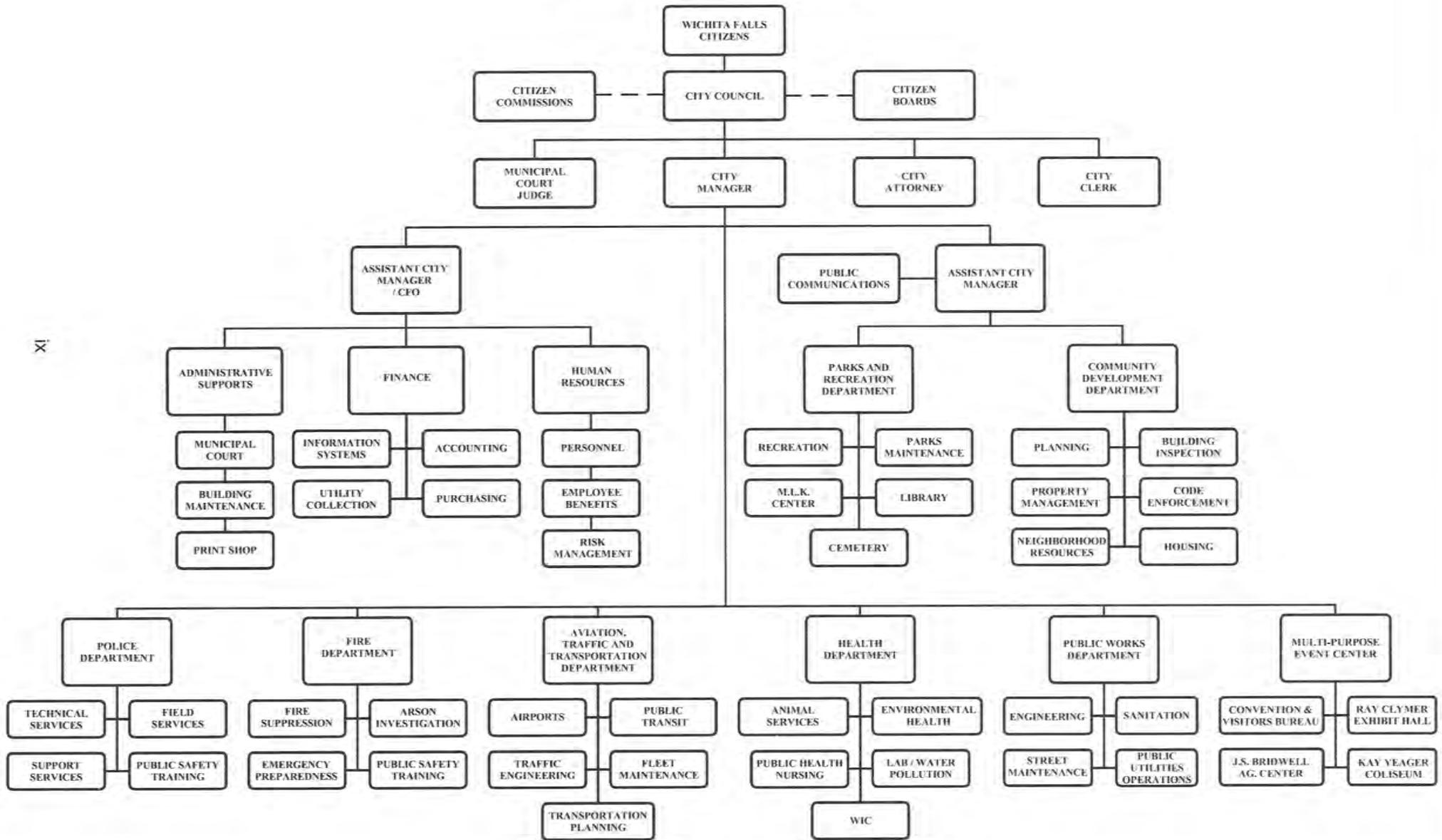
**City of Wichita Falls
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2013

Executive Director/CEO

CITY OF WICHITA FALLS ORGANIZATIONAL CHART



CITY OF WICHITA FALLS, TEXAS

LIST OF PRINCIPAL OFFICIALS SEPTEMBER 30, 2014

<u>Title</u>	<u>Name</u>
Mayor	Glenn Barham
Mayor Pro-Tem	Michael Smith
City Council Member	Ben Hoover
City Council Member	Annetta Pope-Dotson
City Council Member	Brian Hooker
City Council Member	Tim Ingle
City Council Member	Tom Quintero
City Manager	Darron Leiker
City Attorney	Kinley Heggglund
Municipal Court Judge	Larry Gillen
City Clerk	Tracy Norr
Assistant City Manager / Director of Community Development	Kevin Hugman
Director of Aviation, Traffic and Transportation	John Burrus
Assistant City Manager / Chief Financial Officer	Jim Dockery
Director of Public Health	Lou Kreidler
Police Chief	Manuel Borrego
Fire Chief	Jon Reese
Director of Parks and Recreation	Jack Murphy
Director of Public Works and Public Utilities	Russell Schreiber
Director of Multi-Purpose Events Center	Bob Sullivan

Financial Section

Independent Auditor's Report



EDGIN, PARKMAN, FLEMING & FLEMING, PC

CERTIFIED PUBLIC ACCOUNTANTS

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WICHITA FALLS, TEXAS 76307-0750
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MICHAEL D. EDGIN, CPA
DAVID L. PARKMAN, CPA, CFE
A. PAUL FLEMING, CPA
J. MARK 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, 2014, 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, 2014, 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 23, 2015, 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 23, 2015

Management Discussion and Analysis



**City of Wichita Falls, Texas
Management's Discussion and Analysis
September 30, 2014**

Management's discussion and analysis provides a narrative overview of the financial activities and changes in the financial position of the City of Wichita Falls, Texas, for the fiscal year ended September 30, 2014. It is offered here by the management of the City to the readers of its financial statements. Readers should use the information presented here in conjunction with additional information furnished in our letter of transmittal, which can be found in the Introductory Section of this Comprehensive Annual Financial Report.

Financial Highlights

The assets of the City of Wichita Falls exceeded its liabilities at September 30, 2014, by \$399,283,025 (net position). Of this amount, \$28,361,918 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.

Net position for the City increased by \$12,242,431 over the prior year. This increase can be attributed principally to several factors: (1) net income in the Regional Airport Fund due to the receipt of approximately \$11 million in grant funds from the Federal Aviation Administration to construct the new Airport Terminal and Apron; (2) net income of nearly \$2.1 million in the Sanitation Fund principally due to a delay in expenditures for a landfill shop and miscellaneous equipment that is encumbered, higher than anticipated revenue at the landfill, salary savings due to turnover in several positions, and various projects finishing under budgeted expenditures; (3) an improvement of nearly \$2.4 in the Storm Water Utility Fund to allow unrestricted net position to grow in anticipation of the ensuing McNeil Drainage Improvement Project; (4) an improvement of over \$650,000 in the net position of the Information Technology Fund to allow unrestricted net position to grow in anticipation of future improvements to public safety communication systems. Some of this increase in net position is offset by a reduction of over \$2.2 million in the Water/Sewer Fund due to much lower water sales as conservation efforts continue to save the City's water supply.

At September 30, 2014, the City's governmental funds reported combined ending fund balances of \$33,342,536. Of this amount, \$14,425,316, or 43.26%, is available for spending at the government's discretion, (unassigned fund balance).

At the end of the current fiscal year, unassigned fund balance for the General Fund was \$14,886,199 or 22.18% of total General Fund expenditures.

During the 2013-14 fiscal year, the City's total debt decreased by \$10,791,351. This decrease is a result of the City not issuing any new debt and continuing to retire outstanding General Obligation Bonds, Water and Sewer System Revenue Bonds, and Combination Tax and Revenue Bonds.

City of Wichita Falls, Texas
Management's Discussion and Analysis
September 30, 2014
(continued)

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 14-15 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 liabilities 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 the government services. This statement includes all current year revenues and expenses.

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

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

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

City of Wichita Falls, Texas
Management's Discussion and Analysis
September 30, 2014
(continued)

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

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 funds financial statements is narrower than that of the government-wide financial statements. Therefore, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide statements. By doing so, readers may better understand the long-term impact of the government's short term financing decisions. Both the Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison. The reconciliation explains the differences between the government's activities reported in the government-wide statements and the information presented in the governmental funds financial statements.

The City of Wichita Falls maintains 15 individual governmental funds. Information for the General Fund and the Airport Improvement Grant 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 they are considered major funds of the City. Data for the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the non-major governmental funds are provided in the Combining Financial Statement Section of this report.

The Basic Governmental Funds Financial Statements can be found on pages 16-19 of this report.

City of Wichita Falls, Texas
Management's Discussion and Analysis
September 30, 2014
(continued)

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, storm water utility district, 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 to be major funds of the City. The non-major proprietary funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for each of the non-major proprietary funds are provided in the Combining Financial Statement Section of this report.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting method used for fiduciary funds is much like that used for proprietary funds. Agency funds are a component of fiduciary funds and are used to account for situations where the City's role is purely custodial, such as receipt, temporary investment and remittance of fiduciary funds to individuals, private organizations or other governments. The City maintains one fiduciary fund. This fund is an agency fund used to account for property that has been abandoned or unclaimed pending escheatment to the State of Texas.

Notes to the Financial Statements

The Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes can be found on pages 26-59 of this report.

City of Wichita Falls, Texas
Management's Discussion and Analysis
September 30, 2014
(continued)

Government-Wide Financial Analysis

The City's combined net position was \$399,283,025 as of September 30, 2014, an increase of \$12,242,431, or 3.16% 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, \$353,745,333, or 88.60%, 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, \$17,175,774, or 4.30%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of net position, \$28,361,918, or 7.10%, may be used to meet the government's ongoing obligations to citizens and creditors.

Net Position
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current and Other Assets	\$ 43,721	\$ 53,896	\$ 50,573	\$ 61,845	\$ 94,294	\$ 115,741
Capital Assets	<u>173,893</u>	<u>175,097</u>	<u>342,677</u>	<u>315,382</u>	<u>516,570</u>	<u>490,479</u>
Total Assets	<u>217,614</u>	<u>228,993</u>	<u>393,250</u>	<u>377,227</u>	<u>610,864</u>	<u>606,220</u>
Deferred Outflows of Resources	-	-	<u>2,330</u>	<u>2,531</u>	<u>2,330</u>	<u>2,531</u>
Long Term Liabilities	65,288	68,298	128,368	135,427	193,656	203,775
Other Liabilities	<u>13,077</u>	<u>9,467</u>	<u>7,178</u>	<u>8,519</u>	<u>20,255</u>	<u>17,986</u>
Total Liabilities	<u>78,365</u>	<u>77,765</u>	<u>135,546</u>	<u>143,946</u>	<u>213,911</u>	<u>221,711</u>
Net Position:						
Net Investment in Capital Assets	128,169	138,319	225,576	198,540	353,745	336,859
Restricted	5,290	6,248	11,886	11,882	17,176	18,130
Unrestricted	<u>5,790</u>	<u>6,661</u>	<u>22,572</u>	<u>25,390</u>	<u>28,362</u>	<u>32,051</u>
Total Net Position	<u>\$ 139,249</u>	<u>\$ 151,228</u>	<u>\$ 260,034</u>	<u>\$ 235,812</u>	<u>\$ 399,283</u>	<u>\$ 387,040</u>

City of Wichita Falls, Texas
Management's Discussion and Analysis
September 30, 2014
(continued)

CHANGES IN NET POSITION

(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program Revenues:						
Charges For Services	\$ 9,035	\$ 9,517	\$ 50,856	\$ 51,743	\$ 59,891	\$ 61,260
Operating Grants and Contributions	10,837	11,157	1,830	3,787	12,667	14,944
Capital Grants and Contributions	12,957	4,394	1,018	1,339	13,975	5,733
General Revenues:						
Property Taxes	29,784	29,107	-	-	29,784	29,107
Sales Taxes	22,398	22,062	-	-	22,398	22,062
Other Taxes/Fees	7,561	7,274	-	-	7,561	7,274
Investment Earnings	33	53	12	28	45	81
Miscellaneous	880	636	138	149	1,018	785
Total Revenue	<u>93,485</u>	<u>84,200</u>	<u>53,854</u>	<u>57,046</u>	<u>147,339</u>	<u>141,246</u>
Expenses:						
Administrative Services	13,874	12,782	-	-	13,874	12,782
Police	23,195	22,768	-	-	23,195	22,768
Fire	14,387	14,226	-	-	14,387	14,226
Parks and Recreation	5,574	5,580	-	-	5,574	5,580
Accounting/Finance	924	924	-	-	924	924
Community Development	6,498	6,729	-	-	6,498	6,729
Public Works	8,156	7,748	-	-	8,156	7,748
Health	5,166	5,168	-	-	5,166	5,168
Traffic and Transportation	2,618	2,757	-	-	2,618	2,757
MPEC	4,302	4,137	-	-	4,302	4,137
Interest and Fees on Long-term Debt	1,992	2,123	-	-	1,992	2,123
Regional Airport	-	-	856	655	856	655
Kickapoo Airport	-	-	1,424	1,496	1,424	1,496
Transit	-	-	2,416	1,939	2,416	1,939
Sanitation	-	-	9,333	9,236	9,333	9,236
Water and Sewer	-	-	32,365	30,136	32,365	30,136
Stormwater Drainage	-	-	560	430	560	430
Waterpark	-	-	1,456	1,397	1,456	1,397
Total Expenses	<u>86,686</u>	<u>84,942</u>	<u>48,410</u>	<u>45,289</u>	<u>135,096</u>	<u>130,231</u>
Increase (Decrease) in Net Position						
Before Transfers	6,799	(742)	5,444	11,757	12,243	11,015
Transfers	(18,778)	(1,474)	18,778	1,474	-	-
Increase (Decrease) in Net Position	(11,979)	(2,216)	24,222	13,231	12,243	11,015
Net Position – Beginning of Year	151,228	153,444	235,812	224,619	387,040	378,063
Prior Period Adjustment	-	-	-	(2,038)	-	(2,038)
Net Position – End of Year	<u>\$139,249</u>	<u>\$151,228</u>	<u>\$260,034</u>	<u>\$235,812</u>	<u>\$399,283</u>	<u>\$387,040</u>

City of Wichita Falls, Texas
Management's Discussion and Analysis
September 30, 2014
(continued)

Governmental Activities – Governmental Activities reduced the City's net position by \$11,979,457 principally because proceeds previously received from Certificates of Obligation were transferred from the Airport Construction Fund to the Regional Airport Fund for the construction of a new airport terminal and aircraft apron.

Business-Type Activities – Business-type Activities increased the City's net position by \$24,221,888, which was 197.85% of the total growth in the City's net position. Over \$23 million of this increase in net position can be attributed to fund transfers from FAA Airport Improvement Grant Funds and bond proceeds to the Regional Airport Fund for construction costs related to the new Regional Airport Facility. The Sanitation Fund shows an increase of net position of nearly \$2.1 million principally due to a delay in expenditures for a landfill shop and miscellaneous equipment that is encumbered, higher than anticipated revenue at the landfill, salary savings due to turnover in several positions, and various projects finishing under budgeted expenditures. The Storm Water Utility Fund shows improvement of nearly \$2.4 in net position to allow unrestricted net position to grow in anticipation of the ensuing McNeil Drainage Improvement Project. Over \$650,000 is due to an increase in net position in the Information Technology Fund to allow unrestricted net position to grow in anticipation of future improvements to public safety communication systems. Some of these increases in net position are offset by a reduction of over \$2.2 million in the Water/Sewer Fund due to much lower water sales as conservation efforts continue to save the City's water supply.

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, 2014, the City's governmental funds reported combined fund balances of \$33,342,536, which is a decrease of \$13,874,119 from the prior year. Virtually all of this decrease is attributable to the expenditure of bond proceeds from the Airport Construction Fund during the fiscal year.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$14,886,199, a reduction of \$1,340,398 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 22.19% of total General Fund expenditures, while the total fund balance represents 25.36% 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.

City of Wichita Falls, Texas
Management's Discussion and Analysis
September 30, 2014
(continued)

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, 2014, the net position for the City's internal service funds was \$24,295,913, a decrease of \$578,371. The Fleet Maintenance Fund reflects a reduction of \$1,857,235 in net position principally because depreciation expenses were higher than equipment replacement expenses. The Employee Benefit Trust Fund reflects an increase of \$642,116 in net position because revenues exceeded the cost of employee and retiree health claims during the year. The Information Technology Fund reflects an increase of \$652,911 in net position as the City continues to increase this Fund's unrestricted net position to finance future improvements to our public safety communication systems.

General Fund Budgetary Highlights

The final amended expenditure budget for the General Fund, including transfers out, was increased by \$1,967,744 from the original adopted budget. The reasons for this increase in appropriations can be briefly summarized as follows:

- Approximately \$959,000 of prior year encumbrances for street repair projects was carried forward to the 2013-14 amended budget.
- A total of \$810,000 was budgeted to assist the Water/Sewer Fund with needs for cloud seeding and water evaporation suppression efforts, and a long range water supply study.
- The City Council approved the use of \$200,000 to partially finance the cost of a new video scoreboard for the Kay Yeager Coliseum.

Actual revenues in the General Fund for the 2013-14 fiscal year were \$65,528,748, which was \$737,365 above final budgeted figures. Sales tax receipts accounted for approximately \$95,000 of this amount. Natural gas franchise revenue accounted for approximately \$305,000 due to higher natural gas prices. An increase in mixed beverage tax revenue accounted for \$75,000 which can be attributed to a rate change made by the State for the calculation of mixed beverage taxes.

Actual expenditures in the General Fund for the 2013-14 fiscal year were \$67,125,525, which was \$2,112,612 below budgeted expenditures. Almost all of this variance was due to large encumbrances for street repairs, emergency tree watering, traffic control equipment and street lights that weren't liquidated by the close of the fiscal year that will be expended in the 2014-15 fiscal year.

City of Wichita Falls, Texas
Management's Discussion and Analysis
September 30, 2014
(continued)

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, 2014 amounts to \$516,569,674 (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:

- Construction in progress of the new Regional Airport Facilities
- Construction in progress of the Direct Potable Water Reuse Project
- Construction in progress of the McNeil Avenue Drainage Improvement Project
- Completion of the Wastewater Treatment Plant Anaerobic Digester Project
- Completion of the City's new Downtown Travel Center
- Construction in progress of new slide at Castaway Cove Water Park
- Construction in progress of the Wayfinding Signage Project
- New Scoreboard at the Multi-Purpose Events Center
- Street Rehabilitation and Utility Improvement Projects

Capital Assets, net of Accumulated Depreciation
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 10,683	\$ 10,722	\$ 9,042	\$ 9,042	\$ 19,725	\$ 19,764
Land Betterments	17,682	18,193	33,679	29,474	51,361	47,667
Buildings, Systems and Improvements	52,252	53,930	243,889	238,805	296,141	292,735
Infrastructure	82,384	80,543	-	-	82,384	80,543
Machinery and Equip	10,107	11,500	2,674	2,771	12,781	14,271
Furniture and Fixtures	2	3	-	-	2	3
Motor Vehicles	-	-	15,340	16,906	15,340	16,906
Construction in Progress	<u>783</u>	<u>206</u>	<u>38,053</u>	<u>18,384</u>	<u>38,836</u>	<u>18,590</u>
Totals	<u>\$173,893</u>	<u>\$175,097</u>	<u>\$342,677</u>	<u>\$315,382</u>	<u>\$ 516,570</u>	<u>\$ 490,479</u>

Additional information on the City's capital assets can be found in Note 7 on pages 41-43 of this report.

City of Wichita Falls, Texas
Management's Discussion and Analysis
September 30, 2014
(continued)

Long Term Debt – At the end of the current fiscal year, the City of Wichita Falls had a total bonded debt, notes and capital leases outstanding of \$180,905,617. During the 2013-14 fiscal year, the City did not issue any new long term debt obligations or refinance any outstanding bond issues, and continued to retire outstanding General Obligation Bonds, Water and Sewer System Revenue Bonds, and Combination Tax and Revenue Bonds.

As of September 30, 2014, Moody's Investor's Service had assigned a credit rating of Aa2 for the City's General Obligation Bonds and a rating of A1 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 AA- for its Water and Sewer System Revenue Bonds.

Outstanding Debt at Year-End
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
General Obligation Bonds	\$ 4,680	\$ 5,492	\$ 1,930	\$ 1,930	\$ 6,610	\$ 7,422
Combination Tax and Revenue Bonds	49,302	51,571	24,285	27,888	73,587	79,459
Utility System Revenue Bonds	-	-	95,724	99,212	95,724	99,212
Capital Lease Payable	3,511	3,833	1,000	1,262	4,511	5,095
Notes Payable	-	-	474	509	474	509
Total	\$ 57,493	\$ 60,896	\$ 123,413	\$ 130,801	\$ 180,906	\$ 191,697

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, 2014, was \$.63526 per \$100, which means that the City has a tax margin of \$1.61474 per \$100, and could generate up to \$73,438,583 additional tax revenue a year from the present assessed valuation of \$4,548,012,853 before the limit is reached. The current ratio of general bonded debt outstanding to the assessed value of all taxable property is 1.18%.

Additional information about the City's long-term debt can be found in Note 13 on pages 51-54 of this report.

City of Wichita Falls, Texas
Management's Discussion and Analysis
September 30, 2014
(continued)

Economic Factors and Next Year's Budget and Rates

Total 2014-15 operating revenues, including transfers in from other funds, are budgeted at \$165,407,761, which is an increase of \$6,338,158, or 3.98% from the 2013-14 adopted budget.

In the 2014-15 budget, sales taxes in the General Fund are projected to generate \$23,009,663, an increase of \$975,322, or 4.43% from the prior year adopted budget. It should be noted that this projection was based upon an estimate of 2013-14 actual receipts and a growth rate of 2.00%.

The Property Tax is the largest source of revenue in the City's budget and is also relied heavily upon to provide general City services. The property tax base, as certified by the Wichita County Appraisal District, is \$4.62 billion, an increase of \$71.8 million, or 1.58% from the prior year. This is the sixth consecutive year that the property tax base has shown very slight growth or remained flat. The property tax rate was maintained at the prior rate of \$0.63526 per \$100 of taxable property value. The 2014-15 budget increased the property tax rate from \$0.63526 to \$0.65526 per \$100 of taxable property. This rate is estimated to generate \$1,364,383 in additional property tax revenue for the General Fund during the 2014-15 fiscal year and will be used entirely to provide increases to the City's pay plans that have remained significantly unchanged for several years.

The City maintains a reserve account in the General Fund to be used for major emergencies such as a widespread tornado, large legal liabilities or important one-time expenditures. The City's fund balance policy established a goal of maintaining 20% of expenditures in unassigned General Fund balance. Current figures indicate that the City is exceeding this fund balance amount in the General Fund. As a result, the 2014-15 budget included the use of \$1,517,270 of General Fund balance for numerous one-time projects and programs. The prior adopted budget included appropriations of \$1,400,575 for similar one-time projects, but only 553,000 was used due to higher than budgeted revenues and lower than budgeted expenditures.

The budget provided for an average increase of 53% to retail water rates that was approved on August 5, 2014. This rate increase was needed to provide for approximately \$1.4 million of anticipated annual debt service on the Indirect Potable Water Reuse Project, set aside \$1 million annually for a future water supply project that will be determined, and to adjust for significantly lower water sales due to lower water consumption/demand.

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, 2014

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and cash equivalents	\$ 33,866,835	\$ 14,711,200	\$ 48,578,035	\$18,875,700
Receivables (net):				
Taxes and assessments	873,717	-	873,717	-
Customer and trade	-	5,842,269	5,842,269	-
Government agencies	11,265,252	1,264,820	12,530,072	1,260,174
Other	1,406,753	165,191	1,571,944	-
Internal balances	(7,775,110)	7,775,110	-	-
Inventory	215,522	1,945,530	2,161,052	-
Prepaid items	86,432	285,231	371,663	-
Other assets	212,761	-	212,761	-
Restricted assets:				
Cash and cash equivalents	3,568,494	18,583,808	22,152,302	-
Capital assets not being depreciated	11,465,899	47,095,168	58,561,067	1,469,797
Capital assets net of accumulated depreciation	162,427,255	295,581,352	458,008,607	756,741
Total assets	<u>217,613,810</u>	<u>393,249,679</u>	<u>610,863,489</u>	<u>22,362,412</u>
Deferred Outflows of Resources				
Deferred losses on bond refundings	-	2,330,160	2,330,160	-
Liabilities				
Accounts payable - trade	5,057,557	2,757,289	7,814,846	18,685
Accrued payroll	1,542,286	410,716	1,953,002	-
Accrued interest payable	330,011	799,153	1,129,164	-
Payable to government agencies	723,910	72,634	796,544	-
Estimated health claims payable	595,540	-	595,540	-
Other liabilities	4,789,893	274,410	5,064,303	-
Unearned revenue	37,236	-	37,236	-
Customer deposits	-	2,864,032	2,864,032	-
Long-term liabilities:				
Portion due or payable within one year	5,975,127	8,219,947	14,195,074	-
Portion due or payable after one year	59,313,328	120,147,555	179,460,883	-
Total liabilities	<u>78,364,888</u>	<u>135,545,736</u>	<u>213,910,624</u>	<u>18,685</u>
Net Position				
Net investment in capital assets	128,168,873	225,576,460	353,745,333	2,226,538
Restricted for:				
Perpetual care (nonexpendable)	964,154	-	964,154	-
Debt service (expendable)	647,697	11,885,698	12,533,395	-
Capital projects (expendable)	1,362,885	-	1,362,885	-
Federal grant programs (expendable)	2,285,619	-	2,285,619	-
Tourism (expendable)	29,721	-	29,721	-
Unrestricted	5,789,973	22,571,945	28,361,918	20,117,189
Total net position	<u>\$ 139,248,922</u>	<u>\$ 260,034,103</u>	<u>\$ 399,283,025</u>	<u>\$22,343,727</u>

See accompanying notes to the basic financial statements.

CITY OF WICHITA FALLS, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
Primary government:								
Governmental activities:								
Administrative services	\$ 13,873,741	\$ 4,220,786	\$ 233,875	\$ -	\$ (9,419,080)	\$ -	\$ (9,419,080)	\$ -
Police	23,195,421	339,867	241,107	-	(22,614,447)	-	(22,614,447)	-
Fire	14,387,072	15,854	68,372	-	(14,302,846)	-	(14,302,846)	-
Parks and recreation	5,574,156	530,305	93,564	-	(4,950,287)	-	(4,950,287)	-
Accounting/finance	923,727	-	-	-	(923,727)	-	(923,727)	-
Community development	6,497,467	1,094,904	4,646,634	-	(755,929)	-	(755,929)	-
Public works	8,155,640	94,772	312,540	1,611,262	(6,137,066)	-	(6,137,066)	-
Health	5,166,135	1,051,444	2,078,867	-	(2,035,824)	-	(2,035,824)	-
Traffic and transportation	2,617,801	133,133	359,359	10,630,478	8,505,169	-	8,505,169	-
Multi-Purpose Events Center	4,302,368	1,553,729	-	715,000	(2,033,639)	-	(2,033,639)	-
Interest and fees on long-term debt	1,992,169	-	2,802,930	-	810,761	-	810,761	-
Total governmental activities	<u>86,685,697</u>	<u>9,034,794</u>	<u>10,837,248</u>	<u>12,956,740</u>	<u>(53,856,915)</u>	<u>-</u>	<u>(53,856,915)</u>	<u>-</u>
Business-type activities:								
Regional Airport	855,765	775,829	-	-	-	(79,936)	(79,936)	-
Kickapoo Airport	1,423,952	1,239,973	-	-	-	(183,979)	(183,979)	-
Transit	2,416,274	476,716	1,830,334	-	-	(109,224)	(109,224)	-
Sanitation	9,333,512	13,196,489	-	-	-	3,862,977	3,862,977	-
Water and sewer	32,364,514	31,272,972	-	211,055	-	(880,487)	(880,487)	-
Stormwater drainage	560,389	2,601,158	-	806,772	-	2,847,541	2,847,541	-
Waterpark	1,456,084	1,292,639	-	-	-	(163,445)	(163,445)	-
Total business-type activities	<u>48,410,490</u>	<u>50,855,776</u>	<u>1,830,334</u>	<u>1,017,827</u>	<u>-</u>	<u>5,293,447</u>	<u>5,293,447</u>	<u>-</u>
Total primary government	<u>\$ 135,096,187</u>	<u>\$ 59,890,570</u>	<u>\$ 12,667,582</u>	<u>\$ 13,974,567</u>	<u>(53,856,915)</u>	<u>5,293,447</u>	<u>(48,563,468)</u>	<u>-</u>
Component units:								
Community development	<u>\$ 7,597,650</u>	<u>\$ 106,800</u>	<u>\$ 410,236</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,080,614)</u>
General revenues, special item and transfers:								
Taxes:								
Property tax					29,784,202	-	29,784,202	470,661
Sales tax					22,397,536	-	22,397,536	7,465,846
Franchise fees					5,558,600	-	5,558,600	-
Hotel occupancy tax					1,684,329	-	1,684,329	-
Beverage tax					281,598	-	281,598	-
Bingo tax					36,688	-	36,688	-
Investment earnings					33,309	11,680	44,989	122,775
Miscellaneous					879,538	138,419	1,017,957	730,423
Special item - gain on sale of capital assets					-	-	-	329,701
Transfers					(18,778,342)	18,778,342	-	-
Total general revenues, special item and transfers					<u>41,877,458</u>	<u>18,928,441</u>	<u>60,805,899</u>	<u>9,119,406</u>
Change in net position					(11,979,457)	24,221,888	12,242,431	2,038,792
Net position - beginning					151,228,379	235,812,215	387,040,594	20,304,935
Net position - ending					<u>\$ 139,248,922</u>	<u>\$ 260,034,103</u>	<u>\$ 399,283,025</u>	<u>\$ 22,343,727</u>

See accompanying notes to the basic financial statements.

CITY OF WICHITA FALLS, TEXAS
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2014

	General	Airport Improvement Grant	Nonmajor Governmental	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 12,040,509	\$ -	\$ 19,579,984	\$ 31,620,493
Receivables (net):				
Taxes and assessments	704,188	-	169,529	873,717
Other City funds	7,393,960	-	-	7,393,960
Government agencies	3,868,706	4,939,152	2,457,394	11,265,252
Other	1,219,212	-	187,575	1,406,787
Inventory	142,613	-	72,909	215,522
Prepaid items	38,280	-	47,664	85,944
Other assets	-	-	212,762	212,762
Total assets	\$ 25,407,468	\$ 4,939,152	\$ 22,727,817	\$ 53,074,437
Liabilities				
Accounts payable	\$ 1,369,641	\$ 83,447	\$ 3,436,940	\$ 4,890,028
Accrued payroll	1,404,684	-	107,573	1,512,257
Payable to other City funds	-	5,128,601	1,253,686	6,382,287
Payable to government agencies	621,398	-	102,512	723,910
Other liabilities	3,643,501	187,987	958,693	4,790,181
Claims and judgments payable	90,618	-	-	90,618
Unearned revenue	-	-	37,236	37,236
Total liabilities	7,129,842	5,400,035	5,896,640	18,426,517
Deferred inflows of resources				
Unavailable revenues	1,260,643	-	44,741	1,305,384
Fund balances				
Nonspendable:				
Inventory and prepaid items	180,992	-	120,573	301,565
Restricted for:				
Perpetual care	-	-	964,154	964,154
Debt service	-	-	602,956	602,956
Capital projects	-	-	9,951,925	9,951,925
Federal and state grant programs	-	-	2,285,619	2,285,619
Tourism	-	-	29,721	29,721
Committed for:				
Golf course	-	-	106,888	106,888
Multi-Purpose Events Center	-	-	144,065	144,065
Local projects	-	-	2,580,535	2,580,535
Assigned for:				
Subsequent year's expenditures	1,949,792	-	-	1,949,792
Unassigned	14,886,199	(460,883)	-	14,425,316
Total fund balances	17,016,983	(460,883)	16,786,436	33,342,536
Total liabilities, deferred inflows of resources and fund balances	\$ 25,407,468	\$ 4,939,152	\$ 22,727,817	\$ 53,074,437

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, 2014

Total fund balances - governmental funds (Exhibit A-3)		\$ 33,342,536
Amounts reported for <i>governmental activities</i> in the Statement of Net Position (Exhibit A-1) are different because:		
Capital assets used in governmental activities are not financial resources and therefore not reported in the funds. Capital assets at year-end consist of:		
Gross capital assets	\$ 301,461,506	
Related accumulated depreciation	<u>128,436,840</u>	173,024,666
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.		
		1,305,384
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	53,982,370	
Capital lease payable	3,510,950	
Accrued vacation and sick leave	7,613,033	
Claims and judgments payable	37,128	
Accrued interest	<u>330,011</u>	(65,473,492)
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.		
		5,584,808
Internal service funds are used by management to charge the costs of central garage services to the individual funds. The assets and liabilities of this fund are included with the business-type activities. This amount represents the governmental activity portion of the central garage activity.		
		<u>(8,534,980)</u>
Total net position - governmental activities (Exhibit A-1)		<u><u>\$ 139,248,922</u></u>

See accompanying notes to the basic financial statements.

CITY OF WICHITA FALLS, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	General	Airport Improvement Grant	Nonmajor Governmental	Total Governmental Funds
Revenues				
Taxes	\$ 57,124,524	\$ -	\$ 2,615,021	\$ 59,739,545
Charges for services	2,582,658	-	748,525	3,331,183
Licenses and permits	2,048,293	-	-	2,048,293
Fines and forfeitures	2,209,697	-	193,097	2,402,794
Intergovernmental revenue	8,537	10,630,478	7,442,783	18,081,798
Contributions	276,224	-	5,435,966	5,712,190
Miscellaneous revenue	1,278,815	-	2,363,340	3,642,155
Total revenues	<u>65,528,748</u>	<u>10,630,478</u>	<u>18,798,732</u>	<u>94,957,958</u>
Expenditures				
Administrative services	12,035,548	-	1,311,481	13,347,029
Police	21,343,577	-	196,243	21,539,820
Fire	13,972,673	-	112,546	14,085,219
Parks and recreation	4,871,353	-	326,238	5,197,591
Accounting/finance	831,313	-	-	831,313
Community development	1,816,232	-	4,742,832	6,559,064
Public works	5,266,380	-	346,727	5,613,107
Health	2,714,462	-	2,343,484	5,057,946
Traffic and transportation	1,894,231	-	380,018	2,274,249
Multi-Purpose Events Center	-	-	3,536,661	3,536,661
Capital outlay	2,379,756	-	2,850,513	5,230,269
Debt service - principal	-	-	3,000,000	3,000,000
Debt service - interest and paying agent fees	-	-	2,342,331	2,342,331
Total expenditures	<u>67,125,525</u>	<u>-</u>	<u>21,489,074</u>	<u>88,614,599</u>
Excess of revenues over (under) expenditures	<u>(1,596,777)</u>	<u>10,630,478</u>	<u>(2,690,342)</u>	<u>6,343,359</u>
Other Financing Sources (Uses)				
Transfers in	2,871,815	-	13,771,698	16,643,513
Transfers out	(1,828,148)	(10,822,073)	(24,210,770)	(36,860,991)
Total other financing sources (uses)	<u>1,043,667</u>	<u>(10,822,073)</u>	<u>(10,439,072)</u>	<u>(20,217,478)</u>
Net change in fund balance	(553,110)	(191,595)	(13,129,414)	(13,874,119)
Fund balances - beginning	17,570,093	(269,288)	29,915,850	47,216,655
Fund balances - ending	<u>\$ 17,016,983</u>	<u>\$ (460,883)</u>	<u>\$ 16,786,436</u>	<u>\$ 33,342,536</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, 2014

Net change in fund balances - total governmental funds (Exhibit A-5) \$ (13,874,119)

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	\$ 5,260,869	
Depreciation expense for the year	<u>6,361,333</u>	(1,100,464)

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. (170,563)

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 decreased by this amount this year. (56,502)

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 2013-14 were: 3,402,621

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	(392,939)	
Claims and judgments payable	<u>18,564</u>	(374,375)

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, 2013	600,242	
Accrued interest at September 30, 2014	<u>330,011</u>	270,231

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. 1,063,358

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. (1,139,644)

Change in net position of governmental activities (Exhibit A-2) \$ (11,979,457)

See accompanying notes to the basic financial statements.

CITY OF WICHITA FALLS, TEXAS
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2014

	Enterprise Funds					Internal Service Funds
	Water and Sewer	Sanitation	Regional Airport	Nonmajor Enterprise Funds	Total	
Assets						
Current assets:						
Cash and cash equivalents	\$ 1,377,845	\$ 6,417,629	\$ 140,908	\$ 6,271,638	\$ 14,208,020	\$ 2,749,522
Restricted cash and cash equivalents	17,927,834	-	655,974	-	18,583,808	3,568,494
Receivables (net):						
Customer and trade	4,077,349	1,484,761	-	280,159	5,842,269	-
Government agencies	71,859	-	-	1,192,961	1,264,820	-
Other	45,149	-	22,597	69,452	137,198	27,958
Inventory	1,085,293	-	-	77,531	1,162,824	782,706
Prepaid items	-	-	27,644	4,476	32,120	253,599
Total current assets	<u>24,585,329</u>	<u>7,902,390</u>	<u>847,123</u>	<u>7,896,217</u>	<u>41,231,059</u>	<u>7,382,279</u>
Long-term assets:						
Capital assets, net of accumulated depreciation	<u>239,078,342</u>	<u>7,867,521</u>	<u>40,554,138</u>	<u>37,080,566</u>	<u>324,580,567</u>	<u>18,964,440</u>
Total long-term assets	<u>239,078,342</u>	<u>7,867,521</u>	<u>40,554,138</u>	<u>37,080,566</u>	<u>324,580,567</u>	<u>18,964,440</u>
Total assets	<u>263,663,671</u>	<u>15,769,911</u>	<u>41,401,261</u>	<u>44,976,783</u>	<u>365,811,626</u>	<u>26,346,719</u>
Deferred Outflows of Resources						
Deferred losses on bond refundings	<u>2,330,160</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,330,160</u>	<u>-</u>

See accompanying notes to the basic financial statements.

CITY OF WICHITA FALLS, TEXAS
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2014

	Enterprise Funds					Internal Service Funds
	Water and Sewer	Sanitation	Regional Airport	Nonmajor Enterprise Funds	Total	
Liabilities						
Current liabilities:						
Accounts payable - trade	1,398,178	169,975	1,120	986,434	2,555,707	369,109
Accrued payroll	220,453	88,366	2,456	46,052	357,327	83,421
Accrued vacation and sick leave	407,326	142,380	6,918	38,608	595,232	147,162
Payable to other City funds	54,368	-	-	840,659	895,027	116,646
Payable to government agencies	-	68,366	310	3,958	72,634	-
Estimated health claims payable	-	-	-	-	-	595,540
Other liabilities	129,193	-	15,000	127,100	271,293	2,829
Payable to U.S. Government - current maturity	36,548	-	-	-	36,548	-
Capital leases - current maturities	25,378	-	-	-	25,378	237,820
Revenue bonds - current maturities	7,341,467	-	-	-	7,341,467	-
Accrued interest - revenue bonds	799,153	-	-	-	799,153	-
Total current liabilities	<u>10,412,064</u>	<u>469,087</u>	<u>25,804</u>	<u>2,042,811</u>	<u>12,949,766</u>	<u>1,552,527</u>
Long-term liabilities:						
Payable to U.S. Government, less current maturities	437,652	-	-	-	437,652	-
Capital leases, less current maturities	238,129	-	-	-	238,129	498,279
Revenue bonds, less current maturities	114,597,026	-	-	-	114,597,026	-
Estimated liability for landfill closure and post-closure care costs	-	4,267,165	-	-	4,267,165	-
Customer deposits	<u>2,864,032</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,864,032</u>	<u>-</u>
Total long-term liabilities	<u>118,136,839</u>	<u>4,267,165</u>	<u>-</u>	<u>-</u>	<u>122,404,004</u>	<u>498,279</u>
Total liabilities	<u>128,548,903</u>	<u>4,736,252</u>	<u>25,804</u>	<u>2,042,811</u>	<u>135,353,770</u>	<u>2,050,806</u>
Net Position						
Net investment in capital assets	122,714,381	7,867,521	40,554,138	37,080,566	208,216,606	18,228,341
Restricted for debt service	11,885,698	-	-	-	11,885,698	-
Unrestricted	<u>2,844,849</u>	<u>3,166,138</u>	<u>821,319</u>	<u>5,853,406</u>	<u>12,685,712</u>	<u>6,067,572</u>
Total net position	<u>\$ 137,444,928</u>	<u>\$ 11,033,659</u>	<u>\$ 41,375,457</u>	<u>\$ 42,933,972</u>	<u>232,788,016</u>	<u>\$ 24,295,913</u>
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds					<u>27,246,087</u>	
Net position of business type activities					<u>\$ 260,034,103</u>	

See accompanying notes to the basic financial statements.

CITY OF WICHITA FALLS, TEXAS
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Enterprise Funds					Internal Service Funds
	Water and Sewer	Sanitation	Regional Airport	Nonmajor Enterprise Funds	Total	
Operating revenues:						
Charges for services	\$ 31,012,987	\$ 13,123,951	\$ -	\$ 3,988,804	\$ 48,125,742	\$ 12,995,163
Rents, concessions and other	259,985	72,538	775,829	1,621,682	2,730,034	404,737
Contributions	-	-	-	-	-	11,592,049
Total operating revenues	<u>31,272,972</u>	<u>13,196,489</u>	<u>775,829</u>	<u>5,610,486</u>	<u>50,855,776</u>	<u>24,991,949</u>
Operating expenses:						
Personnel services	9,162,429	3,417,234	102,866	2,014,998	14,697,527	3,217,275
Supplies and materials	2,104,142	228,414	5,025	1,312,598	3,650,179	4,653,745
Maintenance and repairs	2,549,432	349,453	4,469	373,664	3,277,018	2,582,060
Utilities and other services	4,906,797	3,958,362	110,617	695,750	9,671,526	294,925
Insurance and contract support	780,075	88,587	4,669	103,938	977,269	9,775,960
Other expenses	1,478,509	440,964	114,865	361,114	2,395,452	2,006,333
Depreciation and amortization	6,597,956	219,571	559,511	918,554	8,295,592	4,130,567
Total operating expenses	<u>27,579,340</u>	<u>8,702,585</u>	<u>902,022</u>	<u>5,780,616</u>	<u>42,964,563</u>	<u>26,660,865</u>
Operating income (loss)	<u>3,693,632</u>	<u>4,493,904</u>	<u>(126,193)</u>	<u>(170,130)</u>	<u>7,891,213</u>	<u>(1,668,916)</u>
Nonoperating revenues (expenses):						
Interest income	7,573	1,694	327	2,086	11,680	179,025
Gain/(loss) on sale/abandonment of capital assets	48,496	-	-	(2,101)	46,395	92,023
Interest expense and paying agent fees	(5,456,165)	-	-	-	(5,456,165)	(15,291)
Intergovernmental operating grants	-	-	-	1,830,334	1,830,334	-
Total nonoperating revenues (expenses)	<u>(5,400,096)</u>	<u>1,694</u>	<u>327</u>	<u>1,830,319</u>	<u>(3,567,756)</u>	<u>255,757</u>
Income (loss) before contributions and transfers	(1,706,464)	4,495,598	(125,866)	1,660,189	4,323,457	(1,413,159)
Capital contributions	211,055	-	-	806,772	1,017,827	-
Transfers in	864,422	-	23,572,144	-	24,436,566	1,185,180
Transfers out	(1,591,258)	(2,435,899)	(370,173)	(656,547)	(5,053,877)	(350,392)
Change in net position	(2,222,245)	2,059,699	23,076,105	1,810,414	24,723,973	(578,371)
Net position - beginning	<u>139,667,173</u>	<u>8,973,960</u>	<u>18,299,352</u>	<u>41,123,552</u>		<u>24,874,284</u>
Net position - ending	<u>\$ 137,444,928</u>	<u>\$ 11,033,659</u>	<u>\$ 41,375,457</u>	<u>\$ 42,933,966</u>		<u>\$ 24,295,913</u>
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds					<u>(502,085)</u>	
Change in net position of business type activities					<u>\$ 24,221,888</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, 2014

	Enterprise Funds					Internal Service Funds
	Water and Sewer	Sanitation	Regional Airport	Nonmajor Enterprise Funds	Total	
Cash flows from operating activities:						
Received from customers and users	\$ 31,297,197	\$ 13,132,968	\$ 760,890	\$ 5,569,578	\$ 50,760,633	\$ 24,971,244
Payments to suppliers	(16,375,590)	(5,823,052)	(284,495)	(2,848,788)	(25,331,925)	(20,378,999)
Payments to employees	(6,436,482)	(2,326,363)	(74,097)	(1,576,845)	(10,413,787)	(2,288,334)
Net cash provided by operating activities	<u>8,485,125</u>	<u>4,983,553</u>	<u>402,298</u>	<u>1,143,945</u>	<u>15,014,921</u>	<u>2,303,911</u>
Cash flows from noncapital financing activities:						
Intergovernmental operating grants	-	-	-	2,224,209	2,224,209	48,403
Interfund loans received (repaid)	-	-	-	(132,509)	(132,509)	-
Transfers in from other funds	864,422	-	23,572,144	-	24,436,566	1,185,180
Transfers out to other funds	(1,591,258)	(2,435,899)	(370,173)	(656,547)	(5,053,877)	(350,392)
Net cash provided (used) by noncapital financing activities	<u>(726,836)</u>	<u>(2,435,899)</u>	<u>23,201,971</u>	<u>1,435,153</u>	<u>21,474,389</u>	<u>883,191</u>
Cash flows from capital and related financing activities:						
Acquisition and construction of capital assets	(9,676,436)	(472,758)	(23,571,619)	(3,176,638)	(36,897,451)	(2,430,037)
Proceeds from sale of capital assets	48,496	-	-	1,304	49,800	97,372
Principal paid on long-term debt	(7,150,908)	-	-	-	(7,150,908)	(237,820)
Interest and fees paid on long-term debt	(5,545,343)	-	-	-	(5,545,343)	(15,291)
Net cash used for capital and related financing activities	<u>(22,324,191)</u>	<u>(472,758)</u>	<u>(23,571,619)</u>	<u>(3,175,334)</u>	<u>(49,543,902)</u>	<u>(2,585,776)</u>
Cash flows from investing activities:						
Interest on investments	7,573	1,694	327	2,086	11,680	179,025
Net cash provided by investing activities	<u>7,573</u>	<u>1,694</u>	<u>327</u>	<u>2,086</u>	<u>11,680</u>	<u>179,025</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(14,558,329)	2,076,590	32,977	(594,150)	(13,042,912)	780,351
Cash and Cash Equivalents - Beginning	<u>33,864,008</u>	<u>4,341,039</u>	<u>763,905</u>	<u>6,865,788</u>	<u>45,834,740</u>	<u>5,537,665</u>
Cash and Cash Equivalents - Ending	<u>\$ 19,305,679</u>	<u>\$ 6,417,629</u>	<u>\$ 796,882</u>	<u>\$ 6,271,638</u>	<u>\$ 32,791,828</u>	<u>\$ 6,318,016</u>
Reconciliation of cash and cash equivalents on the balance sheet to the statement of cash flows:						
Cash and cash equivalents	\$ 1,377,845	\$ 6,417,629	\$ 140,908	\$ 6,271,638	\$ 14,208,020	\$ 2,749,522
Restricted assets - cash and cash equivalents	17,927,834	-	655,974	-	18,583,808	3,568,494
Total cash and cash equivalents at end of year	<u>\$ 19,305,679</u>	<u>\$ 6,417,629</u>	<u>\$ 796,882</u>	<u>\$ 6,271,638</u>	<u>\$ 32,791,828</u>	<u>\$ 6,318,016</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, 2014

	Enterprise Funds					Internal Service Funds
	Water and Sewer	Sanitation	Regional Airport	Nonmajor Enterprise Funds	Total	
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:						
Operating income (loss)	\$ 3,693,632	\$ 4,493,904	\$ (126,193)	\$ (170,130)	\$ 7,891,213	\$ (1,668,916)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation and amortization	6,597,956	219,571	559,511	918,554	8,295,592	4,130,567
Customer deposits repaid	(24,097)	-	-	-	(24,097)	-
(Increase) decrease in current assets:						
Receivables:						
Customer and trade	96,306	(63,521)	-	(15,823)	16,962	-
Government agencies	(4,505)	-	-	-	(4,505)	-
Other	(43,479)	-	(14,939)	(25,085)	(83,503)	8,861
Inventory	(128,114)	-	-	(28,751)	(156,865)	(42,325)
Prepaid items	5,510	240	(4,507)	(4,241)	(2,998)	(253,030)
Increase (decrease) in current liabilities:						
Accounts payable - trade	(1,512,780)	75,764	(10,093)	532,955	(914,154)	40,077
Accrued payroll	41,774	24,874	440	12,030	79,118	21,135
Accrued vacation and sick leave	59,838	27,097	(1,704)	7,910	93,141	29,965
Payable to other City funds	-	-	-	-	-	-
Estimated health claims payable	-	-	-	-	-	67,143
Payable to government agencies	-	(1,190)	(217)	730	(677)	-
Other liabilities	(296,916)	(10,028)	-	(84,204)	(391,148)	(29,566)
Estimated liability for landfill closure	-	216,842	-	-	216,842	-
Total adjustments	4,791,493	489,649	528,491	1,314,075	7,123,708	3,972,827
Net cash provided by operating activities	\$ 8,485,125	\$ 4,983,553	\$ 402,298	\$ 1,143,945	\$ 15,014,921	\$ 2,303,911
Noncash capital and financing activities:						
Capital assets received from developers	\$ 211,055	\$ -	\$ -	\$ -	\$ 211,055	\$ -

See accompanying notes to the basic financial statements.

CITY OF WICHITA FALLS, TEXAS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
SEPTEMBER 30, 2014

	Agency Fund
Assets	
Cash and cash equivalents	\$ 103,132
Liabilities	
Other liabilities	\$ 103,132

See accompanying notes to the basic financial statements.

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2014

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, 2014

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, 2014

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

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

Excluded From the Reporting Entity

Wichita Falls Firemen's Relief and Retirement Fund. The Wichita Falls Firemen's Relief and Retirement Fund was established and is controlled through various State of Texas legislative enactments. This Fund is administered locally by a seven-member board, independent of the City Council. City management and the City Council do not influence or control the administrative and financial affairs of the Fund, and the assets of the Fund are not the property of the City. The seven-member Board of Trustees, composed of the Mayor, the Finance Manager 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.

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

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2014

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

Fund financial statements

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

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

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

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

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

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

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

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2014

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

The City reports the following major governmental funds:

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

The 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.

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.

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

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2014

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

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

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

D. Nonexchange Transactions

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

Nonexchange transactions include the following classifications:

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

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.

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2014

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

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.

3. Capital Assets

Capital assets, which include property, plant and equipment, and infrastructure assets (e.g. roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-like activities columns in the government-wide financial statements. The City defines capital assets as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the time received.

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

<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

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

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2014

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

For the fiscal year ended September 30, 2014, the City's business-type activities incurred a total of \$5,471,456 of interest costs. This entire amount was charged to expense as there was no capitalized interest in the current year.

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. For the year ended September 30, 2014, the City has only one item that qualifies for reporting in this category: deferred losses on bond refunding.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflow 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 item that qualifies for reporting in this category. Property taxes receivable (\$802,512) and municipal court fines receivable (\$502,872) are unavailable and therefore cannot be recognized as revenue in the governmental funds until they are received.

5. Long-Term Obligations

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

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

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2014

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 Assistant City Manager/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, 2014

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 15 days per year. The maximum allowable accumulation is 30 days. Upon leaving the employment of the City, employees will be paid for unused vacation days which they have accrued.

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

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, 2014

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, 2014 is based on management's estimate of probable losses in the amount of \$127,746. 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. \$90,618 is believed by City management to be currently payable from available resources and is recorded in the General Fund.

The following represents changes in the amount of claims liabilities for the City from October 1, 2012 to September 30, 2014:

	Health Care	Workers' Compensation
Liability balance, September 30, 2012	\$ 594,291	\$ 157,843
Incurred claims/adjustments	9,288,892	850,639
Claim payments	(9,354,786)	(869,902)
Liability balance, September 30, 2013	528,397	138,580
Incurred claims/adjustments	9,021,053	517,796
Claim payments	(8,953,910)	(528,630)
Liability balance, September 30, 2014	<u>\$ 595,540</u>	<u>\$ 127,746</u>

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, 2014.

Deficit Fund Balances – Individual Funds

The Airport Improvement Grant Fund, a major special revenue fund, had a deficit fund balance of \$460,883 as of September 30, 2014. This deficit occurred because the City only requests grant funds as disbursements are made. This deficit will 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, 2014, the total amount of the City's demand and time deposits per the general ledger was \$2,968,793, and the total amount per the City's September 30, 2014 bank statements was \$3,099,864. 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.

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2014

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

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, 2014 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	\$ 44,561,579	\$ 44,561,579	Not rated	1.00
LOGIC	11,140,800	11,140,800	Not rated	1.00
Money market account	<u>12,525,453</u>	<u>12,525,453</u>	Not rated	1.00
Total primary government investments	<u>68,227,832</u>	<u>68,227,832</u>		
Component Units:				
TexPool	<u>18,419,279</u>	<u>18,419,279</u>	Not rated	1.00
Total component unit investments	<u>18,419,279</u>	<u>18,419,279</u>		
Total investments	<u>\$ 86,647,111</u>	<u>\$ 86,647,111</u>		

TexPool is a public funds investment pool administered by the Treasurer of the State of Texas pursuant to the Interlocal Cooperation Act passed in 1989 by the 71st Texas Legislature. This Act authorized the City to delegate to TexPool the authority to make investment purchases and to hold legal title as custodian of the investment securities. All TexPool investments are in the possession of the Texas Treasury Safekeeping Trust Company and held in its book-entry safekeeping account at the Federal Reserve Bank of Dallas. The Texas Treasury Safekeeping Trust Company was created in 1986 by the 69th Texas Legislature to enable the Treasurer of the State of Texas to manage, safekeep, and invest public funds of state agencies and political subdivisions more efficiently and economically. TexPool is not registered with the Securities and Exchange Commission (SEC) as an investment company. TexPool is operated in a manner consistent with the SEC's Rule 2a-7 of the Investment Company Act of 1940. Therefore, the fair value of the City's position in TexPool is the same as the value of the pool shares.

LOGIC was also established pursuant to the Interlocal Cooperation Act passed by the State of Texas and is administered by Southwest Securities Group, Inc. LOGIC's governing body is a five-member board of directors comprised of three government officials and two other persons with expertise in public finance. LOGIC's investments are only those authorized by the Texas Public Funds Investment Act governing pools for local governments. LOGIC presently offers two investment pools, each of which is separately managed and has a different investment objective.

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2014

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

Each participating government owns an undivided beneficial interest in the assets of the pool represented by units. Participants may terminate their participation in LOGIC at any time by redeeming their units. LOGIC is not registered with the Securities and Exchange Commission (SEC) as an investment company. LOGIC is operated in a manner consistent with the SEC's Rule 2a-7 of the Investment Company Act of 1940. Therefore, the fair value of the City's position in LOGIC is the same as the value of the pool shares.

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

a. Credit Risk

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

b. Custodial Credit Risk

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

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

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

c. Concentration of Credit Risk

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

d. Interest Rate Risk

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

e. Foreign Currency Risk

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

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

SEPTEMBER 30, 2014

Note 4 - RECEIVABLES

Receivables at September 30, 2014 consist of the following:

	<u>General</u>	<u>Airport Improvement Grant</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	\$ 1,224,439	\$ -	\$ 191,839	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,416,278	\$ -	\$ 1,416,278
Customer and trade	-	-	-	5,727,441	2,070,881	-	379,545	-	8,177,867	-	8,177,867
Other City funds	7,393,960	-	-	-	-	-	-	-	7,393,960	-	7,393,960
Government agencies	3,868,706	4,939,152	2,457,394	71,859	-	-	1,192,961	-	12,530,072	1,260,174	13,790,246
Other	<u>1,219,212</u>	<u>-</u>	<u>187,575</u>	<u>45,149</u>	<u>-</u>	<u>22,597</u>	<u>69,452</u>	<u>27,958</u>	<u>1,571,943</u>	<u>-</u>	<u>1,571,943</u>
Gross receivables	13,706,317	4,939,152	2,836,808	5,844,449	2,070,881	22,597	1,641,958	27,958	31,090,120	1,260,174	32,350,294
Less: Allowance for uncollectible accounts	<u>(520,252)</u>	<u>-</u>	<u>(22,310)</u>	<u>(1,650,092)</u>	<u>(586,120)</u>	<u>-</u>	<u>(99,386)</u>	<u>-</u>	<u>(2,878,160)</u>	<u>-</u>	<u>(2,878,160)</u>
Net total receivables	<u>\$13,186,065</u>	<u>\$4,939,152</u>	<u>\$2,814,498</u>	<u>\$4,194,357</u>	<u>\$1,484,761</u>	<u>\$22,597</u>	<u>\$1,542,572</u>	<u>\$27,958</u>	<u>\$28,211,960</u>	<u>\$1,260,174</u>	<u>\$29,472,134</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 \$350,000 of the \$1,416,278 total delinquent property taxes. This amount is similar to the amounts collected in previous years.

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2014

Note 5 - PROPERTY TAXES

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

The City is permitted by its Home Rule Charter to levy taxes up to \$2.25 per \$100 of assessed valuation for general governmental services including the payment of principal and interest on long-term debt. The combined tax rate to finance general governmental services for the year ended September 30, 2014 was \$.63526 per \$100 which means that the City has a tax margin of \$1.61474 per \$100, and could raise up to \$73,438,583 additional tax revenue a year from the present assessed valuation of \$4,548,012,853 before the limit is reached.

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	\$11,885,698
For Capital Improvements:	
Cash and cash equivalents	<u>6,042,136</u>
Total	<u>\$17,927,834</u>

Regional Airport restricted assets are comprised of the following:

For Passenger Facility Charges:	
Cash and cash equivalents	\$144,075
For Customer Facility Charges:	
Cash and cash equivalents	<u>511,899</u>
Total	<u>\$655,974</u>

Internal Service Fund restricted assets are comprised of the following:

For Employee Insurance:	
Cash and cash equivalents	<u>\$3,568,494</u>

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2014

Note 7 - CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2014 was as follows:

Governmental activities:	Balance October 1, <u>2013</u>	<u>Increases</u>	<u>Decreases</u>	Balance September 30, <u>2014</u>
Capital assets not being depreciated:				
Land	\$ 10,721,895	\$ -	\$ 39,075	\$ 10,682,820
Construction in progress	<u>205,700</u>	<u>577,379</u>	<u>-</u>	<u>783,079</u>
Total capital assets not being depreciated	<u>10,927,595</u>	<u>577,379</u>	<u>39,075</u>	<u>11,465,899</u>
Capital assets being depreciated:				
Land betterments	23,441,809	13,121	32,286	23,422,644
Buildings, systems and improvements	73,514,193	2,950	96,343	73,420,800
Infrastructure	167,656,548	4,436,275	615,358	171,477,465
Machinery and equipment	23,157,770	498,433	935,276	22,720,927
Furniture and fixtures	<u>173,489</u>	<u>-</u>	<u>9,121</u>	<u>164,368</u>
Total capital assets being depreciated	<u>287,943,809</u>	<u>4,950,779</u>	<u>1,688,384</u>	<u>291,206,204</u>
Less accumulated depreciation for:				
Land betterments	5,248,789	498,049	6,909	5,739,929
Buildings, systems and improvements	19,583,853	1,666,918	81,742	21,169,029
Infrastructure	87,113,484	2,546,338	566,670	89,093,152
Machinery and equipment	11,657,507	1,849,050	892,456	12,614,101
Furniture and fixtures	<u>170,939</u>	<u>920</u>	<u>9,121</u>	<u>162,738</u>
Total accumulated depreciation	<u>123,774,572</u>	<u>6,561,275</u>	<u>1,556,898</u>	<u>128,778,949</u>
Total capital assets being depreciated, net	<u>164,169,237</u>	<u>(1,610,496)</u>	<u>131,486</u>	<u>162,427,255</u>
Governmental activities capital assets, net	<u>\$175,096,832</u>	<u>(\$1,033,117)</u>	<u>\$ 170,561</u>	<u>\$173,893,154</u>

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2014

Note 7 - CAPITAL ASSETS (CONT'D.)

Business-type activities:	Balance October 1, <u>2013</u>	<u>Increases</u>	<u>Decreases</u>	Balance September 30, <u>2014</u>
Capital assets not being depreciated:				
Land	\$ 9,042,199	\$ -	\$ -	\$ 9,042,199
Construction in progress	<u>18,384,162</u>	<u>31,254,456</u>	<u>11,585,649</u>	<u>38,052,969</u>
Total capital assets not being depreciated	<u>27,426,361</u>	<u>31,254,456</u>	<u>11,585,649</u>	<u>47,095,168</u>
Capital assets being depreciated:				
Land betterments	43,418,549	5,384,127	662,332	48,140,344
Buildings, systems and improvements	339,432,274	11,981,929	301,982	351,112,221
Machinery and equipment	8,464,273	356,454	19,115	8,801,612
Furniture and fixtures	40,819	-	1,645	39,174
Motor vehicles	<u>51,398,490</u>	<u>2,160,850</u>	<u>848,028</u>	<u>52,711,312</u>
Total capital assets being depreciated	<u>442,754,405</u>	<u>19,883,360</u>	<u>1,833,102</u>	<u>460,804,663</u>
Less accumulated depreciation for:				
Land betterments	13,944,811	1,179,302	662,332	14,461,781
Buildings, systems and improvements	100,626,948	6,898,110	301,984	107,223,074
Machinery and equipment	5,693,639	449,997	15,710	6,127,926
Furniture and fixtures	40,819	-	1,645	39,174
Motor vehicles	<u>34,492,365</u>	<u>3,721,672</u>	<u>842,681</u>	<u>37,371,356</u>
Total accumulated depreciation	<u>154,798,582</u>	<u>12,249,081</u>	<u>1,824,352</u>	<u>165,223,311</u>
Total capital assets being depreciated, net	<u>287,955,823</u>	<u>7,634,279</u>	<u>8,750</u>	<u>295,581,352</u>
Business-type activities capital assets, net	<u>\$315,382,184</u>	<u>\$38,888,735</u>	<u>\$11,594,399</u>	<u>\$342,676,520</u>

Depreciation expense was charged to functions as follows:

Governmental activities:	
Administrative services	\$ 861,582
Police	1,425,876
Fire	151,474
Parks and recreation	250,168
Accounting/finance	105,981
Community development	7,902
Public works	2,300,005
Health	159,732
Traffic and transportation	319,057
Multi-Purpose Events Center	<u>979,498</u>
Total governmental depreciation	<u>\$6,561,275</u>

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2014

Note 7 - CAPITAL ASSETS (CONT'D.)

Business-type activities:	
Regional Airport	\$ 564,050
Kickapoo Airport	432,217
Transit	521,175
Sanitation	2,871,029
Water and sewer	7,441,401
Stormwater drainage	232,233
Waterpark	<u>186,976</u>
Total business-type depreciation	<u>\$12,249,081</u>

Note 8 - PENSION PLANS

Texas Municipal Retirement System

Plan Description

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

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

Plan provisions for the City were as follows:

	Plan Year 2013	Plan Year 2014
Employee deposit rate	5%/7%	5%/7%
Matching ratio (City to employee)	2 to 1	2 to 1
Years required for vesting	10	10
Service retirement eligibility (expressed as age / years of service)	60/10, 0/25	60/10, 0/25
Updated Service Credit	50% Repeating, Transfers	50% Repeating, Transfers
Annuity Increase (to retirees)	70% of CPI Repeating	70% of CPI Repeating

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2014

Note 8 - PENSION PLANS (CONT'D.)

Contributions

Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Projected Unit Credit actuarial cost method. This rate consists of the normal cost contribution rate and the prior service cost contribution rate, which is calculated to be a level percent of payroll from year to year. The normal cost contribution rate finances the portion of an active member's projected benefit allocated annually; the prior service contribution rate amortizes the unfunded (overfunded) actuarial liability (asset) over the applicable period for that city. Both the normal cost and prior service contribution rates include recognition of the projected impact of annually repeating benefits, such as Updated Service Credits and Annuity Increases.

The City contributes to the TMRS Plan at an actuarially determined rate. Both the employees and the City make contributions monthly. Since the City needs to know its contribution rate in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that serves as the basis for the rate and the calendar year when the rate goes into effect.

Wichita Falls Firemen's Relief and Retirement Fund

Plan Description

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

Benefits are determined on a "formula" or a "final salary" plan. A firefighter who qualifies for a retirement benefit will receive monthly retirement equal to 2.55% 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.

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

Contributions

The contribution rate for the firefighters is 12% and the City contributes 13.08%. 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.

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2014

Note 8 - PENSION PLANS (CONT'D.)

The actuarial assumptions included (a) 8% investment rate of return, compounded annually (net of trust expenses), (b) projected salary increases for individual members of 4.75% per year, compounded annually, and (c) increases in total payroll of 4.75% per year, compounded annually. Active members are assumed to retire once they have both attained age 57 and completed at least 20 years of service. Benefits for vested terminated members are assumed to start on the date the member attains age 50 or, if later, the date the member would have completed 20 years of service. The actuarial value of assets was determined using a method that is market related and is consistent with the classes of current and anticipated assets. The method is consistent with the assumptions used to develop the actuarial present value of total projected benefits, and actuarial standards for valuation.

Schedule of Actuarial Liabilities and Funding Progress

	<u>Texas Municipal Retirement System</u>	<u>Firemen's Relief and Retirement</u>	<u>Total</u>
Actuarial Valuation Date	12/31/13	12/31/12 *	
Actuarial Value of Assets	\$182,577,734	\$41,964,674	\$224,542,408
Actuarial Accrued Liability (AAL)	227,614,915	66,606,163	294,221,078
Percentage Funded	80.2%	63.0%	76.3%
Unfunded Actuarial Accrued Liability (UAAL)	45,037,181	24,641,489	69,678,670
Annual Covered Payroll	40,702,275	8,962,581	49,664,856
UAAL as a Percentage of Covered Payroll	110.7%	274.9%	140.3%
Net Pension Obligation (NPO) at the Beginning of the Period	-0-	-0-	-0-
Annual Pension Cost:			
Annual Required Contribution (ARC)	\$ 5,418,883	\$ 1,264,827	\$ 6,683,710
Interest on NPO	-0-	-0-	-0-
Adjustment to the ARC	-0-	-0-	-0-
Annual Pension Cost	<u>\$ 5,418,883</u>	<u>\$ 1,264,827</u>	<u>\$ 6,683,710</u>

* The Wichita Falls Firemen's Relief and Retirement Fund has not had an actuarial valuation since this date. A valuation is planned for December 31, 2014.

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2014

Note 8 - PENSION PLANS (CONT'D.)

	<u>Texas Municipal Retirement System</u>	<u>Firemen's Relief and Retirement</u>	<u>Total</u>
Percentage of Annual Pension Costs Contributed	100%	100%	100%
Contributions Made	\$ 5,418,883	\$ 1,264,827	\$ 6,683,710
Increase in NPO	-0-	-0-	-0-
NPO At the End of the Period	-0-	-0-	-0-
Two preceding years:			
2013:			
Annual Pension Cost	\$ 5,291,494	\$ 1,211,583	\$ 6,503,077
Percentage of Annual Pension Costs Contributed	100%	100%	100%
NPO At the End of the Period	-0-	-0-	-0-
2012:			
Annual Pension Cost	\$ 5,218,722	\$ 1,174,529	\$ 6,393,251
Percentage of Annual Pension Costs Contributed	100%	100%	100%
NPO At the End of the Period	-0-	-0-	-0-

Actuarial Assumptions

	<u>Texas Municipal Retirement System</u>	<u>Firemen's Relief and Retirement</u>
Actuarial Cost Method	Entry Age Normal	Individual Entry Age
Amortization Method	Level Percent of Payroll	Level Percent of Payroll
Amortization Period	Closed	Open
Remaining Amortization Period	20 Years	N/A
Amortization Period for New Gains/Losses	30 Years	30 Years
Asset Valuation Method	10-Year Smoothed Market	Smooth Market Value
Investment Rate of Return	7.0%	8%
Projected Salary Increases	Varies by Age & Service	4.75%
Includes Inflation at	3.0%	4.75%
Cost-of-Living Adjustments	2.1%	None

The stand-alone financial reports for both the Texas Municipal Retirement System and Firemen's Relief and Retirement Fund can be obtained from the City's Assistant City Manager / CFO at 1300 7th Street, Wichita Falls, Texas.

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

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2014

Note 9 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

Plan Description

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

Retiree Contributions Pre-Medicare Eligibility

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

	<u>BC/BS Core Plan</u>	<u>BC/BS Enhanced Plan</u>
Retiree Only (under 65)	\$171	\$278
Retiree Only (over 65)	N/A	N/A
Retiree/Spouse (both < 65)	\$321	\$492
Retiree/Spouse (both > 65)	N/A	N/A
Retiree/Spouse (1 >, 1 < 65)	\$583	\$690
Retiree/Child	\$294	\$465
Retiree/Family	\$364	\$578

Dental premiums are included in the under 65 premiums above.

Benefits for Spouses of Retired Employees

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

Non-Medicare and Medicare-Eligible Provisions

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

For retirees already on Medicare as of January 1, 2009, the City will provide \$250 in premium assistance towards the full premium for a Medicare subsidy program. The \$250 is expected to be a fixed amount. Spouses currently covered in the health plan will also be eligible for the \$250 premium assistance.

For members retired as of January 1, 2009 but not yet Medicare-eligible, the City will provide \$100 in premium assistance towards the full premium for a Medicare subsidy program. The \$100 is expected to be a fixed amount. Spouses can participate in the Medicare subsidy program, but will receive no premium assistance.

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2014

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

For members who retire on or after January 1, 2009, the City will provide no premium assistance once Medicare-eligible. The retiree premium for post-65 coverage is \$421/month for each covered member as of June 1, 2010.

Vision Coverage

There is no vision coverage provided as of September 30, 2014.

Dental Coverage

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

Life Insurance Coverage

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

Funding Policy and Annual OPEB Cost

The City's annual other post-employment benefits (OPEB) cost is based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of accrual that, if paid on an ongoing basis, is projected to cover the normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The City's OPEB cost for the year ended September 30, 2014 is as follows:

Annual Required Contribution	\$2,404,595
Interest on OPEB obligation	-
Adjustment to ARC	-
Annual OPEB cost (expense) end of year	2,404,595
Net estimated employer contributions	(2,274,645)
Increase (decrease) in net OPEB obligation	129,950
Net OPEB obligation – beginning of year	-
Net OPEB obligation – end of year	<u>\$ 129,950</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal year ending September 30, 2014 and the preceding two fiscal years were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Employer Amount Contributed</u>	<u>Percentage Contributed</u>	<u>Net OPEB Obligation</u>
September 30, 2012	\$2,373,230	\$2,373,230	100.0%	\$ -
September 30, 2013	2,444,427	2,444,427	100.0%	-
September 30, 2014	2,404,595	2,274,645	94.6%	129,950

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2014

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

Schedule of Actuarial Liabilities and Funding Status

Actuarial Valuation Date	12/31/12
Actuarial Value of Assets	\$ 1,709,516
Actuarial Accrued Liabilities	\$32,117,774
Unfunded Actuarial Accrued Liability (UAAL)	\$30,408,258
Funded Ratio	5.32%
Annual Covered Payroll	\$48,492,352
UAAL as a Percentage of Annual Covered Payroll	62.71%

Actuarial Methods and Assumptions

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

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

Inflation rate	3.00% per annum
Investment rate of return	7.5%, net of expenses
Actuarial cost method	Individual entry-age
Amortization method	Level as a percentage of employee payroll
Amortization period	Open 30 year period
Salary growth	3.0% per annum
Healthcare cost trend rate	Initial rate of 7.50% declining to an ultimate rate of 4.50% after 8 years

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

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2014

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, 2014 was \$39,380. The lease payment increases by 3% per year with a final lease payment of \$141,307 in 2059.

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, 2014.

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, 2014:

Year ending September 30:	
2015	\$ 165,955
2016	156,691
2017	123,965
2018	101,440
2019	60,299
2020-2024	236,883
2025-2029	274,612
2030-2034	318,351
2035-2039	369,056
2040-2044	427,837
2045-2049	495,981
2050-2054	574,978
2055-2059	<u>666,557</u>
Total minimum payments required	<u>\$3,972,605</u>

The total rental expenses for all operating leases for the year ended September 30, 2014 was \$166,740. There were no contingent rentals during the year ended September 30, 2014.

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2014

Note 13 - LONG-TERM LIABILITIES

Long-term liabilities transactions for the year ended September 30, 2014 are summarized as follows:

	Balance at October 1, 2013	Issued	Retired and Transferred (1)	Balance at September 30, 2014	Due Within One Year
Governmental Activities:					
General obligation bonds	\$ 5,491,678	\$ -	\$ 811,812	\$ 4,679,866	\$ 829,160
Combination tax and revenue bonds	51,570,623	-	2,268,120	49,302,503	2,592,210
Accrued vacation and sick leave payable	7,263,313	2,134,957	1,730,881	7,667,389	2,125,000
Capital lease payable	3,833,640	-	322,690	3,510,950	338,139
Claims and judgments payable	<u>138,580</u>	<u>517,796</u>	<u>528,630</u>	<u>127,746</u>	<u>90,618</u>
Total governmental activities	<u>68,297,834</u>	<u>2,652,753</u>	<u>5,662,133</u>	<u>65,288,454</u>	<u>5,975,127</u>
Business-type Activities:					
Utility system revenue bonds, net of premium (discount)	99,211,869	-	3,488,364	95,723,505	3,637,413
Combination tax and revenue bonds	27,887,899	-	3,602,912	24,284,987	3,704,055
General obligation bonds	1,930,000	-	-	1,930,000	-
Accrued vacation and sick leave payable	576,071	649,392	544,343	681,120	575,000
Note payable	509,596	-	35,396	474,200	36,548
Capital leases payable	1,261,663	-	262,057	999,606	266,932
Landfill closure, post-closure costs	<u>4,050,323</u>	<u>216,842</u>	<u>-</u>	<u>4,267,165</u>	<u>-</u>
Total business-type activities	<u>135,427,421</u>	<u>866,234</u>	<u>7,933,072</u>	<u>128,360,583</u>	<u>8,219,948</u>
Total long-term liabilities	<u>\$203,725,255</u>	<u>\$3,518,987</u>	<u>\$13,595,205</u>	<u>\$193,649,037</u>	<u>\$14,195,075</u>

(1) Includes bond premium amortization of \$26,812 related to the general obligation bonds, \$53,120 related to combination tax and revenue bonds (governmental activities), \$28,364 related to revenue bonds, and \$167,912 related to the combination tax and revenue bonds (business-type activities).

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

Bonds Payable

Bonds payable at September 30, 2014, including net unamortized premium on the revenue bonds, are comprised of the following individual issues:

	Range of Interest Rates	Final Maturity Date	Annual Serial Payments	Bonds Authorized	Bonds Outstanding at 9/30/14
General Obligation Bonds:					
General Obligation Refunding Bonds, Series 2011 Plus bond premium	1.50% - 3.00%	9/01/21	\$405,000 to \$485,000	\$ 4,365,000	\$ 3,135,000 109,866
General Obligation Refunding Bonds, Series 2013	1.50% - 3.00%	9/01/18	\$335,000 to \$2,305,000	3,740,000	3,365,000
Total General Obligation Bonds					<u>6,609,866</u>

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2014

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

	Range of Interest Rates	Final Maturity Date	Annual Serial Payments	Bonds Authorized	Bonds Outstanding at 9/30/14
Combination Tax and Revenue Bonds:					
Combination Tax and Revenue Refunding Bonds, Series 2005 Plus bond premium	4.90% - 5.00%	8/01/16	\$115,000 to \$2,650,000	14,020,000	3,230,000 80,400
Combination Tax and Revenue Certificates of Obligation, Series 2006A Plus bond premium	3.55% - 5.00%	9/01/26	\$580,000 to \$1,225,000	16,875,000	11,590,000 194,930
Combination Tax and Revenue Certificates of Obligation, Series 2006B Plus bond premium	5.20% - 6.25%	9/01/26	\$130,000 to \$345,000	4,275,000	3,055,000 45,432
Combination Tax and Revenue Certificates of Obligation, Series 2009	2.25% - 4.75%	10/01/29	\$340,000 to \$780,000	10,820,000	8,800,000
Combination Tax and Revenue Certificates of Obligation, Series 2010	5.60%	2/01/25	\$165,000 to \$375,000	3,930,000	3,180,000
Combination Tax and Revenue Refunding Bonds, Series 2010 Plus bond premium	2.00% - 4.00%	8/01/18	\$170,000 to \$3,600,000	9,830,000	8,200,000 279,588
Combination Tax and Revenue Certificates of Obligation, Series 2011 Plus bond premium	2.00% - 4.00%	9/01/31	\$135,000 to \$220,000	3,200,000	2,930,000 77,112
Combination Tax and Revenue Certificates of Obligation, Series 2013 Plus bond premium	2.00% - 3.375%	9/01/33	\$530,000 to \$1,315,000	19,875,000	19,345,000 85,028
Combination Tax and Revenue Certificates of Obligation, Series 2013A Total Combination Tax and Revenue Bonds	2.00% - 4.625%	9/01/33	\$505,000 to \$905,000	13,000,000	12,495,000 <u>73,587,490</u>
Revenue Bonds:					
Water & Sewer System Priority Lien Refunding Revenue Bonds, Series 2007 Plus bond premium	4.00% - 4.50%	8/01/27	\$225,000 to \$11,070,000	103,495,000	95,505,000 <u>218,505</u>
Total Revenue Bonds					<u>95,723,505</u>
Total All Bonds					<u>\$175,920,861</u>

All of the General Obligation Bonds were issued on the full faith and credit of the City and are secured by ad valorem taxes levied against all taxable property. With the exception of a portion of the Series 2013 General Obligation Refunding Bonds, these bonds are serviced by the Debt Service Fund with an apportionment of the ad valorem tax levy. At September 30, 2014, \$39,776 was available in this fund to service these bonds.

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2014

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

The Combination Tax and Revenue Bonds are secured by ad valorem taxes levied against all taxable property as well as a pledge of surplus net revenues of the City's combined waterworks and sewer system. The Series 2003, 2010 and 2011 Certificates will be serviced by the Debt Service Fund by contributions from the Wichita Falls 4B Economic Development Corporation. The Series 2004 and the Series 2005 Certificates will be serviced by the net revenues of the Water and Sewer Fund, as well as the Series 2010 Combination Tax and Revenue Refunding Certificates and a portion of the Series 2013 General Obligation Refunding Bonds.

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, 2014 is classified as follows:

Long-term	\$437,652
Current portion	<u>36,548</u>
Total	<u>\$474,200</u>

Capital Leases Payable

The City issued a capital lease in 2012 for the purchase of fire department equipment in the amount of \$1,466,854. The asset is listed under "Motor Vehicles" in the business-type activities. The lease carries an interest rate of 1.57% and matures in 2016. This capital lease is recorded in the Fleet Maintenance Internal Service Fund and is included in the business-type activities of the government-wide statements.

The City also 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, 2014

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

Aggregate maturities of the long-term debt (principal and interest) for the years subsequent to September 30, 2014 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
2015	\$ 829,160	\$113,065	\$ 6,296,265	\$ 1,992,454	\$ 3,637,413	\$ 4,211,462	\$ 36,548	\$ 15,426	\$ 605,072	\$108,552	\$ 11,404,458	\$ 6,440,959
2016	2,752,122	101,103	4,592,940	1,938,500	3,791,420	4,059,030	37,737	14,237	633,556	95,418	11,807,775	6,208,288
2017	789,373	60,777	6,827,323	1,862,755	3,940,386	3,900,052	38,964	13,009	655,060	81,590	12,251,106	5,918,183
2018	801,559	44,841	7,018,114	1,669,116	4,114,310	3,734,740	40,232	11,742	316,513	67,248	12,290,728	5,527,687
2019	468,681	28,619	3,487,395	1,466,560	8,163,252	3,572,198	41,541	10,433	324,647	59,114	12,485,516	5,136,924
2020-2024	968,971	29,228	19,538,440	5,583,955	46,583,868	12,116,582	228,874	30,994	1,975,708	158,002	69,295,861	17,918,761
2025-2029	-	-	16,974,458	2,180,662	25,492,856	1,975,243	50,304	1,635	-	-	42,517,618	4,157,540
2030-2033	-	-	<u>8,852,555</u>	<u>439,393</u>	-	-	-	-	-	-	<u>8,852,555</u>	<u>439,393</u>
Totals	<u>\$6,609,866</u>	<u>\$377,633</u>	<u>\$73,587,490</u>	<u>\$17,133,395</u>	<u>\$95,723,505</u>	<u>\$33,569,307</u>	<u>\$474,200</u>	<u>\$ 97,476</u>	<u>\$4,510,556</u>	<u>\$569,924</u>	<u>\$180,905,617</u>	<u>\$51,747,735</u>

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2014

Note 14 - INTERFUND BALANCES

<u>Due To Fund</u>	<u>Due From Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Airport Improvement Grant Fund	\$5,128,601	Short-term loan
General Fund	Nonmajor Governmental Funds	1,253,686	Short-term loan
General Fund	Water and Sewer Fund	54,368	Short-term loan
General Fund	Nonmajor Enterprise Funds	840,659	Short-term loan
General Fund	Internal Service Funds	<u>116,646</u>	Short-term loan
Total		<u>\$7,393,960</u>	

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

Transfers to and from other funds during the year ended September 30, 2014 were as follows:

<u>Transfers From</u>	<u>Transfers To</u>	<u>Amount</u>	<u>Reason</u>
General Fund	Nonmajor Governmental Funds	\$ 1,000,529	Supplement operating deficits
General Fund	Nonmajor Governmental Funds	279,445	Supplement capital projects
General Fund	Nonmajor Governmental Funds	158,855	Supplement operating grants
General Fund	Internal Service Funds	94,102	Purchase capital assets
General Fund	Water and Sewer Fund	293,500	Supplement operating projects
General Fund	Water and Sewer Fund	1,717	Purchase capital assets
Airport Improvement Grant Fund	Nonmajor Governmental Funds	8,453,356	Supplement capital grants
Airport Improvement Grant Fund	Regional Airport Fund	1,714,105	Purchase capital assets
Airport Improvement Grant Fund	Nonmajor Governmental Funds	654,612	Fund debt service payment
Nonmajor Governmental Funds	Nonmajor Governmental Funds	280,000	Fund debt service payment
Nonmajor Governmental Funds	Nonmajor Governmental Funds	1,535,920	Fund operating deficits
Nonmajor Governmental Funds	Regional Airport Fund	21,858,040	Purchase capital assets
Nonmajor Governmental Funds	Water and Sewer Fund	536,810	Fund construction projects
Water and Sewer Fund	General Fund	1,011,203	Administrative overhead
Water and Sewer Fund	Nonmajor Governmental Funds	500,000	Fund debt service payment
Water and Sewer Fund	Internal Service Funds	80,055	Purchase capital assets
Sanitation Fund	General Fund	1,413,445	Administrative overhead
Sanitation Fund	Water and Sewer Fund	32,395	Purchase capital assets
Sanitation Fund	Internal Service Funds	836,536	Purchase capital assets
Sanitation Fund	Internal Service Funds	153,523	Purchase software
Regional Airport Fund	Nonmajor Governmental Funds	318,179	Fund debt service payment
Regional Airport Fund	Nonmajor Governmental Funds	46,994	Supplement operating grant
Regional Airport Fund	Nonmajor Governmental Funds	5,000	Supplement project funding
Nonmajor Enterprise Funds	General Fund	116,111	Administrative overhead
Nonmajor Enterprise Funds	General Fund	19,056	Interfund services
Nonmajor Enterprise Funds	Nonmajor Governmental Funds	49,602	Supplement operating grant
Nonmajor Enterprise Funds	Nonmajor Governmental Funds	450,813	Fund debt service payment
Nonmajor Enterprise Funds	Internal Service Funds	20,965	Purchase capital assets
Internal Service Funds	General Fund	312,000	Administrative overhead
Internal Service Funds	Nonmajor Governmental Funds	<u>38,392</u>	Purchase software
Total		<u>\$42,265,260</u>	

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2014

Note 15 - LANDFILL AND TRANSFER STATION CLOSURE AND POSTCLOSURE CARE COSTS

State and federal laws and regulations require that the City place a final cover on its landfill when closed, and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. In accordance with the Texas Administrative Code, Title 30, Part 1, Chapter 7, the City annually submits a financial assurance letter to the Texas Commission on Environmental Quality (TCEQ). In addition to operating expenses related to current activities of the landfill, an expense provision and related liability are being recognized based on the future closure and postclosure care costs that will be incurred near or after the date the landfill no longer accepts waste. The recognition of these landfill closure and postclosure care costs is based on the amount of the landfill used during the year. The estimated liability for landfill closure and postclosure care costs has a balance of \$4,200,721 as of September 30, 2014, which is based on 19% usage of the landfill. The City will recognize the remaining estimated cost of closure and postclosure care of \$16,931,402 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 \$66,444 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 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.

Accrued Vacation and Sick Leave

The City's liability for accrued vacation and sick leave, excluding the amount recorded in the proprietary funds, was \$7,667,389 at September 30, 2014. This accrual is recorded as a long-term liability in the Government-wide Statement of Net Position.

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, 2014 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.

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2014

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

Contract Commitments

At September 30, 2014, the City was committed to various contracts. The amounts for which the various funds are committed to complete these contracts are as follows:

General Fund	\$ 1,586,340
Airport Improvement Grant Fund	251,818
Nonmajor Governmental Funds	1,772,669
Water and Sewer Fund	1,281,429
Sanitation Fund	1,334,907
Nonmajor Enterprise Funds	6,408,730
Internal Service Funds	<u>1,228,787</u>
Total contract commitments - City	<u>\$ 13,864,680</u>

Additionally, component units are committed to various contracts as of September 30, 2014. The remaining commitments are as follows:

Wichita Falls Economic Development Corporation	\$ 537,050
Wichita Falls 4B Sales Tax Corporation	\$ 159,994

Federal and State Grants - Compliance Audits

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

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

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

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2014

Note 17 - CONDENSED FINANCIAL INFORMATION FOR DISCRETELY PRESENTED COMPONENT UNITS

The City has four component units that are discretely presented in the City's basic financial statements. Condensed financial information for the year ended September 30, 2014 is as follows:

	<u>Wichita Falls Economic Development Corporation</u>	<u>Wichita Falls 4B Sales Tax Corporation</u>	<u>Wichita Falls Reinvestment Zone #2</u>	<u>Wichita Falls Reinvestment Zone #3</u>	<u>Totals</u>
Condensed statement of net position:					
Cash, investments and other					
current assets	\$ 17,470,802	\$ 2,432,821	\$ -	\$ 232,249	\$20,135,874
Capital assets, net of accumulated depreciation	<u>2,226,538</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,226,538</u>
Total assets	<u>19,697,340</u>	<u>2,432,821</u>	<u>-</u>	<u>232,249</u>	<u>22,362,412</u>
Accounts payable and other					
current liabilities	<u>16,113</u>	<u>2,572</u>	<u>-</u>	<u>-</u>	<u>18,685</u>
Total liabilities	<u>16,113</u>	<u>2,572</u>	<u>-</u>	<u>-</u>	<u>18,685</u>
Net position	<u>\$ 19,681,227</u>	<u>\$ 2,430,249</u>	<u>\$ -</u>	<u>\$ 232,249</u>	<u>\$22,343,727</u>
Condensed statement of activities:					
Expenses:					
Community development	<u>\$ 3,077,579</u>	<u>\$ 4,109,835</u>	<u>\$ 410,236</u>	<u>\$ -</u>	<u>\$ 7,597,650</u>
Program revenues:					
Charges for services	106,800	-	-	-	106,800
Operating grants and contributions	<u>-</u>	<u>410,236</u>	<u>-</u>	<u>-</u>	<u>410,236</u>
Total program revenues	<u>106,800</u>	<u>410,236</u>	<u>-</u>	<u>-</u>	<u>517,036</u>
Net program expense	<u>(2,970,779)</u>	<u>(3,699,599)</u>	<u>(410,236)</u>	<u>-</u>	<u>(7,080,614)</u>
General revenues and special item:					
Tax revenues	3,732,923	3,732,923	410,164	60,497	7,936,507
Non-tax general revenues	735,537	117,525	72	64	853,198
Special item	<u>329,701</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>329,701</u>
Total general revenues and special item	<u>4,798,161</u>	<u>3,850,448</u>	<u>410,236</u>	<u>60,561</u>	<u>9,119,406</u>
Change in net position	1,827,382	150,849	-	60,561	2,038,792
Beginning net position	<u>17,853,844</u>	<u>2,279,400</u>	<u>-</u>	<u>171,688</u>	<u>20,304,935</u>
Ending net position	<u>\$ 19,681,226</u>	<u>\$ 2,430,249</u>	<u>\$ -</u>	<u>\$ 232,249</u>	<u>\$22,343,727</u>

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) SEPTEMBER 30, 2014

Note 18 - SUBSEQUENT EVENT

In January 2015, the City issued "Combination Tax and Revenue Certificates of Obligation, Series 2015" in the amount of \$33,545,000. The proceeds from these bonds will be used to finance the construction of the Indirect Potable Reuse Project as the City continues to increase water conservation. The bonds will be financed by revenues of the Water and Sewer Fund and will be repaid over 30 years in principal amounts ranging from \$720,000 to \$1,745,000.

Note 19 - SUBSEQUENT PRONOUNCEMENTS

In June 2012, the GASB issued GASB Statement No. 68 to amend GASB Statements 27 and 50. The statement is effective for years beginning after June 15, 2014 and addresses accounting and financial reporting for pensions that are provided to the employees of state and local government employers. This statement will affect the City's reporting of its governmental activities and business-type activities on the government-wide statements as well as the enterprise fund statements as of and for the year ended September 30, 2015, although the impact of applying the statement is unknown at this time.

Required Supplementary Information

CITY OF WICHITA FALLS, TEXAS

REQUIRED SUPPLEMENTARY INFORMATION BUDGETARY COMPARISON SCHEDULE - GENERAL FUND FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Budgeted Amounts		Actual	Variance With
	Original	Final		Final Budget - Positive (Negative)
Revenues:				
Taxes	\$ 56,874,962	\$ 56,874,962	\$ 57,124,524	\$ 249,562
Charges for services	2,709,034	2,709,034	2,582,658	(126,376)
Licenses and permits	1,971,653	1,971,653	2,048,293	76,640
Fines and forfeitures	2,080,000	2,080,000	2,209,697	129,697
Intergovernmental revenue	14,146	14,146	8,537	(5,609)
Contributions	136,261	136,261	276,224	139,963
Miscellaneous revenue	1,005,327	1,005,327	1,278,815	273,488
Total revenues	<u>64,791,383</u>	<u>64,791,383</u>	<u>65,528,748</u>	<u>737,365</u>
Expenditures:				
Current:				
Administrative services	12,313,320	12,270,211	12,035,548	234,663
Police	21,340,667	21,418,658	21,343,577	75,081
Fire	13,551,421	13,981,382	13,972,673	8,709
Parks and recreation	5,211,477	5,081,561	4,871,353	210,208
Accounting/finance	796,416	838,991	831,313	7,678
Community development	1,962,127	1,924,223	1,816,232	107,991
Public works	5,306,840	5,271,471	5,266,380	5,091
Health	3,008,853	2,726,014	2,714,462	11,552
Traffic and transportation	1,838,249	1,921,059	1,894,231	26,828
Capital outlay	3,303,486	3,804,567	2,379,756	1,424,811
Total expenditures	<u>68,632,856</u>	<u>69,238,137</u>	<u>67,125,525</u>	<u>2,112,612</u>
Excess of revenues over (under) expenditures	<u>(3,841,473)</u>	<u>(4,446,754)</u>	<u>(1,596,777)</u>	<u>2,849,977</u>
Other financing sources (uses):				
Transfers in	2,852,759	2,852,759	2,871,815	19,056
Transfers out	<u>(411,861)</u>	<u>(1,774,324)</u>	<u>(1,828,148)</u>	<u>(53,824)</u>
Total other financing sources (uses)	<u>2,440,898</u>	<u>1,078,435</u>	<u>1,043,667</u>	<u>(34,768)</u>
Excess of revenues and other sources over (under) expenditures and other uses	(1,400,575)	(3,368,319)	(553,110)	2,815,209
Fund balance - beginning	<u>17,570,093</u>	<u>17,570,093</u>	<u>17,570,093</u>	<u>-</u>
Fund balance - ending	<u>\$ 16,169,518</u>	<u>\$ 14,201,774</u>	<u>\$ 17,016,983</u>	<u>\$ 2,815,209</u>

CITY OF WICHITA FALLS, TEXAS

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION SEPTEMBER 30, 2014

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 \$605,281 were approved by the City Council. The reported budgetary data includes amendments made during the year.

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

CITY OF WICHITA FALLS, TEXAS

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

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Percentage Funded (1) ÷ (2)	(4) Unfunded Actuarial Accrued Liability (UAAL) (2) - (1)	(5) Annual Covered Payroll	(6) UAAL as a Percentage of Covered Payroll (4) ÷ (5)
12/31/04	\$ 70,462,244	\$ 98,405,860	71.6%	\$ 27,943,616	\$ 33,522,283	83.4%
12/31/05	71,393,893	101,093,789	70.6%	29,699,896	32,846,479	90.4%
12/31/06	69,201,457	100,991,795	68.5%	31,790,338	33,791,762	94.1%
12/31/07 (1)	70,561,545	120,374,701	58.6%	49,813,156	35,873,970	138.9%
12/31/08	68,910,226	122,001,202	56.5%	53,090,976	38,272,312	138.7%
12/31/09	71,505,945	125,325,301	57.1%	53,819,356	39,020,039	137.9%
12/31/10 (2)	155,809,040	193,990,630	80.3%	38,181,590	38,337,008	99.6%
12/31/11	164,206,444	201,160,651	81.6%	36,954,207	38,791,669	95.3%
12/31/12	172,839,281	206,427,900	83.7%	33,588,619	39,529,771	85.0%
12/31/13	182,577,734	227,614,915	80.2%	45,037,181	40,702,275	110.7%

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

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

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

(2) TMRS, with the approval of the Texas Legislature, amended the fund structure of the plan as of December 31, 2010.

CITY OF WICHITA FALLS, TEXAS

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

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Percentage Funded (1) ÷ (2)	(4) Unfunded Actuarial Accrued Liability (UAAL) (2) - (1)	(5) Annual Covered Payroll	(6) UAAL as a Percentage of Covered Payroll (4) ÷ (5)
12/31/04	\$ 32,240,524	\$ 42,178,490	76.4%	\$ 9,937,966	\$ 7,175,196	138.5%
12/31/05 (a)	-	-	-	-	-	-
12/31/06	35,584,639	47,582,190	74.8%	11,997,551	7,697,370	155.9%
12/31/07 (a)	-	-	-	-	-	-
12/31/08	39,358,309	54,260,301	72.5%	14,901,992	8,915,419	167.1%
12/31/09 (a)	-	-	-	-	-	-
12/31/10	41,107,385	60,152,150	68.3%	19,044,765	8,527,417	223.3%
12/31/11 (a)	-	-	-	-	-	-
12/31/12	41,964,674	66,606,163	63.0%	24,641,489	8,962,581	274.9%
12/31/13 (a)	-	-	-	-	-	-

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

(a) Historical trend information is presented for as many years as such information about the plan is available. No actuarial valuation or update was performed as of these dates. Texas state law does not require an actuarial valuation to be completed annually.

CITY OF WICHITA FALLS, TEXAS

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

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Percentage Funded (1) ÷ (2)	(4) Unfunded Actuarial Accrued Liability (UAAL) (2) - (1)	(5) Annual Covered Payroll	(6) UAAL as a Percentage of Covered Payroll (4) ÷ (5)
12/31/06 (a)	\$ -	\$ 29,656,852	0.0%	\$ 29,656,852	\$ 40,021,675	74.1%
12/31/07 (b)	-	-	-	-	-	-
12/31/08	-	32,143,378	0.0%	32,143,378	43,571,340	73.8%
12/31/09 (b)	-	-	-	-	-	-
12/31/10	853,478	32,409,858	2.6%	31,556,380	47,297,531	66.7%
12/31/11 (b)	-	-	-	-	-	-
12/31/12	1,709,516	32,117,774	5.3%	30,408,258	48,492,352	62.7%
12/31/13 (b)	-	-	-	-	-	-

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

(a) The first actuarial valuation was performed as of December 31, 2006 as the City began to prepare for the implementation of GASB 45.

(b) Historical trend information is presented for as many years as such information about the plan is available. No actuarial valuation or update was performed as of these dates. Texas state law does not require an actuarial valuation to be completed annually.

Combining Financial Statements

Nonmajor Governmental Funds

Special Revenue Funds

The special revenue funds are used to account for the proceeds from specific revenue sources (other than for major capital projects or proprietary funds) that are 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.

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.

Airport Construction Fund

This fund was established to account for the construction of a new terminal building at Municipal Airport. This fund includes the proceeds of the Combination Tax and Revenue Certificates of Obligation, Series 2013, which will be used to fund a portion of the construction project. The City will also receive federal grant funding for a portion of the project.

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, 2014

	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	Golf Fund	MPEC Fund	Miscellaneous Special Revenue	Debt Service	Excess Sales Tax	4B Sales Tax Projects	Airport Construction Fund	Miscellaneous Capital Projects		Perpetual Care
ASSETS														
Cash and cash equivalents	\$ -	\$ 1,120,262	\$ 43,953	\$ -	\$ 78,000	\$ 149,833	\$ 3,288,065	\$ 37,922	\$ 295,004	\$ 2,138,239	\$ 7,464,763	\$ 3,998,799	\$ 965,144	\$ 19,579,984
Receivables:														
Taxes and assessments	-	-	-	140,407	-	-	-	29,122	-	-	-	-	-	169,529
Government agencies	672,230	(21,013)	745,084	-	-	-	775,444	17,473	268,176	-	-	-	-	2,457,394
Other	-	-	-	-	-	146,832	40,743	-	-	-	-	-	-	187,575
Inventory	-	-	-	-	-	72,909	-	-	-	-	-	-	-	72,909
Prepaid items	-	-	-	-	2,892	19,395	25,377	-	-	-	-	-	-	47,664
Other assets	-	-	-	-	144,874	64,888	3,000	-	-	-	-	-	-	212,762
Total assets	\$ 672,230	\$ 1,099,249	\$ 789,037	\$ 140,407	\$ 225,766	\$ 453,857	\$ 4,132,629	\$ 84,517	\$ 563,180	\$ 2,138,239	\$ 7,464,763	\$ 3,998,799	\$ 965,144	\$ 22,727,817
LIABILITIES AND FUND BALANCE														
Liabilities														
Accounts payable - trade	\$ 16,607	\$ 450	\$ 5,228	\$ -	\$ 77,621	\$ 42,393	\$ 359,611	\$ -	\$ -	\$ 897	\$ 2,739,823	\$ 193,320	\$ 990	\$ 3,436,940
Accrued payroll	4,980	8,577	978	-	-	48,396	44,642	-	-	-	-	-	-	107,573
Accrued interest payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Payable to other City funds	120,873	-	-	110,686	37,683	-	983,682	-	-	-	-	762	-	1,253,686
Payable to government agencies	-	72,460	20,000	-	-	7,750	2,302	-	-	-	-	-	-	102,512
Other liabilities	-	-	24,744	-	682	118,949	99,244	-	-	20,000	649,181	45,893	-	958,693
Unearned revenue	-	-	-	-	-	-	37,236	-	-	-	-	-	-	37,236
Total liabilities	142,460	81,487	50,950	110,686	115,986	217,488	1,526,717	-	-	20,897	3,389,004	239,975	990	5,896,640
Deferred inflows of resources														
Unavailable revenues	-	-	-	-	-	-	-	44,741	-	-	-	-	-	44,741
Fund balance:														
Nonspendable:														
Inventory and prepaid items	-	-	-	-	2,892	92,304	25,377	-	-	-	-	-	-	120,573
Restricted for:														
Perpetual care	-	-	-	-	-	-	-	-	-	-	-	-	964,154	964,154
Debt service	-	-	-	-	-	-	-	39,776	563,180	-	-	-	-	602,956
Capital projects	-	-	-	-	-	-	-	-	-	2,117,342	4,075,759	3,758,824	-	9,951,925
Federal and state grant programs	529,770	1,017,762	738,087	-	-	-	-	-	-	-	-	-	-	2,285,619
Tourism	-	-	-	29,721	-	-	-	-	-	-	-	-	-	29,721
Committed for:														
Golf course	-	-	-	-	106,888	-	-	-	-	-	-	-	-	106,888
Multi-Purpose Events Center	-	-	-	-	-	144,065	-	-	-	-	-	-	-	144,065
Local projects	-	-	-	-	-	-	2,580,535	-	-	-	-	-	-	2,580,535
Unassigned	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total fund balance	529,770	1,017,762	738,087	29,721	109,780	236,369	2,605,912	39,776	563,180	2,117,342	4,075,759	3,758,824	964,154	16,786,436
Total liabilities, deferred inflows of resources and fund balances	\$ 672,230	\$ 1,099,249	\$ 789,037	\$ 140,407	\$ 225,766	\$ 453,857	\$ 4,132,629	\$ 84,517	\$ 563,180	\$ 2,138,239	\$ 7,464,763	\$ 3,998,799	\$ 965,144	\$ 22,727,817

CITY OF WICHITA FALLS, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	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	Golf Fund	MPEC Fund	Miscellaneous Special Revenue	Debt Service	Excess Sales Tax	4B Sales Tax Projects	Airport Construction Fund	Miscellaneous Capital Projects		Perpetual Care
Revenues:														
Taxes	\$ -	\$ -	\$ -	\$ 1,641,749	\$ -	\$ -	\$ -	\$ 705,096	\$ 268,176	\$ -	\$ -	\$ -	\$ -	\$ 2,615,021
Charges for services	12,230	-	-	-	458,754	185,322	92,219	-	-	-	-	-	-	748,525
Fines and forfeitures	-	-	-	-	-	-	193,097	-	-	-	-	-	-	193,097
Intergovernmental revenue	1,156,356	3,224,227	325,444	-	-	-	2,736,756	-	-	-	-	-	-	7,442,783
Contributions	-	-	-	-	-	-	306,774	2,402,930	-	1,115,000	-	1,611,262	-	5,435,966
Miscellaneous revenue	-	4,595	4,324	-	329,683	1,368,409	513,094	28	168	2,080	4,930	89,255	46,774	2,363,340
Total revenues	<u>1,168,586</u>	<u>3,228,822</u>	<u>329,768</u>	<u>1,641,749</u>	<u>788,437</u>	<u>1,553,731</u>	<u>3,841,940</u>	<u>3,108,054</u>	<u>268,344</u>	<u>1,117,080</u>	<u>4,930</u>	<u>1,700,517</u>	<u>46,774</u>	<u>18,798,732</u>
Expenditures:														
Current:														
Administrative services	119,999	-	-	93,499	840,218	-	257,765	-	-	-	-	-	-	1,311,481
Police	-	-	-	-	-	-	196,243	-	-	-	-	-	-	196,243
Fire	-	-	-	-	-	-	112,546	-	-	-	-	-	-	112,546
Parks and recreation	-	-	-	-	-	-	154,648	-	-	90,561	-	300	80,729	326,238
Community development	823,458	3,445,970	399,111	-	-	-	74,293	-	-	-	-	-	-	4,742,832
Public works	100,000	-	-	-	-	-	245,278	-	-	-	-	1,449	-	346,727
Health	-	-	-	-	-	-	2,342,949	-	-	-	-	535	-	2,343,484
Traffic and transportation	-	-	-	-	-	-	380,018	-	-	-	-	-	-	380,018
Multi-Purpose Events Center	-	-	-	-	-	3,494,371	-	-	-	42,290	-	-	-	3,536,661
Capital outlay	-	-	-	-	-	-	892,979	-	-	832,358	-	1,125,176	-	2,850,513
Debt service:														
Principal retirement	-	-	-	-	-	-	-	3,000,000	-	-	-	-	-	3,000,000
Interest and paying agent fees	-	-	-	-	-	-	-	2,342,331	-	-	-	-	-	2,342,331
Total expenditures	<u>1,043,457</u>	<u>3,445,970</u>	<u>399,111</u>	<u>93,499</u>	<u>840,218</u>	<u>3,494,371</u>	<u>4,656,719</u>	<u>5,342,331</u>	<u>-</u>	<u>965,209</u>	<u>-</u>	<u>1,127,460</u>	<u>80,729</u>	<u>21,489,074</u>
Excess of revenues over (under) expenditures	<u>125,129</u>	<u>(217,148)</u>	<u>(69,343)</u>	<u>1,548,250</u>	<u>(51,781)</u>	<u>(1,940,640)</u>	<u>(814,779)</u>	<u>(2,234,277)</u>	<u>268,344</u>	<u>151,871</u>	<u>4,930</u>	<u>573,057</u>	<u>(33,955)</u>	<u>(2,690,342)</u>
Other financing sources (uses):														
Bond proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Premium on bond proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bond proceeds - refunding bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Premium on refunding bond proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital lease proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	129,781	1,940,640	764,872	2,203,604	-	279,445	8,453,356	-	-	13,771,698
Transfers out	(130,746)	-	-	(1,535,920)	-	-	(57,782)	-	(280,000)	-	(21,800,258)	(406,064)	-	(24,210,770)
Total other financing sources (uses)	<u>(130,746)</u>	<u>-</u>	<u>-</u>	<u>(1,535,920)</u>	<u>129,781</u>	<u>1,940,640</u>	<u>707,090</u>	<u>2,203,604</u>	<u>(280,000)</u>	<u>279,445</u>	<u>(13,346,902)</u>	<u>(406,064)</u>	<u>-</u>	<u>(10,439,072)</u>
Net change in fund balance	(5,617)	(217,148)	(69,343)	12,330	78,000	-	(107,689)	(30,673)	(11,656)	431,316	(13,341,972)	166,993	(33,955)	(13,129,414)
Fund balance - beginning	535,387	1,234,910	807,430	17,391	31,780	236,369	2,713,601	70,449	574,836	1,686,026	17,417,731	3,591,831	998,109	29,915,850
Fund balance - ending	<u>\$ 529,770</u>	<u>\$ 1,017,762</u>	<u>\$ 738,087</u>	<u>\$ 29,721</u>	<u>\$ 109,780</u>	<u>\$ 236,369</u>	<u>\$ 2,605,912</u>	<u>\$ 39,776</u>	<u>\$ 563,180</u>	<u>\$ 2,117,342</u>	<u>\$ 4,075,759</u>	<u>\$ 3,758,824</u>	<u>\$ 964,154</u>	<u>\$ 16,786,436</u>

CITY OF WICHITA FALLS, TEXAS

BUDGETARY COMPARISON SCHEDULE - COMMUNITY DEVELOPMENT BLOCK GRANT FUND FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ -	\$ -	\$ 12,230	\$ 12,230
Intergovernmental revenue	1,156,356	1,156,356	1,156,356	-
Total revenues	1,156,356	1,156,356	1,168,586	12,230
Expenditures:				
Administrative services	120,000	119,999	119,999	-
Community development	819,271	1,346,170	823,458	522,712
Public works	100,000	100,000	100,000	-
Capital outlay	157,085	130,746	-	130,746
Total expenditures	1,196,356	1,696,915	1,043,457	653,458
Excess of revenues over (under) expenditures	(40,000)	(540,559)	125,129	665,688
Other financing sources (uses):				
Transfers out	-	-	(130,746)	(130,746)
Total other financing sources (uses)	-	-	(130,746)	(130,746)
Net change in fund balance	(40,000)	(540,559)	(5,617)	534,942
Fund balance - beginning	542,358	542,358	535,387	(6,971)
Fund balance - ending	\$ 502,358	\$ 1,799	\$ 529,770	\$ 527,971

CITY OF WICHITA FALLS, TEXAS

BUDGETARY COMPARISON SCHEDULE - SECTION 8 HOUSING FUND FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental revenue	\$ 3,569,066	\$ 3,569,066	\$ 3,224,227	\$ (344,839)
Miscellaneous revenue	-	-	4,595	4,595
Total revenues	<u>3,569,066</u>	<u>3,569,066</u>	<u>3,228,822</u>	<u>(340,244)</u>
Expenditures:				
Community development	3,567,650	3,567,650	3,445,970	121,680
Capital outlay	<u>1,416</u>	<u>1,416</u>	<u>-</u>	<u>1,416</u>
Total expenditures	<u>3,569,066</u>	<u>3,569,066</u>	<u>3,445,970</u>	<u>123,096</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(217,148)</u>	<u>(217,148)</u>
Fund balance - beginning	<u>1,234,910</u>	<u>1,234,910</u>	<u>1,234,910</u>	<u>-</u>
Fund balance - ending	<u><u>\$ 1,234,910</u></u>	<u><u>\$ 1,234,910</u></u>	<u><u>\$ 1,017,762</u></u>	<u><u>\$ (217,148)</u></u>

CITY OF WICHITA FALLS, TEXAS

**BUDGETARY COMPARISON SCHEDULE - HOME INVESTMENT PARTNERSHIP AGREEMENT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental revenue	\$ 325,444	\$ 325,444	\$ 325,444	\$ -
Miscellaneous revenue	-	-	4,324	4,324
Total revenues	<u>325,444</u>	<u>325,444</u>	<u>329,768</u>	<u>4,324</u>
Expenditures:				
Community development	<u>325,444</u>	<u>995,105</u>	<u>399,111</u>	<u>595,994</u>
Total expenditures	<u>325,444</u>	<u>995,105</u>	<u>399,111</u>	<u>595,994</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>(669,661)</u>	<u>(69,343)</u>	<u>600,318</u>
Fund balance - beginning	<u>807,431</u>	<u>807,431</u>	<u>807,430</u>	<u>(1)</u>
Fund balance - ending	<u>\$ 807,431</u>	<u>\$ 137,770</u>	<u>\$ 738,087</u>	<u>\$ 600,317</u>

CITY OF WICHITA FALLS, TEXAS

BUDGETARY COMPARISON SCHEDULE - HOTEL/MOTEL TAX FUND FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 1,600,000	\$ 1,600,000	\$ 1,641,749	\$ 41,749
Total revenues	<u>1,600,000</u>	<u>1,600,000</u>	<u>1,641,749</u>	<u>41,749</u>
Expenditures:				
Administrative services	93,500	93,500	93,499	1
Total expenditures	<u>93,500</u>	<u>93,500</u>	<u>93,499</u>	<u>1</u>
Excess of revenues over expenditures	<u>1,506,500</u>	<u>1,506,500</u>	<u>1,548,250</u>	<u>41,750</u>
Other financing sources (uses):				
Transfers out	(1,535,920)	(1,535,920)	(1,535,920)	-
Total other financing sources (uses)	<u>(1,535,920)</u>	<u>(1,535,920)</u>	<u>(1,535,920)</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures and other uses	(29,420)	(29,420)	12,330	41,750
Fund balance - beginning	<u>17,391</u>	<u>17,391</u>	<u>17,391</u>	<u>-</u>
Fund balance - ending	<u>\$ (12,029)</u>	<u>\$ (12,029)</u>	<u>\$ 29,721</u>	<u>\$ 41,750</u>

CITY OF WICHITA FALLS, TEXAS

BUDGETARY COMPARISON SCHEDULE - GOLF FUND FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 740,000	\$ 740,000	\$ 458,754	\$ (281,246)
Miscellaneous revenue	-	-	329,683	329,683
Total revenues	<u>740,000</u>	<u>740,000</u>	<u>788,437</u>	<u>48,437</u>
Expenditures:				
Administrative services	<u>850,000</u>	<u>850,000</u>	<u>840,218</u>	<u>9,782</u>
Total expenditures	<u>850,000</u>	<u>850,000</u>	<u>840,218</u>	<u>9,782</u>
Excess of revenues over (under) expenditures	<u>(110,000)</u>	<u>(110,000)</u>	<u>(51,781)</u>	<u>58,219</u>
Other financing sources (uses):				
Transfers in	<u>110,000</u>	<u>110,000</u>	<u>129,781</u>	<u>19,781</u>
Total other financing sources (uses)	<u>110,000</u>	<u>110,000</u>	<u>129,781</u>	<u>19,781</u>
Excess of revenues and other sources over (under) expenditures and other uses	-	-	78,000	78,000
Fund balance - beginning	<u>31,780</u>	<u>31,780</u>	<u>31,780</u>	<u>-</u>
Fund balance - ending	<u><u>\$ 31,780</u></u>	<u><u>\$ 31,780</u></u>	<u><u>\$ 109,780</u></u>	<u><u>\$ 78,000</u></u>

CITY OF WICHITA FALLS, TEXAS

BUDGETARY COMPARISON SCHEDULE - MPEC FUND FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 180,644	\$ 180,644	\$ 185,322	\$ 4,678
Miscellaneous revenue	1,516,823	1,516,823	1,368,409	(148,414)
Total revenues	<u>1,697,467</u>	<u>1,697,467</u>	<u>1,553,731</u>	<u>(143,736)</u>
Expenditures:				
MPEC	3,246,014	3,603,442	3,494,371	109,071
Capital outlay	-	190,533	-	190,533
Total expenditures	<u>3,246,014</u>	<u>3,793,975</u>	<u>3,494,371</u>	<u>299,604</u>
Excess of revenues over (under) expenditures	<u>(1,548,547)</u>	<u>(2,096,508)</u>	<u>(1,940,640)</u>	<u>155,868</u>
Other financing sources (uses):				
Transfers in	1,548,547	1,828,547	1,940,640	112,093
Total other financing sources (uses)	<u>1,548,547</u>	<u>1,828,547</u>	<u>1,940,640</u>	<u>112,093</u>
Excess of revenues and other sources over (under) expenditures and other uses	-	(267,961)	-	267,961
Fund balance - beginning	<u>236,369</u>	<u>236,369</u>	<u>236,369</u>	<u>-</u>
Fund balance - ending	<u><u>\$ 236,369</u></u>	<u><u>\$ (31,592)</u></u>	<u><u>\$ 236,369</u></u>	<u><u>\$ 267,961</u></u>

CITY OF WICHITA FALLS, TEXAS

BUDGETARY COMPARISON SCHEDULE - DEBT SERVICE FUND FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 718,884	\$ 718,884	\$ 705,096	\$ (13,788)
Contributions	4,606,535	4,606,535	2,402,930	(2,203,605)
Miscellaneous revenue	-	-	28	28
Total revenues	<u>5,325,419</u>	<u>5,325,419</u>	<u>3,108,054</u>	<u>(2,217,365)</u>
Expenditures:				
Debt service - principal	3,000,000	3,000,000	3,000,000	-
Debt service - interest and paying agent fees	2,375,419	2,375,419	2,342,331	33,088
Total expenditures	<u>5,375,419</u>	<u>5,375,419</u>	<u>5,342,331</u>	<u>33,088</u>
Excess of revenues over (under) expenditures	<u>(50,000)</u>	<u>(50,000)</u>	<u>(2,234,277)</u>	<u>(2,184,277)</u>
Other financing sources (uses):				
Transfers in	-	-	2,203,604	2,203,604
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>2,203,604</u>	<u>2,203,604</u>
Excess of revenues and other sources over (under) expenditures and other uses	(50,000)	(50,000)	(30,673)	19,327
Fund balance - beginning	<u>70,448</u>	<u>70,448</u>	<u>70,449</u>	<u>1</u>
Fund balance - ending	<u>\$ 20,448</u>	<u>\$ 20,448</u>	<u>\$ 39,776</u>	<u>\$ 19,328</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, 2014

	Kickapoo Airport	Transit	Stormwater Drainage	Waterpark	Total Nonmajor Enterprise Funds
<u>ASSETS</u>					
Current assets:					
Cash and cash equivalents	\$ 333,162	\$ -	\$ 5,127,468	\$ 811,008	\$ 6,271,638
Receivables (net of allowance for uncollectible accounts):					
Customer and trade	-	-	280,159	-	280,159
Government agencies	-	386,189	806,772	-	1,192,961
Other	69,452	-	-	-	69,452
Inventory	77,531	-	-	-	77,531
Prepaid items	4,476	-	-	-	4,476
Total current assets	<u>484,621</u>	<u>386,189</u>	<u>6,214,399</u>	<u>811,008</u>	<u>7,896,217</u>
Capital assets, net of accumulated depreciation	<u>9,883,738</u>	<u>5,412,599</u>	<u>18,186,654</u>	<u>3,597,575</u>	<u>37,080,566</u>
Total assets	<u>10,368,359</u>	<u>5,798,788</u>	<u>24,401,053</u>	<u>4,408,583</u>	<u>44,976,783</u>
<u>LIABILITIES</u>					
Current liabilities payable from current assets:					
Accounts payable - trade	3,699	55,693	926,542	500	986,434
Accrued payroll	5,505	31,839	5,296	3,412	46,052
Accrued vacation and sick leave	7,461	16,878	8,183	6,086	38,608
Payable to other City funds	-	840,659	-	-	840,659
Payable to government agencies	112	-	-	3,846	3,958
Other liabilities	20,057	31,384	75,659	-	127,100
Total current liabilities payable from current assets	<u>36,834</u>	<u>976,453</u>	<u>1,015,680</u>	<u>13,844</u>	<u>2,042,811</u>
Net position:					
Net investment in capital assets	9,883,738	5,412,599	18,186,654	3,597,575	37,080,566
Unrestricted	447,787	(590,264)	5,198,716	797,164	5,853,403
Total net position	<u>\$ 10,331,525</u>	<u>\$ 4,822,335</u>	<u>\$ 23,385,370</u>	<u>\$ 4,394,739</u>	<u>\$ 42,933,969</u>

CITY OF WICHITA FALLS, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION NONMAJOR ENTERPRISE FUNDS FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Kickapoo Airport	Transit	Stormwater Drainage	Waterpark	Total Nonmajor Enterprise Funds
Operating revenues:					
Charges for services	\$ -	\$ 433,971	\$ 2,601,158	\$ 953,675	\$ 3,988,804
Rents, concessions and other	1,239,973	42,745	-	338,964	1,621,682
Total operating revenues	<u>1,239,973</u>	<u>476,716</u>	<u>2,601,158</u>	<u>1,292,639</u>	<u>5,610,486</u>
Operating expenses:					
Personnel services	210,220	1,120,729	244,362	439,687	2,014,998
Supplies and materials	658,839	443,013	14,025	196,721	1,312,598
Maintenance and repairs	3,454	300,525	35,162	34,523	373,664
Utilities and other services	115,762	75,844	11,943	492,201	695,750
Insurance and contract support	6,724	25,672	205	71,337	103,938
Other expenses	51,223	250,203	23,440	36,248	361,114
Depreciation and amortization	400,492	98,853	232,233	186,976	918,554
Total operating expenses	<u>1,446,714</u>	<u>2,314,839</u>	<u>561,370</u>	<u>1,457,693</u>	<u>5,780,616</u>
Operating income (loss)	<u>(206,741)</u>	<u>(1,838,123)</u>	<u>2,039,788</u>	<u>(165,054)</u>	<u>(170,130)</u>
Nonoperating revenues (expenses):					
Interest income	102	-	1,674	310	2,086
Gain (loss) on sale of capital assets	-	(2,101)	-	-	(2,101)
Intergovernmental operating grants	-	1,830,334	-	-	1,830,334
Total nonoperating revenues (expenses)	<u>102</u>	<u>1,828,233</u>	<u>1,674</u>	<u>310</u>	<u>1,830,319</u>
Income (loss) before contributions and transfers	<u>(206,639)</u>	<u>(9,890)</u>	<u>2,041,462</u>	<u>(164,744)</u>	<u>1,660,189</u>
Capital contributions	-	-	806,772	-	806,772
Transfers out	(49,602)	(156,132)	(450,813)	-	(656,547)
Change in net position	<u>(256,241)</u>	<u>(166,022)</u>	<u>2,397,421</u>	<u>(164,744)</u>	<u>1,810,414</u>
Net position - beginning	<u>10,587,766</u>	<u>4,988,357</u>	<u>20,987,949</u>	<u>4,559,483</u>	<u>41,123,555</u>
Net position - ending	<u>\$ 10,331,525</u>	<u>\$ 4,822,335</u>	<u>\$ 23,385,370</u>	<u>\$ 4,394,739</u>	<u>\$ 42,933,969</u>

CITY OF WICHITA FALLS, TEXAS

**COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	Kickapoo Airport	Transit	Stormwater Drainage	Waterpark	Total Nonmajor Enterprise Funds
Cash flows from operating activities:					
Receipts from customers and users	\$ 1,214,888	\$ 476,716	\$ 2,585,335	\$ 1,292,639	\$ 5,569,578
Payments to suppliers	(919,490)	(1,765,777)	728,979	(892,500)	(2,848,788)
Payments to employees	(158,399)	(853,280)	(189,188)	(375,978)	(1,576,845)
Net cash provided (used) by operating activities	<u>136,999</u>	<u>(2,142,341)</u>	<u>3,125,126</u>	<u>24,161</u>	<u>1,143,945</u>
Cash flows from noncapital financing activities:					
Intergovernmental operating grants	-	2,224,209	-	-	2,224,209
Interfund loan repaid	-	(132,509)	-	-	(132,509)
Transfers out to other funds	(49,602)	(156,132)	(450,813)	-	(656,547)
Transfers from other funds	-	-	-	-	-
Net cash provided (used) by noncapital financing activities	<u>(49,602)</u>	<u>1,935,568</u>	<u>(450,813)</u>	<u>-</u>	<u>1,435,153</u>
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets	(28,208)	(419,124)	(2,180,894)	(548,412)	(3,176,638)
Proceeds from sale of capital assets	-	1,304	-	-	1,304
Net cash provided (used) for capital and related financing activities	<u>(28,208)</u>	<u>(417,820)</u>	<u>(2,180,894)</u>	<u>(548,412)</u>	<u>(3,175,334)</u>
Cash flows from investing activities:					
Interest on investments	102	-	1,674	310	2,086
Net cash provided by investing activities	<u>102</u>	<u>-</u>	<u>1,674</u>	<u>310</u>	<u>2,086</u>
Net Increase (Decrease) in Cash and Cash Equivalents	59,291	(624,593)	495,093	(523,941)	(594,150)
Cash and Cash Equivalents - Beginning	<u>273,871</u>	<u>624,593</u>	<u>4,632,375</u>	<u>1,334,949</u>	<u>6,865,788</u>
Cash and Cash Equivalents - Ending	<u>\$ 333,162</u>	<u>\$ -</u>	<u>\$ 5,127,468</u>	<u>\$ 811,008</u>	<u>\$ 6,271,638</u>

CITY OF WICHITA FALLS, TEXAS

**COMBINING STATEMENT OF CASH FLOWS (CONT'D.)
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	<u>Kickapoo Airport</u>	<u>Transit</u>	<u>Stormwater Drainage</u>	<u>Waterpark</u>	<u>Totals</u>
Cash flows from operating activities:					
Operating income (loss)	\$ (206,741)	\$ (1,838,123)	\$ 2,039,788	\$ (165,054)	\$ (170,130)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization	400,492	98,853	232,233	186,976	918,554
(Increase) decrease in current assets:					
Receivables:					
Customer and trade	-	-	(15,823)	-	(15,823)
Other	(25,085)	-	-	-	(25,085)
Inventory	(28,751)	-	-	-	(28,751)
Prepaid items	(4,476)	-	235	-	(4,241)
Increase (decrease) in current liabilities:					
Accounts payable - trade	(795)	(259,319)	792,569	500	532,955
Accrued payroll	1,058	9,280	1,029	663	12,030
Accrued vacation and sick leave	1,306	-	6,267	337	7,910
Payable to government agencies	(9)	-	-	739	730
Other liabilities	-	(153,032)	68,828	-	(84,204)
Total adjustments	<u>343,740</u>	<u>(304,218)</u>	<u>1,085,338</u>	<u>189,215</u>	<u>1,314,075</u>
Net cash provided by (used in) operating activities	<u>\$ 136,999</u>	<u>\$ (2,142,341)</u>	<u>\$ 3,125,126</u>	<u>\$ 24,161</u>	<u>\$ 1,143,945</u>

Internal Service Funds

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

Fleet Maintenance Fund

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

Duplicating Services Fund

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

Employee Benefit Trust Fund

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

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, 2014

	Fleet Maintenance	Duplicating Services	Employee Benefit Trust	Information Technology Fund	Totals
<u>ASSETS</u>					
Current assets:					
Cash and cash equivalents	\$ 503,180	\$ -	\$ (421,414)	\$ 2,667,756	\$ 2,749,522
Restricted cash and cash equivalents	-	-	3,568,494	-	3,568,494
Receivables:					
Other	27,993	-	(35)	-	27,958
Inventory	782,706	-	-	-	782,706
Prepaid items	253,111	488	-	-	253,599
Total current assets	<u>1,566,990</u>	<u>488</u>	<u>3,147,045</u>	<u>2,667,756</u>	<u>7,382,279</u>
Capital assets, net of accumulated depreciation	<u>18,095,953</u>	<u>2,861</u>	<u>-</u>	<u>865,626</u>	<u>18,964,440</u>
Total assets	<u>19,662,943</u>	<u>3,349</u>	<u>3,147,045</u>	<u>3,533,382</u>	<u>26,346,719</u>
<u>LIABILITIES</u>					
Current liabilities:					
Accounts payable - trade	201,580	8,210	17,149	142,170	369,109
Accrued payroll	53,389	1,007	2,368	26,657	83,421
Accrued vacation and sick leave	92,806	-	-	54,356	147,162
Payable to other City funds	-	46,916	69,730	-	116,646
Estimated health claims payable	-	-	595,540	-	595,540
Other liabilities	3,116	-	(287)	-	2,829
Capital leases - current maturities	237,820	-	-	-	237,820
Total current liabilities	<u>588,711</u>	<u>56,133</u>	<u>684,500</u>	<u>223,183</u>	<u>1,552,527</u>
Long-term liabilities:					
Capital leases, less current maturities	<u>498,279</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>498,279</u>
Total liabilities	<u>1,086,990</u>	<u>56,133</u>	<u>684,500</u>	<u>223,183</u>	<u>2,050,806</u>
<u>NET POSITION</u>					
Net investment in capital assets	17,359,854	2,861	-	865,626	18,228,341
Unrestricted	<u>1,216,099</u>	<u>(55,645)</u>	<u>2,462,545</u>	<u>2,444,573</u>	<u>6,067,572</u>
Total net position	<u>\$ 18,575,953</u>	<u>\$ (52,784)</u>	<u>\$ 2,462,545</u>	<u>\$ 3,310,199</u>	<u>\$ 24,295,913</u>

CITY OF WICHITA FALLS, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION INTERNAL SERVICE FUNDS FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Fleet Maintenance	Duplicating Services	Employee Benefit Trust	Information Technology Fund	Totals
Operating revenues:					
Charges for services	\$ 9,842,682	\$ 154,267	\$ -	\$ 2,998,214	\$ 12,995,163
Rents, concessions and other	35,136	-	369,601	-	404,737
Contributions	-	-	11,592,049	-	11,592,049
Total operating revenues	<u>9,877,818</u>	<u>154,267</u>	<u>11,961,650</u>	<u>2,998,214</u>	<u>24,991,949</u>
Operating expenses:					
Personnel services	1,999,199	41,198	100,761	1,076,117	3,217,275
Supplies and materials	4,108,311	8,613	309	536,512	4,653,745
Maintenance and repairs	2,037,362	21	830	543,847	2,582,060
Utilities and other services	82,532	2,089	77,686	132,618	294,925
Insurance and contract support	132,827	39	9,643,094	-	9,775,960
Other expenses	199,483	117,296	1,675,879	13,675	2,006,333
Depreciation and amortization	3,930,628	1,174	-	198,765	4,130,567
Total operating expenses	<u>12,490,342</u>	<u>170,430</u>	<u>11,498,559</u>	<u>2,501,534</u>	<u>26,660,865</u>
Operating income (loss)	<u>(2,612,524)</u>	<u>(16,163)</u>	<u>463,091</u>	<u>496,680</u>	<u>(1,668,916)</u>
Nonoperating revenues (expenses):					
Interest income	-	-	179,025	-	179,025
Gain on sale of capital assets	92,023	-	-	-	92,023
Interest expense	(15,291)	-	-	-	(15,291)
Total nonoperating revenues (expenses)	<u>76,732</u>	<u>-</u>	<u>179,025</u>	<u>-</u>	<u>255,757</u>
Income (loss) before transfers	<u>(2,535,792)</u>	<u>(16,163)</u>	<u>642,116</u>	<u>496,680</u>	<u>(1,413,159)</u>
Transfers in	990,557	-	-	194,623	1,185,180
Transfers out	(312,000)	-	-	(38,392)	(350,392)
Change in net position	(1,857,235)	(16,163)	642,116	652,911	(578,371)
Net position - beginning	<u>20,433,188</u>	<u>(36,621)</u>	<u>1,820,429</u>	<u>2,657,288</u>	<u>24,874,284</u>
Net position - ending	<u>\$ 18,575,953</u>	<u>\$ (52,784)</u>	<u>\$ 2,462,545</u>	<u>\$ 3,310,199</u>	<u>\$ 24,295,913</u>

CITY OF WICHITA FALLS, TEXAS

COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Fleet Maintenance	Duplicating Services	Employee Benefit Trust	Information Technology Fund	Totals
Cash flows from operating activities:					
Received from customers and users	\$ 9,857,366	\$ 154,267	\$ 11,961,397	\$ 2,998,214	\$ 24,971,244
Payments to suppliers	(7,402,876)	(143,023)	(11,366,202)	(1,466,898)	(20,378,999)
Payments to employees	(1,405,356)	(31,026)	(71,688)	(780,264)	(2,288,334)
Net cash provided (used) by operating activities	<u>1,049,134</u>	<u>(19,782)</u>	<u>523,507</u>	<u>751,052</u>	<u>2,303,911</u>
Cash flows from noncapital financing activities:					
Interfund loans received	-	19,782	28,621	-	48,403
Interfund loans repaid	-	-	-	-	-
Transfers in from other funds	990,557	-	-	194,623	1,185,180
Transfers out to other funds	(312,000)	-	-	(38,392)	(350,392)
Net cash provided (used) by noncapital financing activities	<u>678,557</u>	<u>19,782</u>	<u>28,621</u>	<u>156,231</u>	<u>883,191</u>
Cash flows from capital and related financing activities:					
Acquisition of capital assets	(2,162,749)	-	-	(267,288)	(2,430,037)
Proceeds from sale of capital assets	97,372	-	-	-	97,372
Principal paid on long-term debt	(237,820)	-	-	-	(237,820)
Interest and fees paid on long-term debt	(15,291)	-	-	-	(15,291)
Net cash used for capital and related financing activities	<u>(2,318,488)</u>	<u>-</u>	<u>-</u>	<u>(267,288)</u>	<u>(2,585,776)</u>
Cash flows from investing activities:					
Interest on investments	-	-	179,025	-	179,025
Net cash provided by investing activities	<u>-</u>	<u>-</u>	<u>179,025</u>	<u>-</u>	<u>179,025</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(590,797)	-	731,153	639,995	780,351
Cash and Cash Equivalents - Beginning	1,093,977	-	2,415,927	2,027,761	5,537,665
Cash and Cash Equivalents - Ending	<u>\$ 503,180</u>	<u>\$ -</u>	<u>\$ 3,147,080</u>	<u>\$ 2,667,756</u>	<u>\$ 6,318,016</u>
Cash flows from operating activities:					
Operating income (loss)	\$ (2,612,524)	\$ (16,163)	\$ 463,091	\$ 496,680	\$ (1,668,916)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation and amortization	3,930,628	1,174	-	198,765	4,130,567
(Increase) decrease in current assets:					
Receivables:					
Other	8,826	-	35	-	8,861
Inventory	(42,325)	-	-	-	(42,325)
Prepaid items	(253,111)	81	-	-	(253,030)
Increase (decrease) in current liabilities:					
Accounts payable - trade	10,591	(1,696)	(6,917)	38,099	40,077
Accrued payroll	17,501	175	443	3,016	21,135
Accrued vacation and sick leave	18,826	(3,353)	-	14,492	29,965
Estimated health claims payable	-	-	67,143	-	67,143
Other liabilities	(29,278)	-	(288)	-	(29,566)
Total adjustments	<u>3,661,658</u>	<u>(3,619)</u>	<u>60,416</u>	<u>254,372</u>	<u>3,972,827</u>
Net cash provided (used) by operating activities	<u>\$ 1,049,134</u>	<u>\$ (19,782)</u>	<u>\$ 523,507</u>	<u>\$ 751,052</u>	<u>\$ 2,303,911</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, 2014

	<u>Balance 10/1/2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 9/30/2014</u>
ESCHEATMENT FUND				
Assets				
Cash and cash equivalents	<u>\$ 86,238</u>	<u>\$ 24,353</u>	<u>\$ 7,459</u>	<u>\$ 103,132</u>
Liabilities				
Other liabilities	<u>\$ 86,238</u>	<u>\$ 24,353</u>	<u>\$ 7,459</u>	<u>\$ 103,132</u>

Component Units

Discretely Presented Component Units of the City of Wichita Falls are legally separate entities; however, the City is considered to be financially accountable for their operations. The four discretely presented component units are as follows:

Wichita Falls Economic Development Corporation

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

Wichita Falls 4B Sales Tax Corporation

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

Wichita Falls Reinvestment Zone #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.

CITY OF WICHITA FALLS, TEXAS

COMBINING STATEMENT OF NET POSITION COMPONENT UNITS SEPTEMBER 30, 2014

	Wichita Falls Economic Development Corporation	Wichita Falls 4B Sales Tax Corporation	Wichita Falls Reinvestment Zone #2	Wichita Falls Reinvestment Zone #3	Totals
Assets					
Cash and cash equivalents	\$ 16,840,486	\$ 1,802,505	\$ -	\$ 232,709	\$ 18,875,700
Receivables:					
Government agencies	630,316	630,316	-	(458)	1,260,174
Capital assets, net of accumulated depreciation	<u>2,226,538</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,226,538</u>
Total assets	<u>19,697,340</u>	<u>2,432,821</u>	<u>-</u>	<u>232,251</u>	<u>22,362,412</u>
Liabilities					
Accounts payable - trade	<u>16,113</u>	<u>2,572</u>	<u>-</u>	<u>-</u>	<u>18,685</u>
Total liabilities	<u>16,113</u>	<u>2,572</u>	<u>-</u>	<u>-</u>	<u>18,685</u>
Net position					
Net investment in capital assets	2,226,538	-	-	-	2,226,538
Unrestricted	<u>17,454,689</u>	<u>2,430,249</u>	<u>-</u>	<u>232,251</u>	<u>20,117,189</u>
Total net position	<u>\$ 19,681,227</u>	<u>\$ 2,430,249</u>	<u>\$ -</u>	<u>\$ 232,251</u>	<u>\$ 22,343,727</u>

CITY OF WICHITA FALLS, TEXAS

**COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	Program Revenue			Net (Expense) Revenue and Changes in Net Position				Totals
	Expenses	Charges for Services	Operating Grants and Contributions	Wichita Falls Economic Development Corporation	Wichita Falls 4B Sales Tax Corporation	Wichita Falls Reinvestment Zone #2	Wichita Falls Reinvestment Zone #3	
Community development								
Wichita Falls Economic Development Corporation	\$ 3,077,579	\$ 106,800	\$ -	\$ (2,970,779)	\$ -	\$ -	\$ -	\$ (2,970,779)
Wichita Falls 4B Sales Tax Corporation	4,109,835	-	410,236	-	(3,699,599)	-	-	(3,699,599)
Wichita Falls Reinvestment Zone #2	410,236	-	-	-	-	(410,236)	-	(410,236)
Wichita Falls Reinvestment Zone #3	-	-	-	-	-	-	-	-
Total component units	<u>\$ 7,597,650</u>	<u>\$ 106,800</u>	<u>\$ 410,236</u>	<u>(2,970,779)</u>	<u>(3,699,599)</u>	<u>(410,236)</u>	<u>-</u>	<u>(7,080,614)</u>
General revenues and special item:								
Taxes:								
Property tax				-	-	410,164	60,497	470,661
Sales tax				3,732,923	3,732,923	-	-	7,465,846
Investment earnings				5,114	117,525	72	64	122,775
Miscellaneous				730,423	-	-	-	730,423
Special item - gain on sale of capital assets				329,701	-	-	-	329,701
Total general revenues and special item				<u>4,798,161</u>	<u>3,850,448</u>	<u>410,236</u>	<u>60,561</u>	<u>9,119,406</u>
Change in net position				1,827,382	150,849	-	60,561	2,038,792
Net position - beginning				17,853,845	2,279,400	-	171,690	20,304,935
Net position - ending				<u>\$ 19,681,227</u>	<u>\$ 2,430,249</u>	<u>\$ -</u>	<u>\$ 232,251</u>	<u>\$ 22,343,727</u>

Supporting Schedules

CITY OF WICHITA FALLS, TEXAS

**COMBINED SCHEDULE OF BONDED DEBT AND INTEREST MATURITIES
SEPTEMBER 30, 2014**

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 (1)	Interest on Bonds	Total Bonds and Interest	Serial Bond Maturities (2)	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
2015	\$ 829,160	\$ 113,065	\$ 942,225	\$ 6,296,265	\$ 1,992,454	\$ 8,288,719	\$ 3,637,413	\$ 4,211,462	\$ 7,848,875	\$ 10,762,838	\$ 6,316,981	\$ 17,079,819
2016	2,752,122	101,103	2,853,225	4,592,940	1,938,500	6,531,440	3,791,420	4,059,030	7,850,450	11,136,482	6,098,633	17,235,115
2017	789,373	60,777	850,150	6,827,323	1,862,755	8,690,078	3,940,386	3,900,052	7,840,438	11,557,082	5,823,584	17,380,666
2018	801,559	44,841	846,400	7,018,114	1,669,116	8,687,230	4,114,310	3,734,740	7,849,050	11,933,983	5,448,697	17,382,680
2019	468,681	28,619	497,300	3,487,395	1,466,560	4,953,955	8,163,252	3,572,198	11,735,450	12,119,328	5,067,377	17,186,705
2020	479,266	19,384	498,650	3,619,505	1,370,883	4,990,388	8,520,949	3,218,376	11,739,325	12,619,720	4,608,643	17,228,363
2021	489,705	9,844	499,549	3,756,446	1,252,802	5,009,248	8,903,475	2,838,350	11,741,825	13,149,626	4,100,996	17,250,622
2022	-	-	-	3,898,112	1,127,813	5,025,925	9,295,889	2,441,111	11,737,000	13,194,001	3,568,924	16,762,925
2023	-	-	-	4,054,223	989,165	5,043,388	9,713,189	2,026,211	11,739,400	13,767,412	3,015,376	16,782,788
2024	-	-	-	4,210,154	843,292	5,053,446	10,150,366	1,592,534	11,742,900	14,360,520	2,435,826	16,796,346
2025	-	-	-	4,390,902	689,642	5,080,544	10,602,415	1,139,185	11,741,600	14,993,317	1,828,827	16,822,144
2026	-	-	-	4,176,434	538,935	4,715,369	11,074,332	665,493	11,739,825	15,250,766	1,204,428	16,455,194
2027	-	-	-	2,696,747	391,853	3,088,600	3,816,109	170,565	3,986,674	6,512,856	562,418	7,075,274
2028	-	-	-	2,800,717	318,471	3,119,188	-	-	-	2,800,717	318,471	3,119,188
2029	-	-	-	2,909,658	241,761	3,151,419	-	-	-	2,909,658	241,761	3,151,419
2030	-	-	-	2,203,516	178,478	2,381,994	-	-	-	2,203,516	178,478	2,381,994
2031	-	-	-	2,287,340	132,414	2,419,754	-	-	-	2,287,340	132,414	2,419,754
2032	-	-	-	2,141,120	84,699	2,225,819	-	-	-	2,141,120	84,699	2,225,819
2033	-	-	-	2,220,579	43,802	2,264,381	-	-	-	2,220,579	43,802	2,264,381
	<u>\$ 6,609,866</u>	<u>\$ 377,633</u>	<u>\$ 6,987,499</u>	<u>\$ 73,587,490</u>	<u>\$ 17,133,395</u>	<u>\$ 90,720,885</u>	<u>\$ 95,723,505</u>	<u>\$ 33,569,307</u>	<u>\$ 129,292,812</u>	<u>\$ 175,920,861</u>	<u>\$ 51,080,335</u>	<u>\$ 227,001,196</u>

(1) Includes amortization of bond premium of \$109,866

(2) Includes amortization of bond premium of \$762,490

(3) Includes amortization of bond premium of \$218,505

CITY OF WICHITA FALLS, TEXAS

**COMBINED SCHEDULE OF BONDS PAYABLE
SEPTEMBER 30, 2014**

	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	\$ 1,230,000	\$ 3,135,000
General Obligation Refunding Bonds, Series 2011 - Premium					-	194,300	84,434	109,866
General Obligation Refunding Bonds, Series 2013	1.50, 2.00, 3.00 (3/1, 9/1)	03/15/13	09/01/18	375,000 (2014) 385,000 (2015) 2,305,000 (2016) 335,000 (2017) 340,000 (2018)	3,740,000	3,740,000	375,000	3,365,000
Total General Obligation Bonds					8,105,000	8,299,300	1,689,434	6,609,866
Combination Tax and Revenue Bonds:								
Combination Tax and Revenue Refunding Bonds, Series 2005	4.90, 5.00 (2/1, 8/1)	09/01/05	08/01/16	115,000 (2005) 2,055,000 (2006) 2,150,000 (2007) 2,210,000 (2013) 2,350,000 (2014) 2,490,000 (2015) 2,650,000 (2016)	14,020,000	14,020,000	10,790,000	3,230,000
Combination Tax and Revenue Refunding Bonds, Series 2005 - Premium					-	1,050,891	970,491	80,400

CITY OF WICHITA FALLS, TEXAS
COMBINED SCHEDULE OF BONDS PAYABLE (CONT'D.)
SEPTEMBER 30, 2014

	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 2006A	3.55, 3.60, 3.90, 4.00 4.10, 4.20, 4.25, 5.00 (3/1, 9/1)	11/15/06	09/01/26	705,000 (2007) 580,000 (2008) 605,000 (2009) 625,000 (2010) 650,000 (2011) 680,000 (2012) 705,000 (2013) 735,000 (2014) 760,000 (2015) 795,000 (2016) 825,000 (2017) 855,000 (2018) 890,000 (2019) 930,000 (2020) 965,000 (2021) 1,010,000 (2022) 1,060,000 (2023) 1,110,000 (2024) 1,165,000 (2025) 1,225,000 (2026)	16,875,000	16,875,000	5,285,000	11,590,000
Combination Tax and Revenue Certificates of Obligation, Series 2006A - Premium					-	448,769	253,839	194,930
Combination Tax and Revenue Certificates of Obligation, Series 2006B	5.20, 5.30, 6.00, 6.25 (3/1, 9/1)	11/15/06	09/01/26	170,000 (2007) 130,000 (2008) 135,000 (2009) 140,000 (2010) 150,000 (2011) 155,000 (2012) 165,000 (2013) 175,000 (2014) 185,000 (2015) 190,000 (2016) 205,000 (2017) 215,000 (2018) 230,000 (2019) 240,000 (2020) 255,000 (2021) 270,000 (2022) 290,000 (2023) 305,000 (2024) 325,000 (2025) 345,000 (2026)	4,275,000	4,275,000	1,220,000	3,055,000
Combination Tax and Revenue Certificates of Obligation, Series 2006B - Premium					-	103,279	57,847	45,432

CITY OF WICHITA FALLS, TEXAS
COMBINED SCHEDULE OF BONDS PAYABLE (CONT'D.)
SEPTEMBER 30, 2014

	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 2009	2.25, 2.50, 2.75, 3.00, 3.25, 3.50, 4.00, 4.125, 4.25, 4.50, 4.625, 4.75 (4/1, 10/1)	01/15/09	10/01/29	340,000 (2010) 405,000 (2011) 415,000 (2012) 425,000 (2013) 435,000 (2014) 450,000 (2015) 460,000 (2016) 475,000 (2017) 490,000 (2018) 505,000 (2019) 525,000 (2020) 550,000 (2021) 570,000 (2022) 595,000 (2023) 620,000 (2024) 650,000 (2025) 675,000 (2026) 710,000 (2027) 745,000 (2028) 780,000 (2029)	10,820,000	10,820,000	2,020,000	8,800,000
Combination Tax and Revenue Certificates of Obligation, Series 2010	5.60 (2/1, 8/1)	01/01/10	02/01/25	165,000 (2011) 185,000 (2012) 195,000 (2013) 205,000 (2014) 215,000 (2015) 230,000 (2016) 240,000 (2017) 255,000 (2018) 270,000 (2019) 285,000 (2020) 300,000 (2021) 320,000 (2022) 335,000 (2023) 355,000 (2024) 375,000 (2025)	3,930,000	3,930,000	750,000	3,180,000
Combination Tax and Revenue Refunding Bonds, Series 2010	2.00, 3.00, 3.50, 4.00 (2/1, 8/1)	05/01/10	08/01/18	170,000 (2010) 285,000 (2012) 595,000 (2013) 580,000 (2014) 575,000 (2015) 555,000 (2016) 3,470,000 (2017) 3,600,000 (2018)	9,830,000	9,830,000	1,630,000	8,200,000
Combination Tax and Revenue Refunding Bonds, Series 2010 - Premium					-	685,333	405,745	279,588

CITY OF WICHITA FALLS, TEXAS
COMBINED SCHEDULE OF BONDS PAYABLE (CONT'D.)
SEPTEMBER 30, 2014

	Interest Rates and (Dates)	Issue Date	Final Maturity Date	Annual Serial Payments	Bonds			
					Authorized	Issued	Retired or Refunded	Outstanding
Combination Tax and Revenue Certificates of Obligation, Series 2011	2.00, 3.00, 4.00 (3/1, 9/1)	10/15/11	09/01/31	135,000 (2013) 135,000 (2014) 140,000 (2015) 145,000 (2016) 145,000 (2017) 150,000 (2018) 150,000 (2019) 155,000 (2020) 160,000 (2021) 165,000 (2022) 165,000 (2023) 170,000 (2024) 180,000 (2025) 185,000 (2026) 190,000 (2027) 195,000 (2028) 205,000 (2029) 210,000 (2030) 220,000 (2031)	\$ 3,200,000	\$ 3,200,000	\$ 270,000	\$ 2,930,000
Combination Tax and Revenue Certificates of Obligation, Series 2011 - Premium					-	98,494	21,382	77,112
Combination Tax and Revenue Certificates of Obligation, Series 2013	2.00, 3.00, 3.25, 3.375 (3/1, 9/1)	03/01/13	09/01/33	530,000 (2014) 795,000 (2015) 815,000 (2016) 830,000 (2017) 845,000 (2018) 860,000 (2019) 890,000 (2020) 915,000 (2021) 940,000 (2022) 970,000 (2023) 1,000,000 (2024) 1,030,000 (2025) 1,060,000 (2026) 1,090,000 (2027) 1,125,000 (2028) 1,160,000 (2029) 1,195,000 (2030) 1,235,000 (2031) 1,275,000 (2032) 1,315,000 (2033)	19,875,000	19,875,000	530,000	19,345,000
Combination Tax and Revenue Certificates of Obligation, Series 2013 - Premium					-	96,293	11,265	85,028

CITY OF WICHITA FALLS, TEXAS
COMBINED SCHEDULE OF BONDS PAYABLE (CONT'D.)
SEPTEMBER 30, 2014

	Interest Rates and (Dates)	Issue Date	Final Maturity Date	Annual Serial Payments	Bonds			
					Authorized	Issued	Retired or Refunded	Outstanding
Combination Tax and Revenue Certificates of Obligation, Series 2013A	2.00, 3.00, 3.125, 3.25, 3.625, 3.75, 4.00, 4.25, 4.375, 4.50, 4.625 (3/1, 9/1)	08/15/13	09/01/33	505,000 (2014) 500,000 (2015) 510,000 (2016) 520,000 (2017) 530,000 (2018) 545,000 (2019) 560,000 (2020) 580,000 (2021) 595,000 (2022) 615,000 (2023) 630,000 (2024) 650,000 (2025) 675,000 (2026) 700,000 (2027) 730,000 (2028) 760,000 (2029) 795,000 (2030) 830,000 (2031) 865,000 (2032) 905,000 (2033)	13,000,000	13,000,000	505,000	12,495,000
Total Combination Tax and Revenue Bonds					<u>95,825,000</u>	<u>98,308,059</u>	<u>24,720,569</u>	<u>73,587,490</u>
Water and Sewer System Priority Lien Refunding Revenue Bonds, Series 2007	4.00, 4.25, 4.375, 4.50 (2/1, 8/1)	02/01/07	08/01/27	225,000 (2008) 230,000 (2009) 240,000 (2010) 250,000 (2011) 260,000 (2012) 3,325,000 (2013) 3,460,000 (2014) 3,610,000 (2015) 3,765,000 (2016) 3,915,000 (2017) 4,090,000 (2018) 8,140,000 (2019) 8,500,000 (2020) 8,885,000 (2021) 9,280,000 (2022) 9,700,000 (2023) 10,140,000 (2024) 10,595,000 (2025) 11,070,000 (2026) 3,815,000 (2027)	103,495,000	103,495,000	7,990,000	95,505,000

CITY OF WICHITA FALLS, TEXAS
COMBINED SCHEDULE OF BONDS PAYABLE (CONT'D.)
SEPTEMBER 30, 2014

	Interest Rates and (Dates)	Issue Date	Final Maturity Date	Annual Serial Payments	Bonds			
					Authorized	Issued	Retired or Refunded	Outstanding
Water and Sewer System Priority Lien Refunding Revenue Bonds, Series 2007 - Premium					-	437,938	219,433	218,505
Total Priority Lien Revenue Bonds					<u>103,495,000</u>	<u>103,932,938</u>	<u>8,209,433</u>	<u>95,723,505</u>
Total All Bonds					<u>\$ 207,425,000</u>	<u>\$ 210,540,297</u>	<u>\$ 34,619,436</u>	<u>\$ 175,920,861</u>

CITY OF WICHITA FALLS, TEXAS

DEBT SERVICE COVERAGE - REVENUE BONDS SEPTEMBER 30, 2014

Water and Sewer Revenue Bonds:		
Change in net position (Exhibit A-8)		\$ (2,222,245)
Add:		
Depreciation and amortization	\$ 6,597,956	
Interest expense and paying agent fees	5,456,165	
Transfers out	1,591,258	13,645,379
Subtract:		
West Texas Utilities water revenues	597,919	
Gain (loss) on sale/abandonment of capital assets	48,496	
Capital contributions from developers	211,055	
Transfers in	864,422	(1,721,892)
Net earnings for determining debt service coverage		\$ 9,701,242

	Priority Lien Bonds	Subordinate Lien Bonds	
Net earnings for determining debt service coverage			\$ 9,701,242
Principal and interest requirements to maturity	\$ 129,292,812	\$ -	
Number of years remaining to pay bonds	13	N/A	
Average annual principal and interest requirement	9,945,601	N/A	
Minimum bond covenant debt service coverage	1.25	1.10	
Minimum debt service coverage requirement	\$ 12,432,001	\$ -	12,432,001
Deficit under debt service coverage requirements			\$ (2,730,759)

CITY OF WICHITA FALLS, TEXAS

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
SEPTEMBER 30, 2014

	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	2,019	13,644	-	-	281,561
Personnel/Risk Management	-	-	4,658	4,660	-	-	9,318
Martin Luther King Center	-	749,447	-	-	-	-	749,447
Library	477,942	4,511,042	475,578	89,051	-	-	5,553,613
General Public Information	-	-	415,839	3,184	-	-	419,023
Building Maintenance	-	2,770,246	52,613	-	-	-	2,822,859
Nondepartmental	46,347	380,754	45,514	-	-	-	472,615
Municipal Court	230,000	316,527	189,899	1,435	-	-	737,861
Legal	-	-	3,357	-	-	-	3,357
City Clerk	-	-	1,411	-	-	-	1,411
Homeland security	-	-	725,792	-	-	-	725,792
Training Center	-	-	536,254	-	-	-	536,254
Golf course	3,808,375	531,686	45,150	-	-	-	4,385,211
Total administrative services	4,562,664	9,525,600	2,498,084	117,192	-	-	16,703,540
Police	1,131,749	10,231,506	15,654,746	8,760	-	205,700	27,232,461
Fire	190,565	7,052,022	243,120	-	-	-	7,485,707
Parks and recreation:							
Recreation	754,606	1,744,656	246,376	1,727	-	-	2,747,365
Park maintenance	4,586,567	913,482	61,938	-	-	-	5,561,987
Cemetery	141,685	-	9,423	-	-	-	151,108
Total parks and recreation	5,482,858	2,658,138	317,737	1,727	-	-	8,460,460
Accounting/finance:							
Accounting/finance	-	-	-	-	-	-	-
Information Systems	-	-	2,820,194	-	-	145,021	2,965,215
Total accounting/finance	-	-	2,820,194	-	-	145,021	2,965,215
Community development:							
Planning	-	-	26,833	-	-	-	26,833
Inspection	-	-	4,970	-	-	-	4,970
Property management	10,334,824	420,892	26,999	-	-	-	10,782,715
Weed and Seed program	-	-	7,504	-	-	-	7,504
Hazard Mitigation grant	170,800	-	-	-	-	-	170,800
Total community development	10,505,624	420,892	66,306	-	-	-	10,992,822
Public works:							
Engineering	-	13,744	122,766	-	-	-	136,510
Street maintenance	10,147	100,108	36,963	-	-	-	147,218
Infrastructure	1,300,172	-	-	-	160,922,948	-	162,223,120
Total public works	1,310,319	113,852	159,729	-	160,922,948	-	162,506,848
Health:							
Administration	34,820	2,877,755	330,702	14,573	-	-	3,257,850
General City nursing	76,411	1,123	19,678	-	-	-	97,212
Environmental health	-	8,956	12,406	-	-	-	21,362
Lab water pollution	-	-	44,229	-	-	-	44,229
Animal reclaim center	150,737	3,321,311	30,808	-	-	-	3,502,856
Total health	261,968	6,209,145	437,823	14,573	-	-	6,923,509
Traffic and transportation	-	31,045	132,215	-	10,554,517	-	10,717,777
Multi-Purpose Events Center	9,560,210	37,178,600	390,973	22,116	-	432,358	47,584,257
Wichita Falls Business Park	1,099,507	-	-	-	-	-	1,099,507
Total capital assets used in the operation of governmental funds	\$ 34,105,464	\$ 73,420,800	\$ 22,720,927	\$ 164,368	\$ 171,477,465	\$ 783,079	\$ 302,672,103

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, 2014

	Beginning Balance 10/1/2013	Additions	Deletions	Ending Balance 9/30/2014
Administrative services:				
Mayor and City Council	\$ 5,218	\$ -	\$ -	\$ 5,218
City Manager	281,561	-	-	281,561
Personnel/Risk Management	9,318	-	-	9,318
Martin Luther King Center	802,089	-	52,642	749,447
Library	5,544,158	124,808	115,353	5,553,613
General Public Information	383,895	43,943	8,815	419,023
Building Maintenance	2,820,595	4,344	2,080	2,822,859
Nondepartmental	483,232	-	10,617	472,615
Municipal Court	760,524	-	22,663	737,861
Legal	3,357	-	-	3,357
City Clerk	1,411	-	-	1,411
Homeland security	806,165	-	80,373	725,792
Training center	536,254	-	-	536,254
Golf course	4,385,211	-	-	4,385,211
Total administrative services	<u>16,822,988</u>	<u>173,095</u>	<u>292,543</u>	<u>16,703,540</u>
Police	<u>27,509,559</u>	<u>86,533</u>	<u>363,631</u>	<u>27,232,461</u>
Fire	<u>7,523,298</u>	<u>40,759</u>	<u>78,350</u>	<u>7,485,707</u>
Parks and recreation:				
Recreation	2,719,811	29,740	2,186	2,747,365
Park maintenance	5,599,832	1,230	39,075	5,561,987
Cemetery	151,108	-	-	151,108
Total parks and recreation	<u>8,470,751</u>	<u>30,970</u>	<u>41,261</u>	<u>8,460,460</u>
Accounting/finance:				
Information Systems	2,916,173	267,288	218,246	2,965,215
Total accounting/finance	<u>2,916,173</u>	<u>267,288</u>	<u>218,246</u>	<u>2,965,215</u>
Community development:				
Planning	26,833	-	-	26,833
Inspection	5,998	-	1,028	4,970
Property management	10,785,306	-	2,591	10,782,715
Weed and Seed program	7,504	-	-	7,504
Hazard Mitigation Grant	170,800	-	-	170,800
Total community development	<u>10,996,441</u>	<u>-</u>	<u>3,619</u>	<u>10,992,822</u>
Public works:				
Engineering	186,283	20,464	70,237	136,510
Street maintenance	144,438	2,780	-	147,218
Infrastructure	159,400,579	3,290,893	468,352	162,223,120
Total public works	<u>159,731,300</u>	<u>3,314,137</u>	<u>538,589</u>	<u>162,506,848</u>
Health:				
Administration	3,263,695	23,385	29,230	3,257,850
General city nursing	97,212	-	-	97,212
Environmental health	18,616	8,911	6,165	21,362
Lab water pollution	44,229	-	-	44,229
Animal reclaim center	3,502,856	-	-	3,502,856
Total health	<u>6,926,608</u>	<u>32,296</u>	<u>35,395</u>	<u>6,923,509</u>
Traffic and transportation	<u>9,717,406</u>	<u>1,147,377</u>	<u>147,006</u>	<u>10,717,777</u>
Multi-Purpose Events Center	<u>47,157,371</u>	<u>435,703</u>	<u>8,817</u>	<u>47,584,257</u>
Wichita Falls Business Park	<u>1,099,507</u>	<u>-</u>	<u>-</u>	<u>1,099,507</u>
Total capital assets	<u>\$ 298,871,402</u>	<u>\$ 5,528,158</u>	<u>\$ 1,727,457</u>	<u>\$ 302,672,103</u>

CITY OF WICHITA FALLS, TEXAS

REGIONAL AIRPORT FUND CAPITAL ASSETS AND ACCUMULATED DEPRECIATION FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Balance 10/1/2013	Additions	Deletions	Balance 9/30/2014
<u>Capital Assets:</u>				
Land and betterments	\$ 11,525,106	\$ 4,823,541	\$ 662,331	\$ 15,686,316
Buildings and improvements	1,698,058	-	22,982	1,675,076
Machinery and equipment	30,963	32,498	10,553	52,908
Furniture and fixtures	36,705	-	1,645	35,060
Construction in progress	<u>6,922,716</u>	<u>22,293,558</u>	<u>3,575,453</u>	<u>25,640,821</u>
Total capital assets	<u>20,213,548</u>	<u>27,149,597</u>	<u>4,272,964</u>	<u>43,090,181</u>
<u>Accumulated Depreciation:</u>				
Land and betterments	1,452,610	530,357	662,331	1,320,636
Buildings and improvements	1,158,248	25,762	22,982	1,161,028
Machinery and equipment	26,480	3,392	10,553	19,319
Furniture and fixtures	<u>36,705</u>	<u>-</u>	<u>1,645</u>	<u>35,060</u>
Total accumulated depreciation	<u>2,674,043</u>	<u>559,511</u>	<u>697,511</u>	<u>2,536,043</u>
Net capital assets	<u>\$ 17,539,505</u>	<u>\$ 26,590,086</u>	<u>\$ 3,575,453</u>	<u>\$ 40,554,138</u>

CITY OF WICHITA FALLS, TEXAS

KICKAPOO AIRPORT FUND CAPITAL ASSETS AND ACCUMULATED DEPRECIATION FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Balance 10/1/2013	Additions	Deletions	Balance 9/30/2014
<u>Capital Assets:</u>				
Land and betterments	\$ 8,769,905	\$ -	\$ -	\$ 8,769,905
Buildings and improvements	3,264,730	-	-	3,264,730
Machinery and equipment	591,325	2,390	-	593,715
Construction in progress	35,247	25,788	-	61,035
Total capital assets	<u>12,661,207</u>	<u>28,178</u>	<u>-</u>	<u>12,689,385</u>
<u>Accumulated Depreciation:</u>				
Land and betterments	1,486,442	261,504	-	1,747,946
Buildings and improvements	660,101	107,433	-	767,534
Machinery and equipment	258,612	31,555	-	290,167
Total accumulated depreciation	<u>2,405,155</u>	<u>400,492</u>	<u>-</u>	<u>2,805,647</u>
Net capital assets	<u>\$ 10,256,052</u>	<u>\$ (372,314)</u>	<u>\$ -</u>	<u>\$ 9,883,738</u>

CITY OF WICHITA FALLS, TEXAS

TRANSIT FUND CAPITAL ASSETS AND ACCUMULATED DEPRECIATION FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Balance 10/1/2013	Additions	Deletions	Balance 9/30/2014
<u>Capital Assets:</u>				
Land and betterments	\$ 457,254	\$ -	\$ -	\$ 457,254
Buildings and improvements	694,102	4,441,855	-	5,135,957
Machinery and equipment	358,480	6,918	7,531	357,867
Construction in progress	<u>4,029,649</u>	<u>-</u>	<u>4,029,649</u>	<u>-</u>
Total capital assets	<u>5,539,485</u>	<u>4,448,773</u>	<u>4,037,180</u>	<u>5,951,078</u>
<u>Accumulated Depreciation:</u>				
Land and betterments	5,274	10,549	-	15,823
Buildings and improvements	248,416	55,685	-	304,101
Machinery and equipment	<u>190,062</u>	<u>32,619</u>	<u>4,126</u>	<u>218,555</u>
Total accumulated depreciation	<u>443,752</u>	<u>98,853</u>	<u>4,126</u>	<u>538,479</u>
Net capital assets	<u><u>\$5,095,733</u></u>	<u><u>\$ 4,349,920</u></u>	<u><u>\$ 4,033,054</u></u>	<u><u>\$ 5,412,599</u></u>

CITY OF WICHITA FALLS, TEXAS

STORMWATER DRAINAGE FUND CAPITAL ASSETS AND ACCUMULATED DEPRECIATION FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Balance 10/1/2013	Additions	Deletions	Balance 9/30/2014
<u>Capital Assets:</u>				
Drainage	\$ 16,551,731	\$ 691,827	\$ -	\$17,243,558
Land betterments	157,506	-	-	157,506
Machinery and equipment	89,017	-	-	89,017
Construction in progress	376,695	1,625,689	136,620	1,865,764
Total capital assets	<u>17,174,949</u>	<u>2,317,516</u>	<u>136,620</u>	<u>19,355,845</u>
<u>Accumulated Depreciation:</u>				
Drainage	860,421	225,302	-	1,085,723
Land betterments	2,983	4,815	-	7,798
Machinery and equipment	73,554	2,116	-	75,670
Total accumulated depreciation	<u>936,958</u>	<u>232,233</u>	<u>-</u>	<u>1,169,191</u>
Net capital assets	<u>\$ 16,237,991</u>	<u>\$ 2,085,283</u>	<u>\$ 136,620</u>	<u>\$18,186,654</u>

CITY OF WICHITA FALLS, TEXAS

SANITATION FUND CAPITAL ASSETS AND ACCUMULATED DEPRECIATION FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>Balance 10/1/2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 9/30/2014</u>
<u>Capital Assets:</u>				
Land and betterments	\$ 6,379,349	\$ 560,586	\$ -	\$ 6,939,935
Buildings and improvements	2,864,753	7,286	-	2,872,039
Machinery and equipment	391,462	4,781	-	396,243
Construction in progress	<u>99,895</u>	<u>-</u>	<u>99,895</u>	<u>-</u>
Total capital assets	<u>9,735,459</u>	<u>572,653</u>	<u>99,895</u>	<u>10,208,217</u>
<u>Accumulated Depreciation:</u>				
Land and betterments	685,822	128,183	-	814,005
Buildings and improvements	1,280,258	62,157	-	1,342,415
Machinery and equipment	<u>155,045</u>	<u>29,231</u>	<u>-</u>	<u>184,276</u>
Total accumulated depreciation	<u>2,121,125</u>	<u>219,571</u>	<u>-</u>	<u>2,340,696</u>
Net capital assets	<u><u>\$ 7,614,334</u></u>	<u><u>\$ 353,082</u></u>	<u><u>\$ 99,895</u></u>	<u><u>\$ 7,867,521</u></u>

CITY OF WICHITA FALLS, TEXAS

WATER AND SEWER FUND CAPITAL ASSETS AND ACCUMULATED DEPRECIATION FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Balance 10/1/2013	Additions	Deletions	Balance 9/30/2014
<u>Capital Assets:</u>				
Land and betterments	\$ 24,345,465	\$ -	\$ -	\$ 24,345,465
Buildings, systems and improvements	306,832,489	6,840,961	279,000	313,394,450
Machinery and equipment	5,350,258	307,967	1,031	5,657,194
Furniture and fixtures	1,164	-	-	1,164
Motor vehicles	1,235	-	-	1,235
Construction in progress	6,882,611	6,761,007	3,744,032	9,899,586
Total capital assets	<u>343,413,222</u>	<u>13,909,935</u>	<u>4,024,063</u>	<u>353,299,094</u>
<u>Accumulated Depreciation:</u>				
Land and betterments	10,309,983	243,632	-	10,553,615
Buildings, systems and improvements	93,500,966	6,165,404	279,000	99,387,370
Machinery and equipment	4,066,623	211,776	1,031	4,277,368
Furniture and fixtures	1,164	-	-	1,164
Motor vehicles	1,235	-	-	1,235
Total accumulated depreciation	<u>107,879,971</u>	<u>6,620,812</u>	<u>280,031</u>	<u>114,220,752</u>
Net capital assets	<u><u>\$ 235,533,251</u></u>	<u><u>\$ 7,289,123</u></u>	<u><u>\$ 3,744,032</u></u>	<u><u>\$ 239,078,342</u></u>

CITY OF WICHITA FALLS, TEXAS

WATERPARK FUND CAPITAL ASSETS AND ACCUMULATED DEPRECIATION FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Balance 10/1/2013	Additions	Deletions	Balance 9/30/2014
<u>Capital Assets:</u>				
Land and betterments	\$ 389,894	\$ -	\$ -	\$ 389,894
Buildings and improvements	3,362,609	-	-	3,362,609
Machinery and equipment	188,457	-	-	188,457
Construction in progress	37,347	548,414	-	585,761
Total capital assets	<u>3,978,307</u>	<u>548,414</u>	<u>-</u>	<u>4,526,721</u>
<u>Accumulated Depreciation:</u>				
Buildings and improvements	668,286	168,130	-	836,416
Machinery and equipment	73,884	18,846	-	92,730
Total accumulated depreciation	<u>742,170</u>	<u>186,976</u>	<u>-</u>	<u>929,146</u>
Net capital assets	<u>\$ 3,236,137</u>	<u>\$ 361,438</u>	<u>\$ -</u>	<u>\$ 3,597,575</u>

CITY OF WICHITA FALLS, TEXAS

FLEET MAINTENANCE FUND CAPITAL ASSETS AND ACCUMULATED DEPRECIATION FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Balance 10/1/2013	Additions	Deletions	Balance 9/30/2014
<u>Capital Assets:</u>				
Land and betterments	\$ 436,269	\$ -	\$ -	\$ 436,269
Buildings and improvements	4,163,802	-	-	4,163,802
Machinery and equipment	1,464,308	1,900	-	1,466,208
Furniture and fixtures	2,950	-	-	2,950
Motor vehicles	<u>51,397,255</u>	<u>2,160,850</u>	<u>848,028</u>	<u>52,710,077</u>
Total capital assets	<u>57,464,584</u>	<u>2,162,750</u>	<u>848,028</u>	<u>58,779,306</u>
<u>Accumulated Depreciation:</u>				
Land and betterments - other	1,697	261	-	1,958
Buildings and improvements	2,250,250	88,235	-	2,338,485
Machinery and equipment	849,379	120,462	-	969,841
Furniture and fixtures	2,950	-	-	2,950
Motor vehicles	<u>34,491,128</u>	<u>3,721,670</u>	<u>842,679</u>	<u>37,370,119</u>
Total accumulated depreciation	<u>37,595,404</u>	<u>3,930,628</u>	<u>842,679</u>	<u>40,683,353</u>
Net capital assets	<u>\$ 19,869,180</u>	<u>\$ (1,767,878)</u>	<u>\$ 5,349</u>	<u>\$ 18,095,953</u>

CITY OF WICHITA FALLS, TEXAS

**DUPLICATING SERVICES FUND
CAPITAL ASSETS AND ACCUMULATED DEPRECIATION
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	<u>Balance 10/1/2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 9/30/2014</u>
<u>Capital Assets:</u>				
Machinery and equipment	<u>\$ 10,617</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,617</u>
<u>Accumulated Depreciation:</u>				
Machinery and equipment	<u>6,581</u>	<u>1,175</u>	<u>-</u>	<u>7,756</u>
Net capital assets	<u><u>\$ 4,036</u></u>	<u><u>\$ (1,175)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,861</u></u>

CITY OF WICHITA FALLS, TEXAS

INFORMATION TECHNOLOGY FUND CAPITAL ASSETS AND ACCUMULATED DEPRECIATION FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>Balance 10/1/2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 9/30/2014</u>
<u>Capital Assets:</u>				
Machinery and equipment	\$ 932,691	\$ 122,267	\$ -	\$ 1,054,958
Construction in progress	-	145,021	-	145,021
Total capital assets	<u>932,691</u>	<u>267,288</u>	<u>-</u>	<u>1,199,979</u>
<u>Accumulated Depreciation:</u>				
Machinery and equipment	<u>135,588</u>	<u>198,765</u>	<u>-</u>	<u>334,353</u>
Net capital assets	<u>\$ 797,103</u>	<u>\$ 68,523</u>	<u>\$ -</u>	<u>\$ 865,626</u>

CITY OF WICHITA FALLS, TEXAS

WICHITA FALLS ECONOMIC DEVELOPMENT CORPORATION CAPITAL ASSETS AND ACCUMULATED DEPRECIATION FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Balance 10/1/2013	Additions	Deletions	Balance 9/30/2014
<u>Capital Assets:</u>				
Land and betterments	\$ 1,469,797	\$ -	\$ 37,728	\$ 1,432,069
Buildings and improvements	957,191	-	-	957,191
Total capital assets	2,426,988	-	37,728	2,389,260
 <u>Accumulated Depreciation:</u>				
Buildings and improvements	143,578	19,144	-	162,722
Net capital assets	\$ 2,283,410	\$ (19,144)	\$ 37,728	\$ 2,226,538

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>	105
Revenue Capacity <i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	111
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>	115
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>	120
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>	122

CITY OF WICHITA FALLS, TEXAS

NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS (UNAUDITED)

	Fiscal Year									
	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014
Governmental activities										
Net investment in capital assets	\$ 127,366,654	\$ 132,958,014	\$ 133,737,880	\$ 139,868,969	\$ 138,550,295	\$ 135,957,279	\$ 138,876,124	\$ 139,058,565	\$ 138,319,208	\$ 128,168,873
Restricted	1,200,845	1,373,786	1,541,859	1,631,963	1,186,730	5,006,079	6,048,238	6,931,511	6,248,074	5,290,076
Unrestricted	20,500,308	20,689,055	27,487,733	21,189,932	14,880,792	9,263,524	7,189,782	7,453,791	6,661,101	5,789,973
Total governmental activities net position	<u>\$ 149,067,807</u>	<u>\$ 155,020,855</u>	<u>\$ 162,767,472</u>	<u>\$ 162,690,864</u>	<u>\$ 154,617,817</u>	<u>\$ 150,226,882</u>	<u>\$ 152,114,144</u>	<u>\$ 153,443,867</u>	<u>\$ 151,228,383</u>	<u>\$ 139,248,922</u>
Business-type activities										
Net investment in capital assets	\$ 112,568,870	\$ 120,263,391	\$ 132,852,246	\$ 143,023,239	\$ 156,170,924	\$ 172,590,416	\$ 172,634,321	\$ 185,087,683	\$ 198,540,484	\$ 225,576,460
Restricted	15,679,474	16,234,804	12,681,053	12,945,497	12,958,909	12,942,163	11,734,924	11,374,316	11,881,663	11,885,698
Unrestricted	7,698,134	11,962,104	12,513,454	12,810,854	10,712,005	10,734,533	23,006,940	28,157,150	25,390,068	22,571,945
Total business-type activities net position	<u>\$ 135,946,478</u>	<u>\$ 148,460,299</u>	<u>\$ 158,046,753</u>	<u>\$ 168,779,590</u>	<u>\$ 179,841,838</u>	<u>\$ 196,267,112</u>	<u>\$ 207,376,185</u>	<u>\$ 224,619,149</u>	<u>\$ 235,812,215</u>	<u>\$ 260,034,103</u>
Primary government										
Net investment in capital assets	\$ 239,935,524	\$ 253,221,405	\$ 266,590,126	\$ 282,892,208	\$ 294,721,219	\$ 308,547,695	\$ 311,510,445	\$ 324,146,248	\$ 336,859,692	\$ 353,745,333
Restricted	16,880,319	17,608,590	14,222,912	14,577,460	14,145,639	17,948,242	17,783,162	18,305,827	18,129,737	17,175,774
Unrestricted	28,198,442	32,651,159	40,001,187	34,000,786	25,592,797	19,998,057	30,196,722	35,610,941	32,051,169	28,361,918
Total primary government net position	<u>\$ 285,014,285</u>	<u>\$ 303,481,154</u>	<u>\$ 320,814,225</u>	<u>\$ 331,470,454</u>	<u>\$ 334,459,655</u>	<u>\$ 346,493,994</u>	<u>\$ 359,490,329</u>	<u>\$ 378,063,016</u>	<u>\$ 387,040,598</u>	<u>\$ 399,283,025</u>

CITY OF WICHITA FALLS, TEXAS

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

	Fiscal Year									
	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-13	2013-14
Expenses										
Governmental activities:										
Administrative services	\$ 9,174,786	\$ 10,648,044	\$ 10,363,134	\$ 11,662,086	\$ 12,026,311	\$ 10,043,369	\$ 10,881,691	\$ 11,934,804	\$ 12,782,404	\$ 13,873,741
Police	17,107,502	17,733,480	18,587,210	20,527,967	21,008,696	21,133,526	21,822,371	22,103,892	22,767,560	23,195,421
Fire	10,337,851	10,825,964	11,295,623	12,492,842	13,028,146	13,065,768	13,291,048	13,523,616	14,226,064	14,387,072
Parks and recreation	4,220,079	4,210,463	4,478,311	5,107,579	5,757,363	5,687,527	5,405,955	5,152,616	5,579,717	5,574,156
Accounting/finance	1,841,475	1,843,810	1,893,389	2,231,952	2,473,024	2,428,055	2,534,141	975,863	924,240	923,727
Community development	7,181,397	6,293,156	6,573,917	6,921,352	7,584,142	7,243,744	7,084,165	6,777,614	6,729,171	6,497,467
Public works	6,742,355	7,706,209	8,616,348	8,314,596	8,282,184	8,035,626	7,613,089	7,956,752	7,747,847	8,155,640
Health	4,435,702	4,409,374	4,736,162	4,873,643	4,995,764	4,931,859	4,911,165	5,021,625	5,167,794	5,166,135
Traffic and transportation	2,181,799	2,527,270	2,590,309	2,679,026	2,499,869	2,525,097	2,451,154	2,510,936	2,757,545	2,617,801
Multi-Purpose Events Center	2,015,329	2,166,331	4,291,434	4,335,968	4,027,612	4,181,379	4,295,871	3,895,665	4,136,952	4,302,368
Interest and fees on long-term debt	843,358	721,762	1,308,748	1,405,383	1,620,854	1,781,245	1,765,406	1,711,328	2,122,969	1,992,169
Total governmental activities expenses	66,081,633	69,085,863	74,734,585	80,552,394	83,303,965	81,057,195	82,056,056	81,564,711	84,942,263	86,685,697
Business-type activities:										
Golf	779,151	901,454	-	-	-	-	-	-	-	-
Municipal Airport	243,414	281,117	276,368	310,980	289,195	337,946	435,774	529,827	655,452	855,765
Kickapoo Airport	377,299	574,929	966,961	1,245,021	1,354,624	1,108,515	1,262,976	1,419,681	1,495,562	1,423,952
Transit	1,240,131	1,280,540	1,373,283	1,793,369	1,616,322	1,602,362	1,847,362	1,903,560	1,938,827	2,416,274
Sanitation	7,715,572	8,059,991	8,638,374	9,199,341	8,509,153	9,152,130	8,959,973	8,904,795	9,236,474	9,333,512
Water and Sewer	25,604,413	26,380,183	26,764,879	28,126,920	30,165,844	30,250,390	32,969,719	28,996,520	30,135,738	32,364,514
Stormwater drainage	125,989	328,833	355,697	407,035	477,415	785,543	533,715	406,570	430,012	560,389
Waterpark	-	-	-	-	-	1,253,557	1,399,255	1,375,832	1,397,270	1,456,084
Total business-type activities expenses	36,085,969	37,807,047	38,375,562	41,082,666	42,412,553	44,490,443	47,408,774	43,536,785	45,289,335	48,410,490
Total primary government expenses	\$ 102,167,602	\$ 106,892,910	\$ 113,110,147	\$ 121,635,060	\$ 125,716,518	\$ 125,547,638	\$ 129,464,830	\$ 125,101,496	\$ 130,231,598	\$ 135,096,187
Program Revenues										
Governmental activities:										
Charges for services:										
Administrative services	\$ 3,640,715	\$ 3,691,411	\$ 3,327,519	\$ 3,211,546	\$ 4,267,891	\$ 4,414,667	\$ 4,499,281	\$ 4,390,463	\$ 4,304,737	\$ 4,220,786
Police	361,201	402,583	700,216	600,020	470,020	495,459	527,007	541,201	624,272	339,867
Fire	1,458	5,195	5,434	2,612	4,369	2,042	11,400	14,613	18,459	15,854
Parks and recreation	455,861	473,121	443,827	517,707	513,682	515,008	513,746	525,505	524,519	530,305
Accounting/finance	-	-	-	-	-	-	65,000	-	-	-
Community development	1,078,293	1,195,203	1,138,671	1,124,534	891,803	1,042,574	1,017,718	942,649	1,131,684	1,094,904
Public works	-	48,871	7,286	100,000	165,363	2,600	2,740	24,420	116,035	94,772
Health	711,399	807,002	803,115	864,874	888,890	908,415	965,741	1,075,277	1,073,172	1,051,444
Traffic and transportation	195,585	292,234	212,911	154,941	164,350	201,961	184,138	217,262	126,163	133,133
Multi-Purpose Events Center	-	-	2,215,411	2,141,584	1,789,269	1,767,398	1,644,569	1,656,358	1,597,702	1,553,729
Operating grants and contributions	14,734,689	11,109,618	12,298,595	11,468,654	10,891,021	14,606,807	13,268,583	9,868,484	11,157,348	10,837,248
Capital grants and contributions	1,176,107	2,667,389	3,218,003	3,097,319	1,631,109	6,145,852	2,315,245	8,066,065	4,394,038	12,956,740
Total governmental activities program revenues	22,355,308	20,692,627	24,370,988	23,283,791	21,677,767	30,102,783	25,015,168	27,322,297	25,068,129	32,828,782

CITY OF WICHITA FALLS, TEXAS

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

	Fiscal Year									
	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-13	2013-14
Business-type activities:										
Charges for services:										
Golf	622,434	828,055	-	-	-	-	-	-	-	-
Municipal Airport	446,388	448,384	441,471	430,561	544,332	624,298	681,639	716,608	769,557	775,829
Kickapoo Airport	270,194	347,761	789,522	1,025,300	745,444	798,034	988,457	1,153,038	1,255,153	1,239,973
Transit	162,018	214,771	206,109	224,856	229,483	274,577	367,374	405,852	410,737	476,716
Sanitation	9,133,955	9,517,673	9,917,386	10,939,617	12,025,478	11,826,882	11,911,026	12,807,160	12,606,675	13,196,489
Water and Sewer	30,208,286	33,436,585	30,031,969	33,042,845	33,888,553	33,264,688	40,679,751	36,771,008	32,798,786	31,272,972
Stormwater drainage	1,042,278	1,209,196	1,267,533	1,318,340	1,252,544	1,272,430	2,485,346	2,552,650	2,503,255	2,601,158
Waterpark	-	-	-	-	-	1,283,919	1,633,155	1,475,842	1,398,164	1,292,639
Operating grants and contributions	926,088	1,251,770	1,026,685	1,389,202	1,142,191	2,312,062	1,323,581	2,371,658	3,787,014	1,830,334
Capital grants and contributions	862,398	455,217	580,729	1,021,644	456,743	108,471	192,620	181,759	1,339,265	1,017,827
Total business-type activities program revenues	<u>43,674,039</u>	<u>47,709,412</u>	<u>44,261,404</u>	<u>49,392,365</u>	<u>50,284,768</u>	<u>51,765,361</u>	<u>60,262,949</u>	<u>58,435,575</u>	<u>56,868,606</u>	<u>53,703,937</u>
Total primary government program revenues	<u>\$ 66,029,347</u>	<u>\$ 68,402,039</u>	<u>\$ 68,632,392</u>	<u>\$ 72,676,156</u>	<u>\$ 71,962,535</u>	<u>\$ 81,868,144</u>	<u>\$ 85,278,117</u>	<u>\$ 85,757,872</u>	<u>\$ 81,936,735</u>	<u>\$ 86,532,719</u>
Net (Expense)/Revenue										
Governmental activities	\$ (43,726,325)	\$ (48,393,236)	\$ (50,363,597)	\$ (57,268,603)	\$ (61,626,198)	\$ (50,954,412)	\$ (57,040,888)	\$ (54,242,414)	\$ (59,874,134)	\$ (53,856,915)
Business-type activities	7,588,070	9,902,365	5,885,842	8,309,699	7,872,215	7,274,918	12,854,175	14,898,790	11,579,271	5,293,447
Total primary government net expense	<u>\$ (36,138,255)</u>	<u>\$ (38,490,871)</u>	<u>\$ (44,477,755)</u>	<u>\$ (48,958,904)</u>	<u>\$ (53,753,983)</u>	<u>\$ (43,679,494)</u>	<u>\$ (44,186,713)</u>	<u>\$ (39,343,624)</u>	<u>\$ (48,294,863)</u>	<u>\$ (48,563,468)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property tax	\$ 22,578,788	\$ 23,522,746	\$ 24,975,158	\$ 26,160,116	\$ 27,869,849	\$ 27,570,092	\$ 28,556,762	\$ 28,625,696	\$ 29,107,168	\$ 29,784,202
Sales tax	17,845,505	19,272,204	20,068,529	21,353,896	20,451,906	20,033,820	21,082,993	21,406,823	22,062,365	22,397,536
Franchise fees	5,191,741	5,740,202	5,780,311	5,598,406	5,570,399	5,593,573	5,593,781	5,574,882	5,423,680	5,558,600
Hotel occupancy tax	1,262,518	1,333,747	1,417,397	1,560,353	1,506,423	1,553,674	1,572,105	1,677,100	1,578,764	1,684,329
Beverage tax	204,727	234,075	236,367	251,386	249,121	246,541	248,350	207,735	230,728	281,598
Bingo tax	164,128	178,666	166,223	168,864	109,739	77,883	70,747	61,696	40,122	36,688
Investment earnings	754,935	1,409,188	2,684,388	1,727,671	415,156	129,653	49,239	54,579	53,244	33,309
Gain (loss) on sale of capital assets	-	-	-	(397,404)	-	-	-	-	-	-
Miscellaneous	166,648	172,500	712,358	242,811	134,983	160,949	-	326,861	636,417	879,538
Transfers	473,644	2,482,958	1,972,819	525,898	(2,439,625)	(8,802,705)	1,754,171	(2,363,233)	(1,473,837)	(18,778,342)
Total governmental activities	<u>48,642,634</u>	<u>54,346,286</u>	<u>58,013,550</u>	<u>57,191,997</u>	<u>53,867,951</u>	<u>46,563,480</u>	<u>58,928,148</u>	<u>55,572,139</u>	<u>57,658,651</u>	<u>41,877,458</u>
Business-type activities:										
Investment earnings	3,417,875	5,094,418	5,575,703	2,949,036	602,872	194,428	50,858	39,865	27,902	11,680
Miscellaneous	(73,611)	-	199,174	-	147,536	153,223	(41,792)	(58,924)	149,173	138,419
Transfers	(473,644)	(2,482,958)	(1,972,819)	(525,898)	2,439,625	8,802,705	(1,754,171)	2,363,233	1,473,837	18,778,342
Total business-type activities	<u>2,870,620</u>	<u>2,611,460</u>	<u>3,802,058</u>	<u>2,423,138</u>	<u>3,190,033</u>	<u>9,150,356</u>	<u>(1,745,105)</u>	<u>2,344,174</u>	<u>1,650,912</u>	<u>18,928,441</u>
Total primary government	<u>\$ 51,513,254</u>	<u>\$ 56,957,746</u>	<u>\$ 61,815,608</u>	<u>\$ 59,615,135</u>	<u>\$ 57,057,984</u>	<u>\$ 55,713,836</u>	<u>\$ 57,183,043</u>	<u>\$ 57,916,313</u>	<u>\$ 59,309,563</u>	<u>\$ 60,805,899</u>
Change in Net Position										
Governmental activities	\$ 4,916,309	\$ 5,953,050	\$ 7,649,953	\$ (76,606)	\$ (7,758,247)	\$ (4,390,932)	\$ 1,887,260	\$ 1,329,725	\$ (2,215,483)	\$ (11,979,457)
Business-type activities	10,458,690	12,513,825	9,687,900	10,732,837	11,062,248	16,425,274	11,109,070	17,242,964	13,230,183	24,221,888
Total primary government	<u>\$ 15,374,999</u>	<u>\$ 18,466,875</u>	<u>\$ 17,337,853</u>	<u>\$ 10,656,231</u>	<u>\$ 3,304,001</u>	<u>\$ 12,034,342</u>	<u>\$ 12,996,330</u>	<u>\$ 18,572,689</u>	<u>\$ 11,014,700</u>	<u>\$ 12,242,431</u>

CITY OF WICHITA FALLS, TEXAS

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

	Fiscal Year									
	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-13	2013-14
General Fund										
Reserved	\$ 2,439,595	\$ 2,393,129	\$ 3,161,776	\$ 2,686,432	\$ 1,499,613	\$ 1,392,329	\$ -	\$ -	\$ -	\$ -
Unreserved	10,608,472	11,503,795	15,569,840	14,500,836	13,042,044	14,294,519	-	-	-	-
Nonspendable	-	-	-	-	-	-	478,617	352,835	384,574	180,992
Assigned	-	-	-	-	-	-	579,022	1,010,976	958,924	1,949,792
Unassigned	-	-	-	-	-	-	16,002,361	16,570,675	16,226,597	14,886,199
Total general fund	<u>\$ 13,048,067</u>	<u>\$ 13,896,924</u>	<u>\$ 18,731,616</u>	<u>\$ 17,187,268</u>	<u>\$ 14,541,657</u>	<u>\$ 15,686,848</u>	<u>\$ 17,060,000</u>	<u>\$ 17,934,486</u>	<u>\$ 17,570,095</u>	<u>\$ 17,016,983</u>
All other Governmental Funds										
Reserved	\$ 5,102,543	\$ 3,179,513	\$ 2,371,514	\$ 2,888,944	\$ 6,254,620	\$ 11,753,749	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	4,299,100	4,746,615	7,089,584	6,180,559	4,808,127	1,713,168	-	-	-	-
Capital projects funds	3,738,484	4,857,539	23,458,510	15,033,333	10,963,970	1,850,806	-	-	-	-
Nonspendable	-	-	-	-	-	-	81,376	89,668	84,940	120,573
Restricted	-	-	-	-	-	-	10,927,373	10,744,065	26,934,100	13,834,375
Committed	-	-	-	-	-	-	1,762,248	2,305,013	2,896,812	2,831,488
Unassigned	-	-	-	-	-	-	(24,418)	(269,288)	(269,288)	(460,883)
Total all other governmental funds	<u>\$ 13,140,127</u>	<u>\$ 12,783,667</u>	<u>\$ 32,919,608</u>	<u>\$ 24,102,836</u>	<u>\$ 22,026,717</u>	<u>\$ 15,317,723</u>	<u>\$ 12,746,579</u>	<u>\$ 12,869,458</u>	<u>\$ 29,646,564</u>	<u>\$ 16,325,553</u>

Note : GASB 54 was implemented in 2010-11, which changed the terminology for fund balances. Prior years were not reclassified.

CITY OF WICHITA FALLS, TEXAS

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

	Fiscal Year									
	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014
Revenues										
Taxes	\$ 47,236,518	\$ 50,228,509	\$ 52,637,318	\$ 55,155,574	\$ 55,752,982	\$ 55,006,901	\$ 57,122,006	\$ 57,607,312	\$ 58,613,615	\$ 59,739,545
Charges for services	2,480,148	2,597,044	3,202,699	3,270,930	3,689,717	3,715,832	3,886,160	3,710,371	3,422,621	3,331,183
Licenses and permits	2,218,119	2,206,023	2,215,813	2,116,140	1,887,434	1,990,328	2,064,972	2,002,559	2,234,081	2,048,293
Fines and forfeitures	2,161,782	2,481,816	2,127,062	1,964,391	1,970,612	2,214,884	2,209,026	2,409,792	2,435,625	2,402,794
Intergovernmental revenue	13,003,816	9,682,237	11,136,433	8,428,310	9,287,371	14,783,860	11,041,679	14,488,236	11,722,524	18,081,798
Contributions	2,906,980	4,094,770	4,366,961	6,137,663	3,234,759	5,711,904	4,542,149	3,446,313	3,828,862	5,712,190
Miscellaneous revenue	1,985,383	2,816,865	6,664,315	5,369,689	3,804,438	3,597,927	3,216,734	3,261,049	3,463,425	3,642,155
Total revenues	71,992,746	74,107,264	82,350,601	82,442,697	79,627,313	87,021,636	84,082,726	86,925,632	85,720,753	94,957,958
Expenditures										
Administrative services	8,701,521	10,103,642	9,965,494	10,873,576	11,315,351	9,694,632	10,235,720	12,158,781	12,677,867	13,347,029
Police	16,731,373	17,228,066	18,068,168	19,524,824	20,182,150	20,182,168	20,235,012	20,545,965	20,884,744	21,539,820
Fire	10,196,605	10,739,651	11,238,422	12,206,774	12,833,183	12,671,757	12,897,810	13,277,876	13,807,699	14,085,219
Parks and recreation	4,106,476	4,110,013	4,373,460	4,841,597	5,457,410	5,359,692	4,966,060	4,833,743	5,157,417	5,197,591
Accounting/finance	1,754,186	1,765,350	1,811,690	2,087,572	2,327,608	2,279,241	2,367,814	845,076	793,960	831,313
Community development	7,282,012	6,355,136	6,652,162	6,925,581	7,433,617	7,315,631	7,124,851	6,829,018	6,760,826	6,559,064
Public works	4,653,539	5,128,384	6,038,790	5,606,784	5,452,172	5,355,585	5,170,624	5,777,249	5,325,013	5,613,107
Health	4,391,270	4,407,758	4,728,414	4,775,418	4,950,213	4,896,841	4,796,934	4,894,351	5,004,381	5,057,946
Traffic and transportation	1,937,424	2,309,854	2,355,249	2,459,070	2,292,890	2,245,038	2,233,311	2,194,962	2,468,051	2,274,249
Multi-Purpose Events Center	1,205,153	1,355,846	3,498,189	3,506,091	3,208,713	3,358,470	3,436,052	3,062,507	3,365,932	3,536,661
Capital outlay	10,171,128	7,244,115	7,093,636	15,219,394	12,088,928	8,758,421	7,600,491	8,537,049	7,867,468	5,230,269
Debt service - principal	3,050,000	3,190,000	2,510,000	2,395,000	2,065,000	2,240,000	2,115,000	2,270,000	2,515,000	3,000,000
Debt service - interest	852,624	731,921	1,271,106	1,456,540	1,364,831	1,781,176	1,934,935	1,604,392	1,618,299	2,342,331
Debt service - bond issuance costs	-	-	-	-	-	-	-	137,461	310,777	-
Total expenditures	75,033,311	74,669,736	79,604,780	91,878,221	90,972,066	86,138,652	85,114,614	86,968,430	88,557,434	88,614,599
Excess of revenues over (under) expenditures	(3,040,565)	(562,472)	2,745,821	(9,435,524)	(11,344,753)	882,984	(1,031,888)	(42,798)	(2,836,681)	6,343,359
Other Financing Sources (Uses)										
Proceeds from bonds	-	-	21,702,048	-	10,840,779	3,930,000	-	7,836,338	23,869,261	-
Capital lease proceeds	-	-	-	-	-	-	-	1,452,760	2,666,243	-
Payment to refunded bonds escrow agent	-	-	-	-	-	-	-	(4,484,698)	(3,831,570)	-
Transfers in	6,922,585	3,282,459	5,922,091	7,268,938	5,530,309	5,676,896	6,239,483	6,411,855	7,181,518	16,643,513
Transfer out	(7,878,421)	(2,227,586)	(5,401,565)	(8,194,534)	(9,433,265)	(16,053,685)	(6,405,589)	(10,176,091)	(10,636,058)	(36,860,991)
Total other financing sources (uses)	(955,836)	1,054,873	22,222,574	(925,596)	6,937,823	(6,446,789)	(166,106)	1,040,164	19,249,394	(20,217,478)
Net change in fund balances	\$ (3,996,401)	\$ 492,401	\$ 24,968,395	\$ (10,361,120)	\$ (4,406,930)	\$ (5,563,805)	\$ (1,197,994)	\$ 997,366	\$ 16,412,713	\$ (13,874,119)
Debt service as a percentage of noncapital expenditures	6.02%	5.82%	5.21%	5.02%	4.35%	5.20%	5.22%	4.94%	5.12%	6.41%

CITY OF WICHITA FALLS, TEXAS

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

Fiscal Year	Property	Sales	Franchise	Hotel Occupancy	Beverage	Bingo	Total
2004-2005	\$ 22,567,902	\$ 17,845,502	\$ 5,191,741	\$ 1,262,518	\$ 204,727	\$ 164,128	\$ 47,236,518
2005-2006	23,469,615	19,272,204	5,740,202	1,333,747	234,075	178,666	50,228,509
2006-2007	24,968,481	20,068,529	5,780,311	1,417,397	236,367	166,233	52,637,318
2007-2008	26,217,499	21,353,896	5,598,406	1,565,523	251,386	168,864	55,155,574
2008-2009	27,865,394	20,451,906	5,570,399	1,506,423	249,121	109,739	55,752,982
2009-2010	27,501,412	20,033,820	5,593,573	1,513,484	246,541	77,883	54,966,713
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

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
2004-2005	\$ 3,047,463,928	\$ 632,056,253	\$ 3,679,520,181	\$0.59246	\$ 3,679,520,181	100.00%
2005-2006	2,992,717,987	726,512,178	3,719,230,165	0.59246	3,719,230,165	100.00%
2006-2007	3,208,236,037	744,353,082	3,952,589,119	0.59246	3,952,589,119	100.00%
2007-2008	3,389,094,572	802,449,151	4,191,543,723	0.59246	4,191,543,723	100.00%
2008-2009	3,553,825,553	877,030,381	4,430,855,934	0.59526	4,430,855,934	100.00%
2009-2010	3,622,501,148	803,697,677	4,426,198,825	0.60526	4,426,198,825	100.00%
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%

CITY OF WICHITA FALLS, TEXAS

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

Fiscal Year	<u>Tax Rates Per \$100 Valuation</u>									Grand Total
	City of Wichita Falls			Wichita County			Burkburnett ISD (1)			
	M&O	I&S	Total	M&O	I&S	Total	M&O	I&S	Total	
2004-2005	\$ 0.54	\$ 0.05	\$ 0.59	\$ 0.44	\$ 0.02	\$ 0.46	\$ 1.50	\$ 0.14	\$ 1.64	
2005-2006	0.55	0.04	0.59	0.44	0.02	0.46	1.50	0.13	1.63	
2006-2007	0.57	0.02	0.59	0.43	0.02	0.45	1.37	0.13	1.50	
2007-2008	0.57	0.02	0.59	0.43	0.01	0.44	1.17	0.11	1.28	
2008-2009	0.58	0.02	0.60	0.43	-	0.43	1.17	0.14	1.31	
2009-2010	0.59	0.02	0.61	0.48	-	0.48	1.17	0.14	1.31	
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	
	City View ISD (2)			Iowa Park CISD (3)			Wichita Falls ISD (4)			
	M&O	I&S	Total	M&O	I&S	Total	M&O	I&S	Total	Grand Total
2004-2005	\$ 1.50	\$ 0.23	\$ 1.73	\$ 1.49	\$ 0.09	\$ 1.58	\$ 1.50	\$ 0.06	\$ 1.56	\$ 7.56
2005-2006	1.50	0.25	1.75	1.49	0.09	1.58	1.50	0.06	1.56	7.57
2006-2007	1.50	0.23	1.73	1.36	0.09	1.45	1.33	0.06	1.39	7.11
2007-2008	1.37	0.23	1.60	1.04	0.08	1.12	1.04	0.15	1.19	6.22
2008-2009	1.04	0.22	1.26	1.04	0.08	1.12	1.04	0.16	1.20	5.92
2009-2010	1.17	0.23	1.40	1.04	0.11	1.15	1.04	0.16	1.20	6.15
2010-2011	1.17	0.25	1.42	1.04	0.10	1.14	1.04	0.16	1.20	6.21
2011-2012	1.17	0.25	1.42	1.04	0.09	1.13	1.04	0.17	1.21	6.22
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

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, 2014

Taxpayer	2013-2014			2004-2005		
	Taxable Assessed Value	Rank	Percentage of Total Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total Assessed Valuation
GGP - Sikes Senter LLC	\$ 51,500,000	1	1.13%	\$ 53,365,018	1	1.45%
Oncor Electric Delivery Co	40,015,926	2	0.88%	44,679,932	2	1.21%
Texas Express Pipeline LLC	27,000,000	3	0.59%	-	N/A	0.00%
Wal-Mart Stores Texas LP	22,129,220	4	0.49%	34,439,397	3	0.94%
Quail Creek Crossing Ltd	20,162,000	5	0.44%	-	N/A	0.00%
Wal-Mart Stores East Inc	19,559,600	6	0.43%	-	N/A	0.00%
Southwestern Bell	15,448,654	7	0.34%	32,309,153	4	0.88%
Kell West Regional Hospital	15,060,037	8	0.33%	11,903,053	10	0.32%
Atmos Energy / Mid-Tex Division	13,503,380	9	0.30%	-	N/A	0.00%
North American Pipe Corp	13,031,894	10	0.29%	-	N/A	0.00%
Clinics of North Texas	-	N/A	0.00%	15,825,801	5	0.43%
Home Depot USA Inc	-	N/A	0.00%	12,951,193	6	0.35%
Lowe's Home Improvement Center	-	N/A	0.00%	12,907,926	7	0.35%
Time Warner	-	N/A	0.00%	12,801,498	8	0.35%
Southwestern Bell Wireless LLC	-	N/A	0.00%	12,630,912	9	0.34%
Totals	\$ 237,410,711		5.22%	\$ 243,813,883		6.62%

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
2004-2005	\$ 20,919,473	\$ 20,494,272	97.97%	\$ 326,361	\$ 20,820,633	99.53%
2005-2006	22,034,951	21,612,888	98.08%	320,355	21,933,243	99.54%
2006-2007	23,421,270	23,043,185	98.39%	292,471	23,335,656	99.63%
2007-2008	24,833,219	24,408,683	98.29%	298,446	24,707,129	99.49%
2008-2009	26,375,113	25,905,854	98.22%	361,260	26,267,114	99.59%
2009-2010	26,752,242	26,166,043	97.81%	373,633	26,539,676	99.21%
2010-2011	27,649,264	27,179,642	98.30%	284,894	27,464,536	99.33%
2011-2012	27,704,114	27,306,706	98.57%	251,300	27,558,006	99.47%
2012-2013	28,362,591	27,906,520	98.39%	178,419	28,084,939	99.02%
2013-2014	28,876,552	28,375,563	98.27%	-	28,375,563	98.27%

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			
2004-2005	\$ 10,725,000	\$ 6,095,000	\$ 178,149	\$ -	\$ 126,538,189	\$ 33,975,588	\$ -	\$ 755,438	\$ -	\$ 178,267,364	4.16%	\$ 1,667.98
2005-2006	8,270,000	5,360,000	120,443	-	124,824,242	30,961,933	-	728,039	-	170,264,657	3.81%	1,581.87
2006-2007	7,390,000	25,396,016	61,093	-	123,869,328	27,864,844	-	699,748	-	185,281,029	4.01%	1,721.38
2007-2008	6,480,000	23,867,228	-	-	121,887,613	24,479,232	-	670,537	-	177,384,610	3.71%	1,644.78
2008-2009	5,535,000	33,524,726	-	-	119,841,741	21,004,768	-	640,377	722,464	181,269,076	7.34%	1,711.13
2009-2010	4,790,000	35,918,687	-	-	107,501,744	27,744,748	-	609,234	549,621	177,114,034	8.03%	1,694.01
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

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		
2004-2005	\$ 10,725,000	\$ 6,095,000	\$ 16,820,000	0.46%	\$ 157.38
2005-2006	8,270,000	5,360,000	13,630,000	0.37%	126.63
2006-2007	7,390,000	25,396,016	32,786,016	0.83%	304.60
2007-2008	6,480,000	23,867,228	30,347,228	0.72%	281.39
2008-2009	5,535,000	33,524,726	39,059,726	0.88%	368.71
2009-2010	4,790,000	35,918,687	40,708,687	0.92%	389.36
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

CITY OF WICHITA FALLS, TEXAS

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

Total assessed property value per 2013 tax roll	\$ 4,548,012,853
Maximum tax rate *	\$ 2.25/\$100
Current tax rate for 2012 tax year	<u>.63526/\$100</u>
Maximum tax rate in excess of 2012 tax rate	<u>1.61474/\$100</u>
Total legal debt margin	<u>\$ 73,438,583</u>

	Fiscal Year									
	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014
Assessed value	\$ 3,679,520,181	\$ 3,719,230,165	\$ 3,952,589,119	\$ 4,191,543,723	\$ 4,430,855,934	\$ 4,426,198,825	\$ 4,422,042,602	\$ 4,430,814,978	\$ 4,464,721,591	\$ 4,548,012,853
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	.59246/\$100	.59246/\$100	.59246/\$100	.59246/\$100	.59526/\$100	.60526/\$100	.62526/\$100	.62526/\$100	.63526/\$100	.63526/\$100
Maximum tax rate in excess of current rate	<u>1.65754/\$100</u>	<u>1.65754/\$100</u>	<u>1.65754/\$100</u>	<u>1.65754/\$100</u>	<u>1.65474/\$100</u>	<u>1.64474/\$100</u>	<u>1.62474/\$100</u>	<u>1.62474/\$100</u>	<u>1.61474/\$100</u>	<u>1.61474/\$100</u>
Total legal debt margin	<u>\$ 60,989,519</u>	<u>\$ 61,647,728</u>	<u>\$ 65,515,746</u>	<u>\$ 69,476,514</u>	<u>\$ 73,319,145</u>	<u>\$ 72,799,463</u>	<u>\$ 71,846,695</u>	<u>\$ 71,989,223</u>	<u>\$ 72,093,645</u>	<u>\$ 73,438,583</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 2013 tax rate is \$.63526 per \$100 assessed valuation.

* Maximum tax levy established by City Charter

CITY OF WICHITA FALLS, TEXAS

PLEGGED 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	
2004-2005	\$ 29,680,713	\$ 15,693,788	\$ 13,986,925	\$ 4,385,000	\$ 8,078,748	\$ 12,463,748	1.12
2005-2006	32,976,347	16,986,210	15,990,137	4,505,000	7,600,831	12,105,831	1.32
2006-2007	29,598,709	17,273,862	12,324,847	4,985,000	6,608,627	11,593,627	1.06
2007-2008	33,514,257	17,896,263	15,617,994	5,165,000	6,424,544	11,589,544	1.35
2008-2009	33,662,220	19,546,745	14,115,475	5,410,000	6,185,216	11,595,216	1.22
2009-2010	33,264,688	19,924,687	13,340,001	5,615,000	5,879,680	11,494,680	1.16
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	30,675,053	20,981,384	9,693,669	3,460,000	4,385,925	7,845,925	1.24

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)

Fiscal Year	Estimated Population (1)	Personal Income	Per Capita Personal Income (2)	Median Age	Education Level (3)	School Enrollment (3)	Unemployment Rate (4)
2004-2005	106,876	\$ 4,287,700,173	\$ 40,118	35.4	13.1	13,755	4.8%
2005-2006	107,635	4,464,967,184	41,482	35.4	13.1	13,743	4.2%
2006-2007	107,635	4,616,776,069	42,893	34.9	13.1	14,707	4.1%
2007-2008	107,847	4,783,148,919	44,351	34.9	13.3	14,533	5.5%
2008-2009	105,935	2,470,050,408	23,317	33.2	13.5	15,473	8.2%
2009-2010	104,553	2,205,022,770	21,090	32.3	13.3	16,217	7.3%
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%

Sources:

- (1) City of Wichita Falls Planning Department for all years, except for 2009-10 and 2010-11 from US Bureau of Census.
- (2) C.A.C.I. Marketing Services
- (3) Wichita Falls I.S.D. - Educational level is grade equivalent of graduating senior
- (4) Texas Workforce Commission

CITY OF WICHITA FALLS, TEXAS

PRINCIPAL EMPLOYERS CURRENT YEAR AND TEN YEARS AGO (UNAUDITED) SEPTEMBER 30, 2014

Employer	2013-2014			2003-2004		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Sheppard Air Force Base	10,015	1	14.01%	13,088	1	18.30%
North Texas State Hospital	2,071	2	2.90%	1,055	5	1.48%
Wichita Falls ISD	1,925	3	2.69%	1,700	3	2.38%
United Regional Health Care System	1,739	4	2.43%	1,700	2	2.38%
Midwestern State University	1,297	5	1.81%	-	N/A	-
City of Wichita Falls	1,175	6	1.64%	1,477	4	2.07%
Howmet Corporation	1,090	7	1.52%	903	8	1.26%
Wal-Mart - 3 locations	1,026	8	1.43%	-	N/A	-
Cryovac Division - Sealed Air Corp.	896	9	1.25%	738	9	1.03%
James B. Allred Prison Unit	869	10	1.22%	930	7	1.30%
Vetrotex America	-	N/A	-	1,000	6	1.40%
Stanley Works, Mechanics Division	-	N/A	-	550	10	0.77%
Totals	22,103		30.90%	23,141		32.37%

Sources:

2003-2004 data is from Texas Workforce Commission. 2013-2014 data is from Wichita Falls Chamber of Commerce.

CITY OF WICHITA FALLS, TEXAS

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

	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014
Administrative services	95.5	99.9	103.0	105.1	104.6	102.0	97.0	94.6	94.3	94.1
Police	286.5	286.5	294.0	293.0	294.0	295.0	296.5	298.5	299.5	300.0
Fire	156.0	156.0	162.0	164.0	164.0	164.0	162.0	162.0	162.5	162.5
Parks and recreation	75.8	75.8	75.8	82.9	82.9	84.8	88.7	89.7	92.9	92.1
Accounting/finance	22.4	22.4	24.5	25.5	26.0	26.0	25.0	27.0	27.0	27.0
Community development	38.7	38.7	40.7	40.5	41.0	40.1	40.0	40.0	42.0	42.0
Public works	80.2	80.2	80.2	80.2	80.8	80.8	79.2	78.5	78.5	78.5
Health	76.9	77.1	74.9	72.5	69.0	68.4	71.5	72.0	81.9	78.7
Traffic and transportation	51.5	51.5	52.6	52.6	50.6	51.7	52.6	53.6	53.6	56.1
Multi-Purpose Events Center	-	-	22.4	22.8	23.0	23.0	22.8	22.8	22.8	22.8
Water and sewer	172.0	177.5	179.5	179.5	179.9	180.1	179.6	180.2	182.1	189.1
Sanitation	81.0	81.0	81.0	82.0	82.5	82.5	82.5	82.5	81.5	83.5
Golf	19.7	19.2	19.4	-	-	-	-	-	-	-
Municipal Airport	1.0	1.0	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6
Kickapoo Airport	5.0	5.0	4.4	4.4	4.4	5.4	5.4	5.6	6.4	3.4
Transit	19.3	19.3	19.2	19.6	22.1	21.6	21.6	22.2	24.7	26.2
Stormwater Drainage	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.8	1.8

CITY OF WICHITA FALLS, TEXAS

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

	Fiscal Year									
	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014
General government										
Building permits issued	8,904	7,553	7,813	7,420	6,769	6,802	8,130	7,303	9,979	8,542
Building inspections conducted	13,092	12,591	12,048	11,425	9,565	11,038	13,321	11,834	12,823	13,472
Police										
Physical arrests	8,284	8,571	7,279	6,752	7,186	6,235	5,845	6,182	5,978	6,042
Parking violations	1,615	327	383	197	-	109	125	529	65	43
Traffic violations	21,075	24,126	17,904	16,236	23,253	25,558	23,780	21,660	21,651	22,538
Fire										
Emergency responses	7,677	8,234	8,634	8,684	8,687	8,693	9,139	9,027	8,979	8,708
Fires extinguished	757	792	554	1,340	718	654	703	583	591	452
Inspections	850	850	900	2,647	3,250	3,281	3,114	3,221	3,198	3,316
Refuse collection										
Refuse collected (tons)	79,555	78,165	182,855	168,681	161,243	156,630	141,251	116,961	124,250	121,502
Recyclables collected	2,328	2,018	19,034	21,624	22,010	16,923	16,780	18,743	18,884	14,643
Library										
Volumes in collection	225,941	172,391	179,728	184,231	185,009	185,009	193,064	177,229	173,996	174,993
Total volumes borrowed	295,088	293,884	302,565	352,408	368,685	368,685	344,107	327,336	276,065	293,860
Water										
New connections	312	325	310	212	146	48	64	119	134	(344)
Water main breaks	573	881	741	898	872	724	1,250	1,028	954	944
Average daily consumption (thousands of gallons)	22,100	23,680	19,936	22,511	19,200	19,851	25,798	20,269	15,564	13,207
Wastewater										
Average daily sewage treatment (thousands of gallons)	12,404	11,097	13,930	11,410	7,670	12,435	10,080	10,551	9,217	6,452
Transit										
Total route miles	450,938	435,446	476,758	488,842	530,771	536,181	552,238	586,893	572,744	575,004
Passengers	247,303	229,601	294,670	324,666	327,463	340,181	374,277	485,101	460,484	462,853

CITY OF WICHITA FALLS, TEXAS

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

	Fiscal Year									
	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	-	114	114	103	105	115	114	114	113	113
Fire stations	8	8	8	8	8	8	8	8	8	8
Refuse collection										
Collection trucks	-	34	34	36	36	36	36	36	36	36
Other public works										
Streets (miles)	585	585	587	515	529	514	514	515	515	515
Streetlights	7,825	7,926	7,922	7,976	8,203	7,958	8,084	7,931	7,942	7,972
Traffic signals	111	102	98	102	104	104	104	104	104	104
Parks and recreation										
Acreage	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Playgrounds	47	47	47	47	40	39	39	39	39	39
Golf courses	1	1	1	1	1	1	1	1	1	1
Water										
Water mains (miles)	566	830	846	720	720	572	572	577	578	579
Fire hydrants	-	6,000	6,019	2,264	2,264	2,545	2,547	2,579	2,588	2,588
Storage capacity (thousands of gallons)	-	14,000	21,500	21,000	22,500	37,000	37,000	37,000	37,000	37,000
Wastewater										
Sanitary sewers (miles)	529	529	531	538	550	543	543	545	546	547
Storm sewers (miles)	96	96	96	117	117	97	97	97	98	98
Treatment capacity (thousands of gallons)	-	56,600	21,410	21,410	22,800	21,410	24,410	24,410	21,410	21,410
Transit										
Buses	12	12	12	12	12	14	14	14	14	14

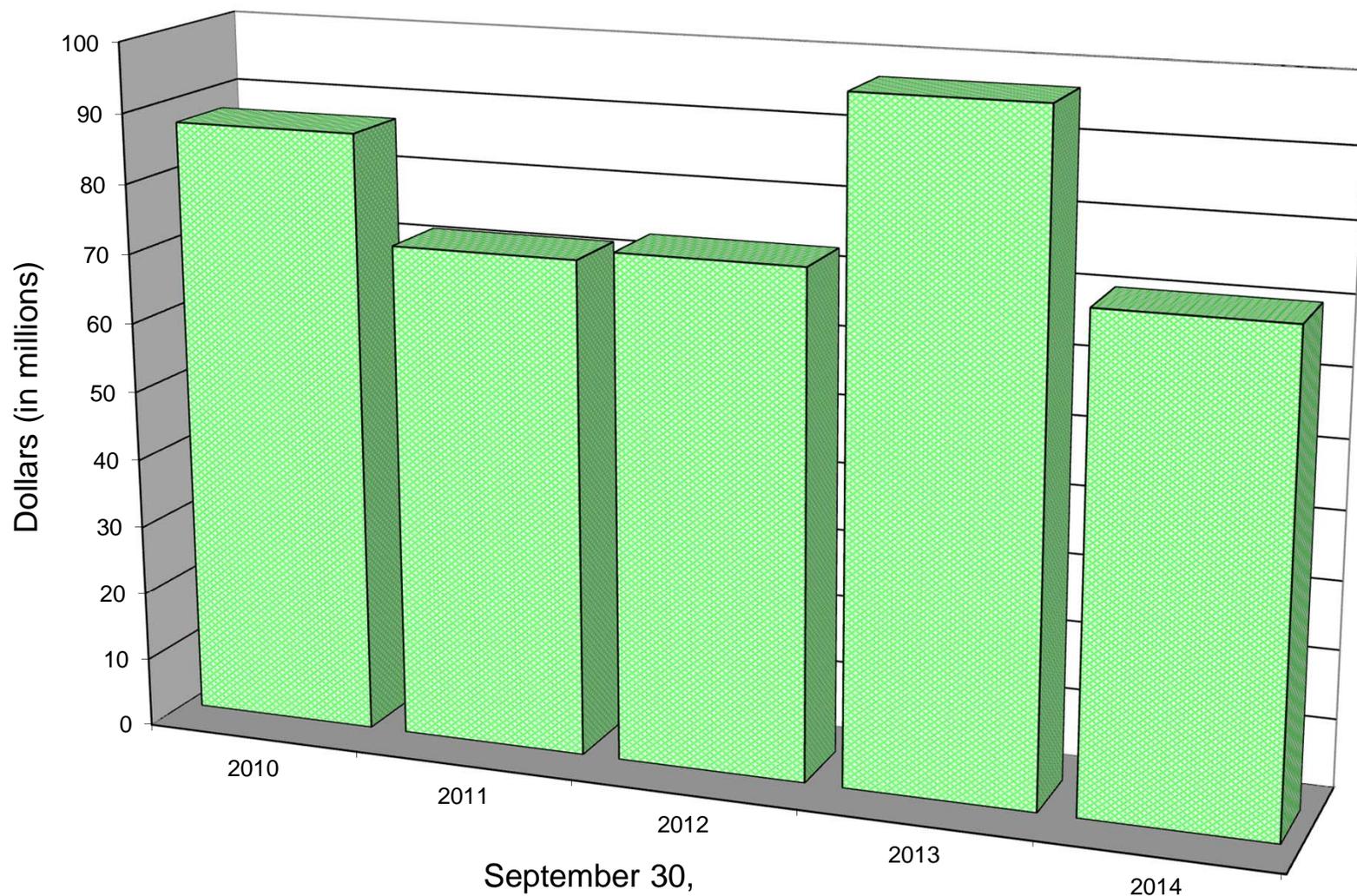
Notes:

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

Graphics

CITY OF WICHITA FALLS, TEXAS

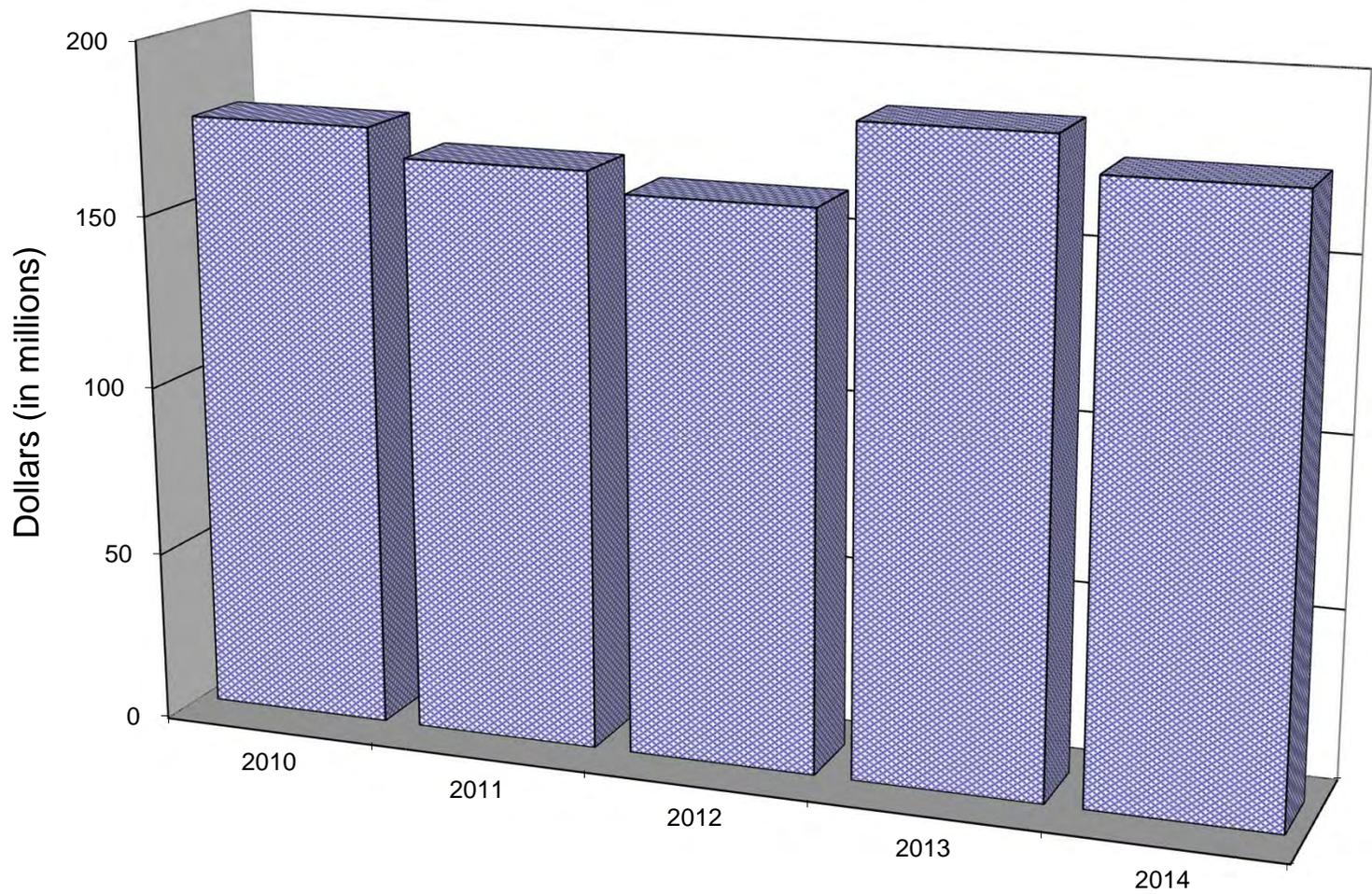
CASH AND INVESTMENTS



(UNAUDITED)

CITY OF WICHITA FALLS, TEXAS

TOTAL BONDS PAYABLE

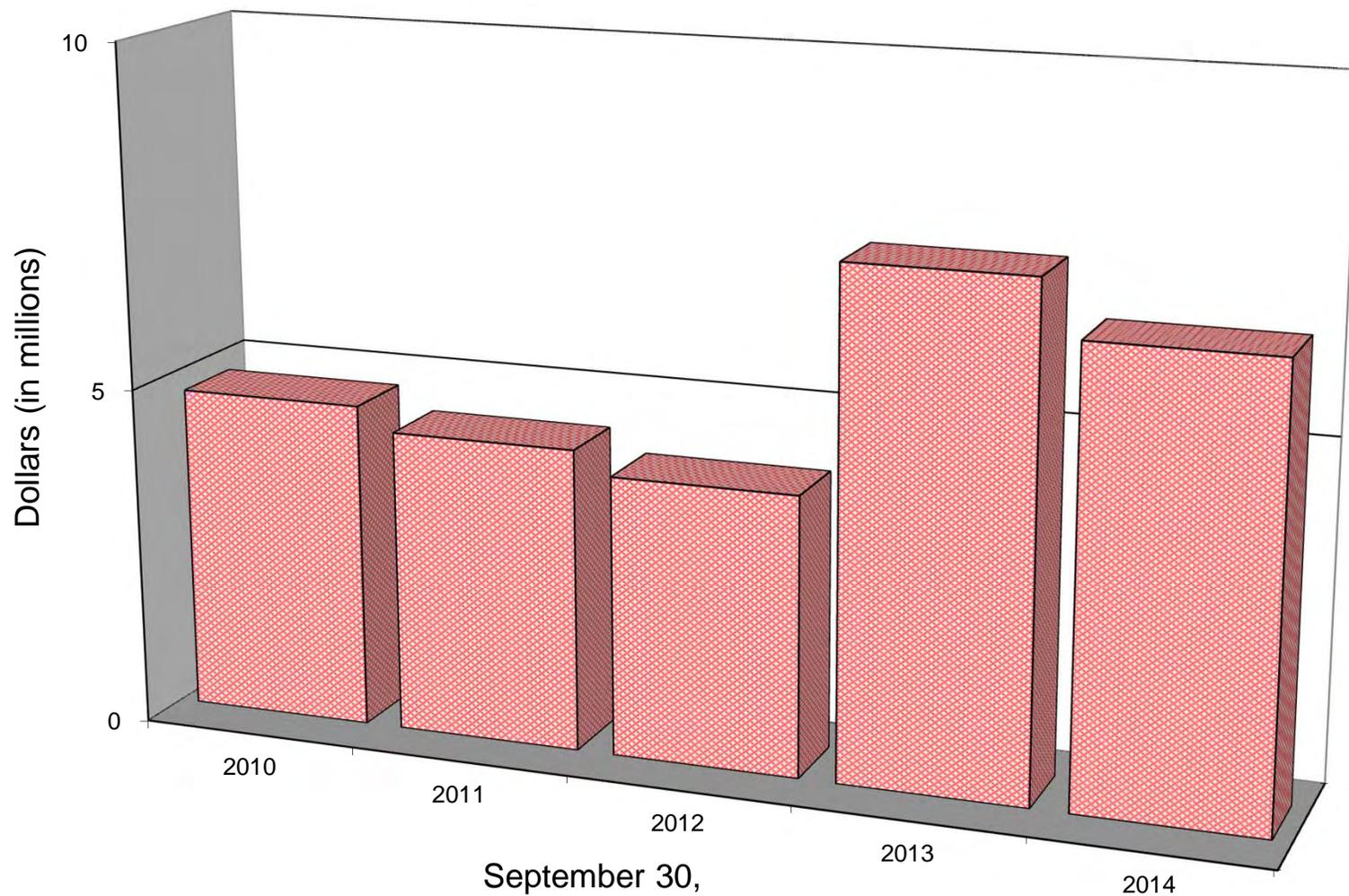


September 30,

(UNAUDITED)

CITY OF WICHITA FALLS, TEXAS

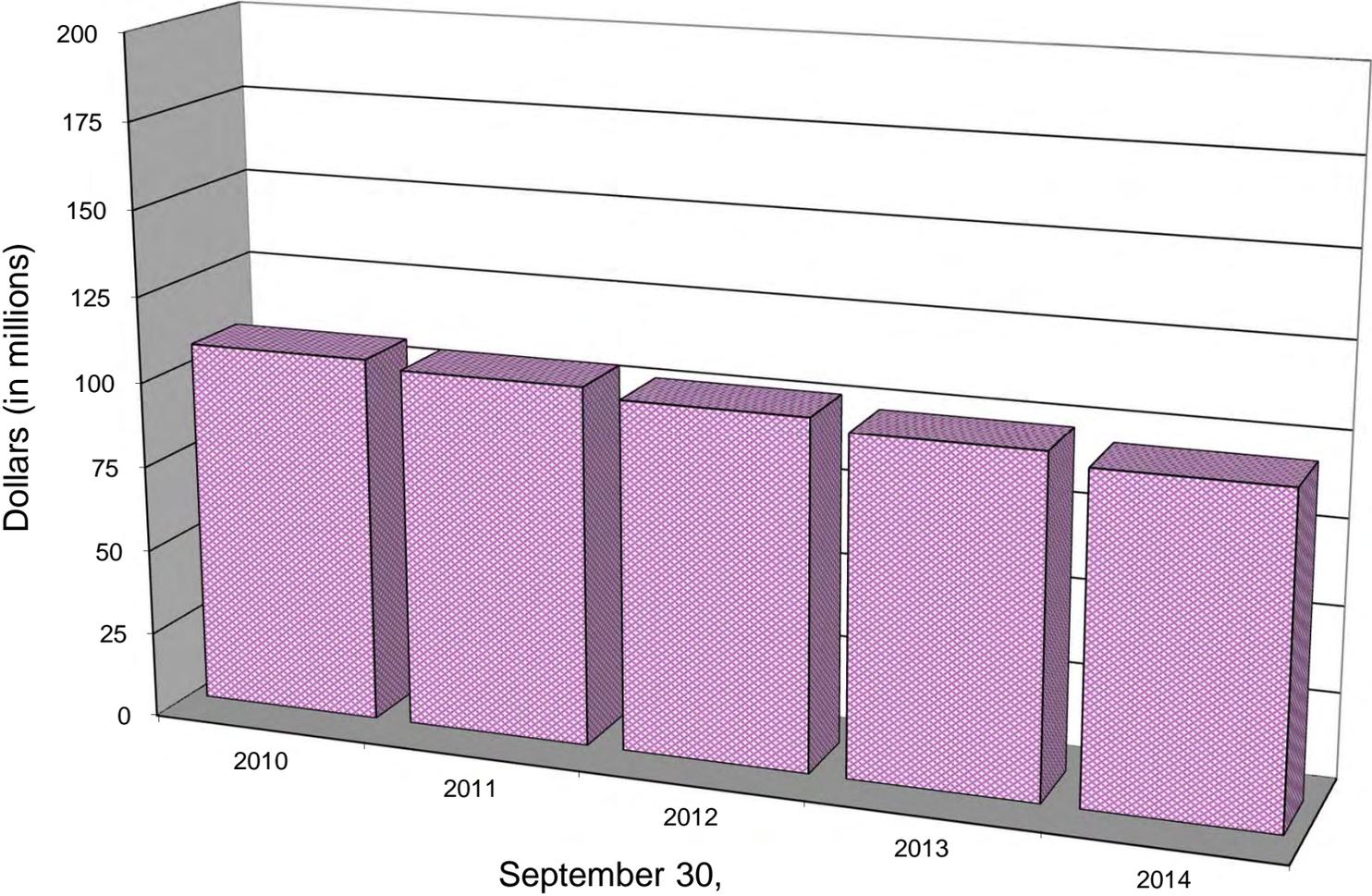
GENERAL OBLIGATION BONDS PAYABLE



(UNAUDITED)

CITY OF WICHITA FALLS, TEXAS

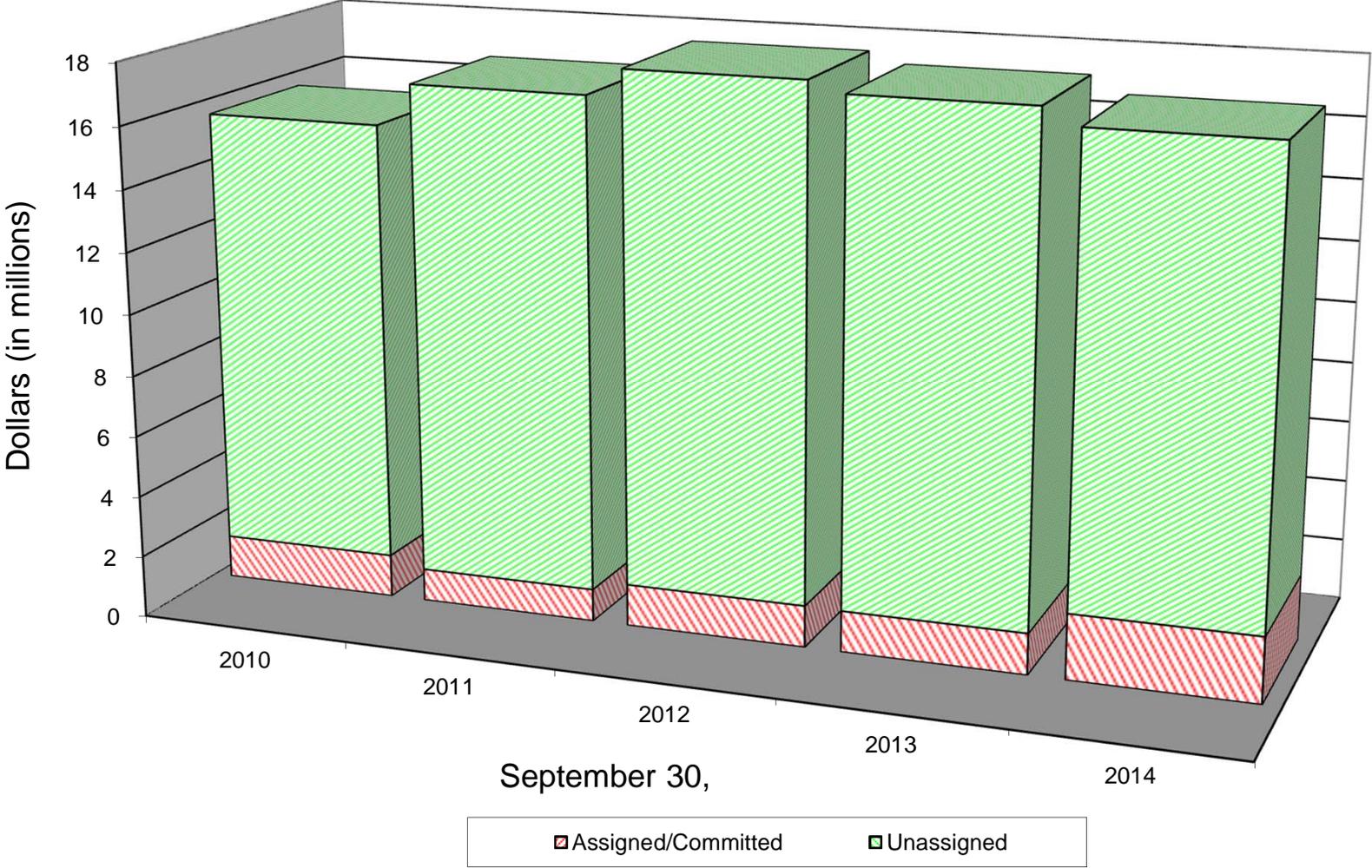
REVENUE BONDS PAYABLE



(UNAUDITED)

CITY OF WICHITA FALLS, TEXAS

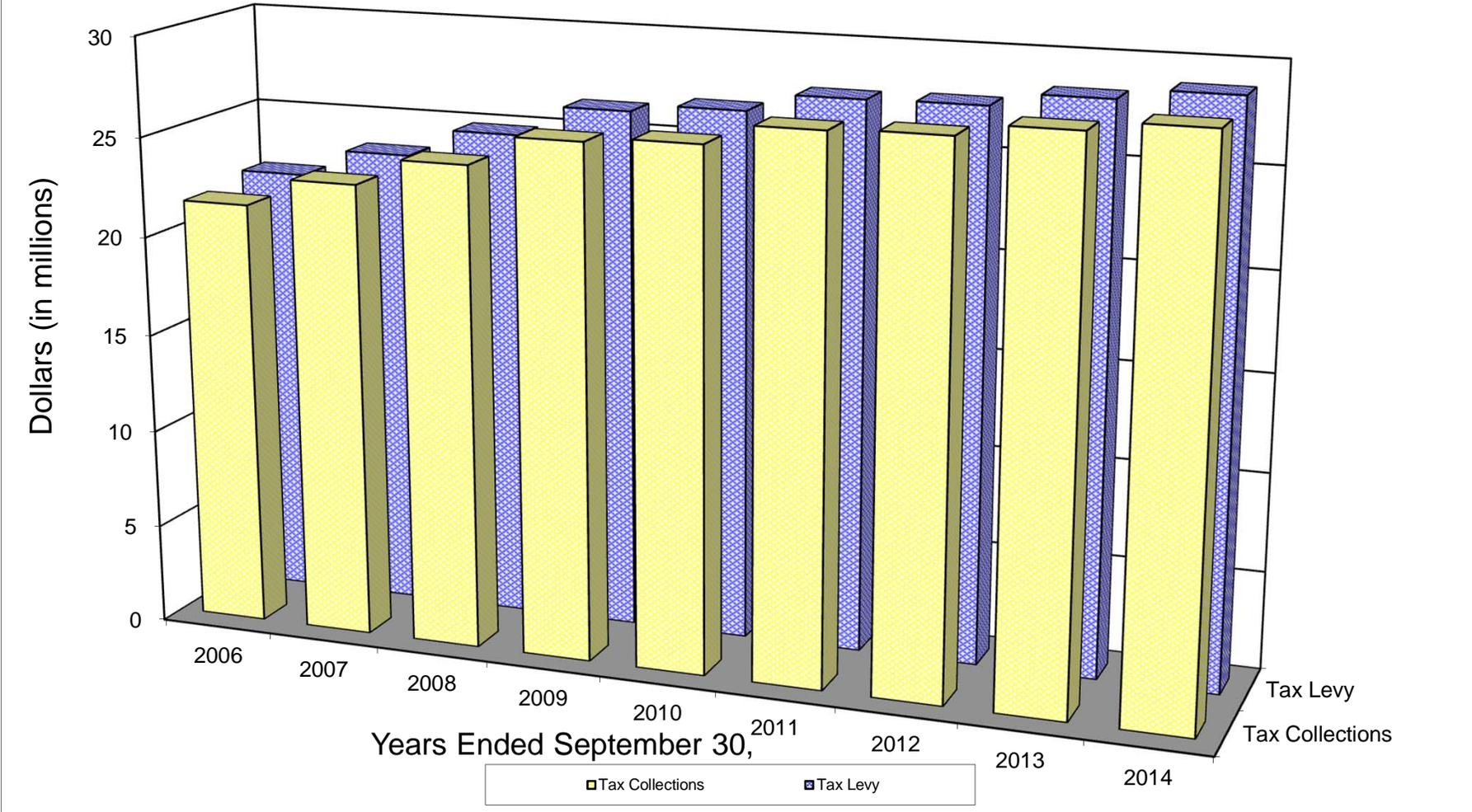
GENERAL FUND EQUITY



(UNAUDITED)

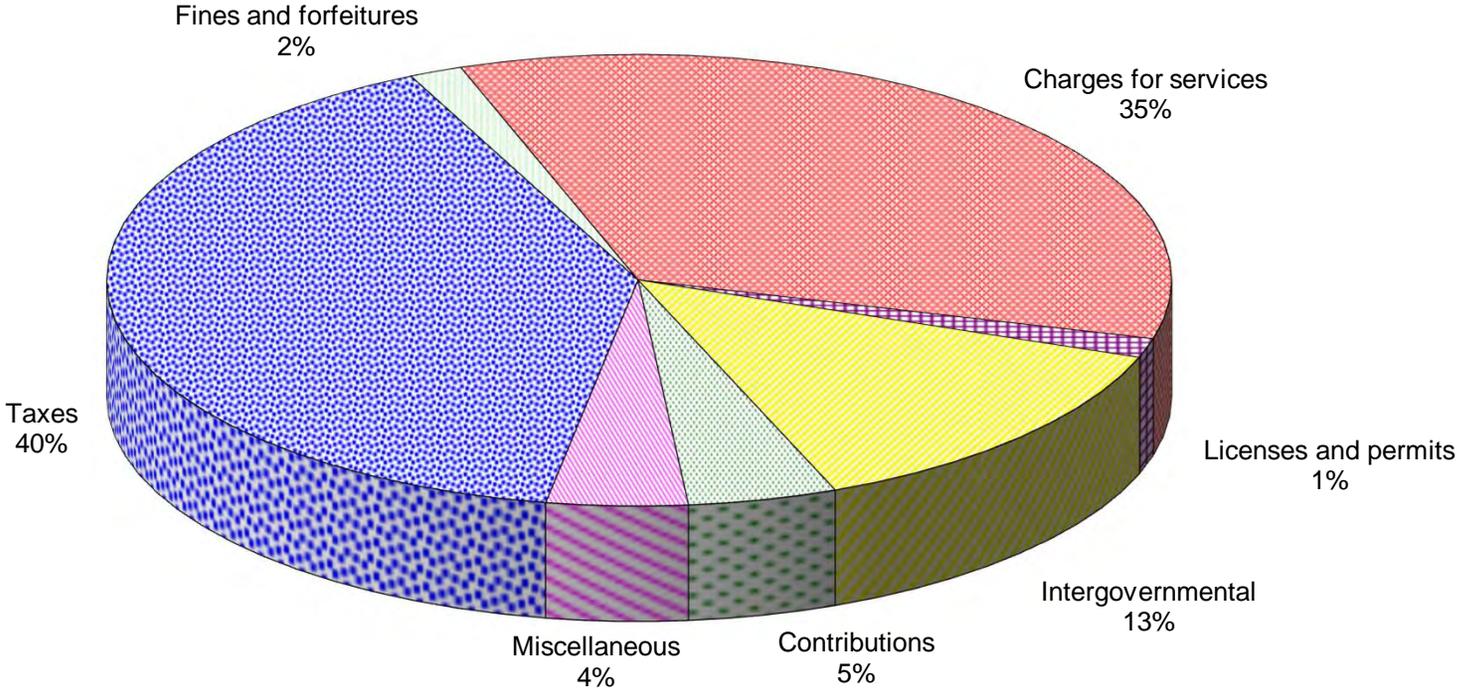
CITY OF WICHITA FALLS, TEXAS

COMPARISON OF TAX LEVY AND COLLECTIONS



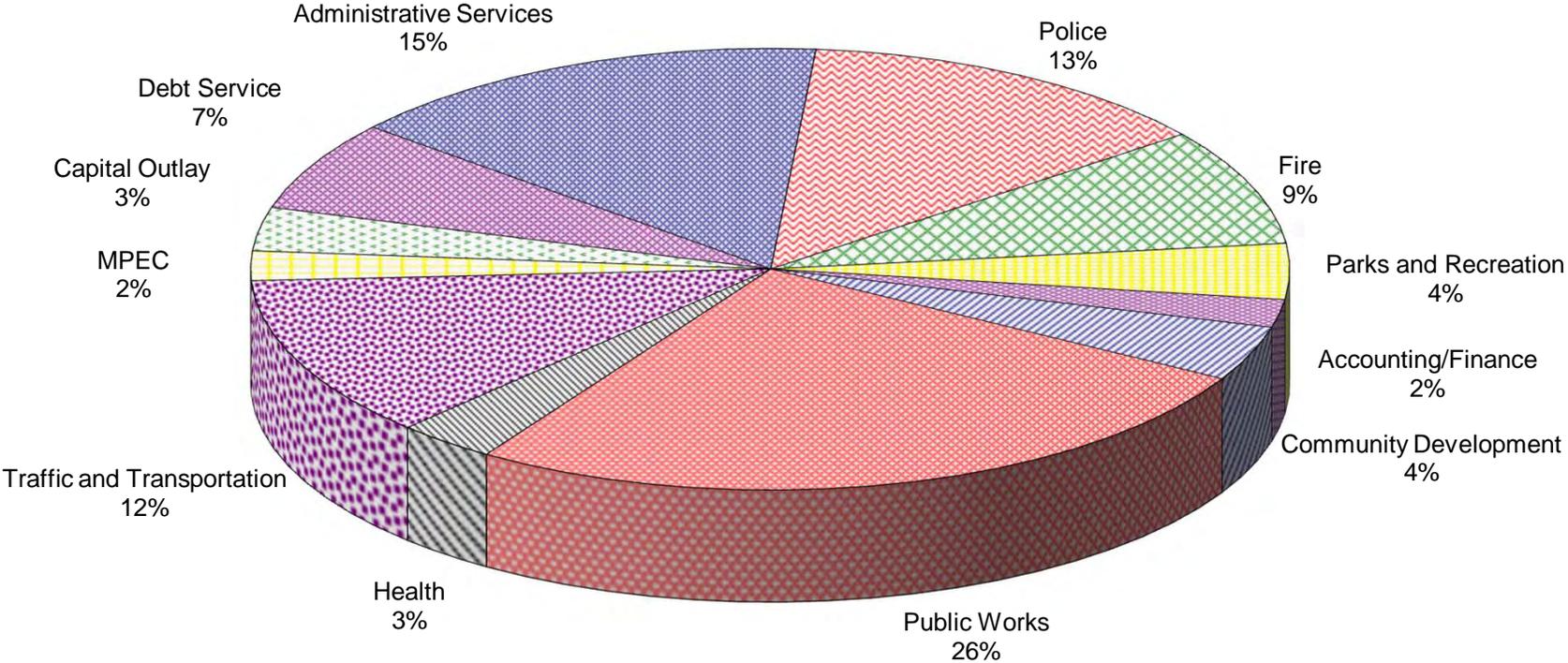
(UNAUDITED)

**CITY OF WICHITA FALLS, TEXAS
REVENUES BY SOURCE - FYE 9/30/14**



(UNAUDITED)

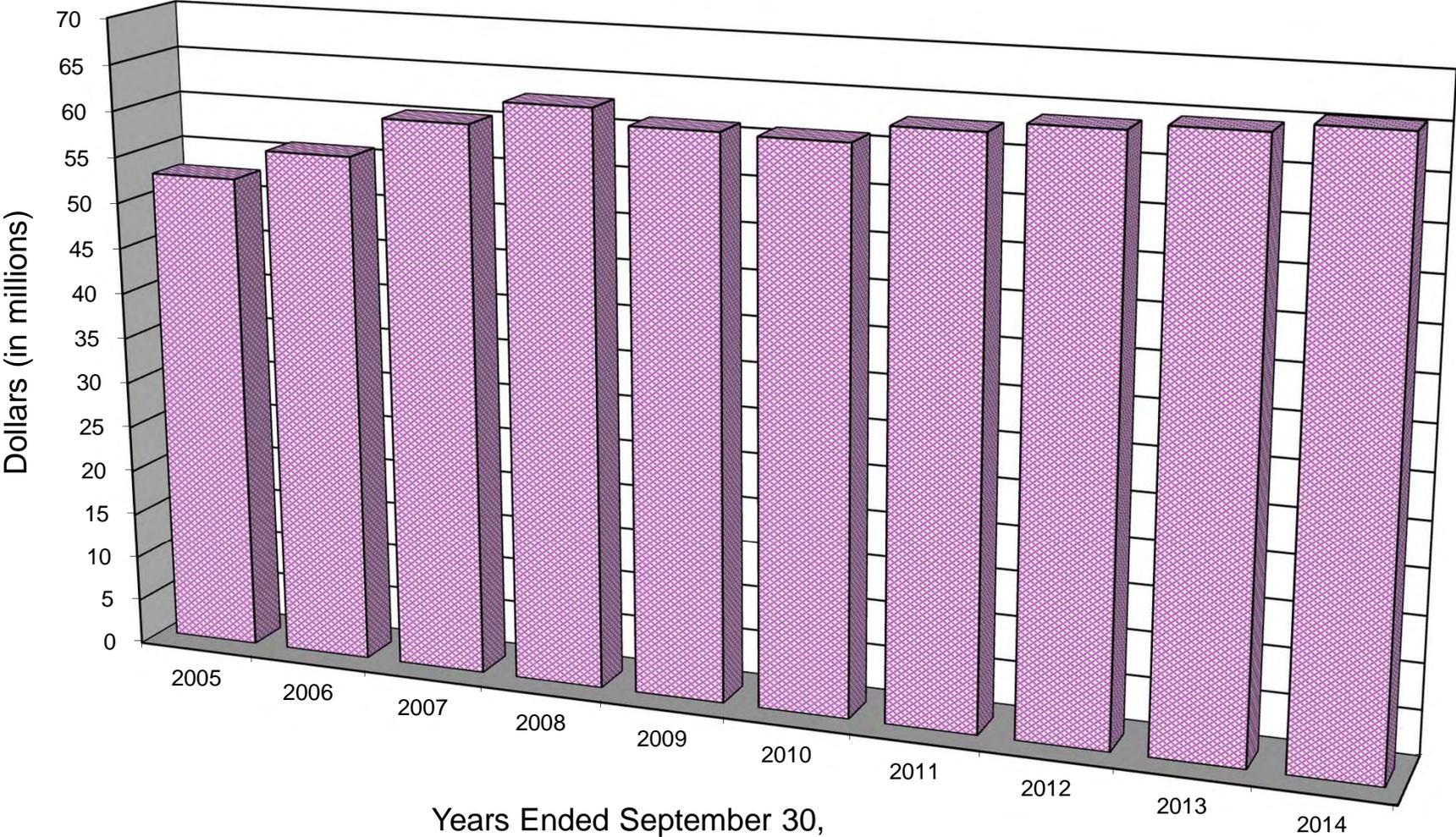
**CITY OF WICHITA FALLS, TEXAS
EXPENDITURES BY FUNCTION - FYE 9/30/14**



(UNAUDITED)

CITY OF WICHITA FALLS, TEXAS

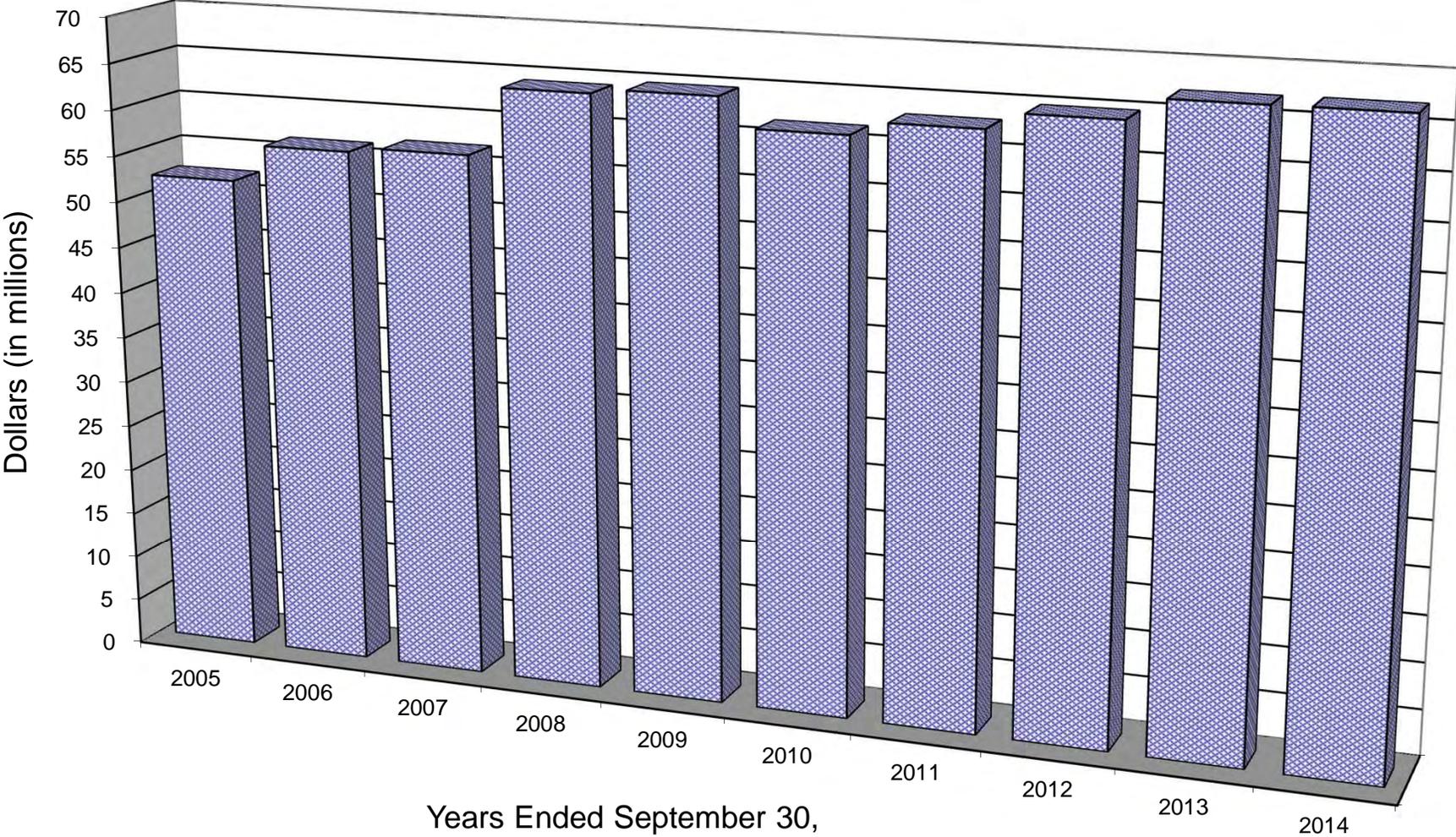
GENERAL GOVERNMENTAL REVENUES (GENERAL FUND ONLY)



(UNAUDITED)

CITY OF WICHITA FALLS, TEXAS

GENERAL GOVERNMENTAL EXPENDITURES (GENERAL FUND ONLY)



(UNAUDITED)

