

**CITY OF
WEATHERFORD**

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED
SEPTEMBER 30, 2010**

CITY OF WEATHERFORD, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2010

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INTRODUCTORY SECTION

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March 22, 2011

To the Honorable Mayor, Members of the City Council,
and Citizens of the City of Weatherford

The City Charter requires that an annual audit of all records and transactions of the administration of the affairs of the City be made annually by a certified public accountant. Accordingly, the comprehensive annual financial report (CAFR) of the City of Weatherford, Texas, for the fiscal year ended September 30, 2010, is hereby submitted.

This report consists of management's representations concerning the finances of the City of Weatherford. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the City of Weatherford's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Weatherford's financial statements have been audited by Pattillo, Brown & Hill, L.L.P., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2010, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Weatherford's financial statements for the fiscal year ended September 30, 2010, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of Weatherford's MD&A can be found immediately following the report of the independent auditors.

Profile of the City of Weatherford

The City of Weatherford, incorporated in 1858, adopted its original charter and became a home rule city in 1918. The City is located 25 miles west of Dallas/Fort Worth metropolitan area on Interstate Highway 20 (IH-20) and serves as the county seat of Parker County. The City currently occupies a land area of 26.52 square miles and serves an estimated population of 25,250. The City is empowered to levy a property tax on both real and personal properties located within its boundaries. It is also empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the City Council.

The City is operated under the Council-Manager form of government. Policy-making and legislative authority are vested in a governing Council consisting of the Mayor and four Council Members. The governing Council is responsible, among other things, for passing ordinances, adopting the budget, appointing boards and committees, and hiring the City Manager. The Municipal Court Judge and City Attorney are also appointed by the City Council. The City Manager is responsible for carrying out the policies and ordinances of the Council, for overseeing the day-to-day operations of the City, and for appointing the heads of the various departments. The Mayor and Council Members are elected on a non-partisan, at-large basis for two-year staggered terms. City voters approved in November 2010 a change to three-year staggered terms starting with the May 2011 elections. The City provides a full range of services including police and fire protection, street maintenance, sanitation, parks and recreation facilities, and public library.

The Board of Trustees of the municipal utility system, consisting of the Mayor, two Council Members, and four Trustees appointed by the City Council, exercise management control of the electric, water and wastewater systems that serve the City and much of the area extending from the City to and around the Weatherford Water Supply Reservoir located approximately five miles northeast of the City. The City Manager is also responsible for all utility operations and reports directly to the Municipal Utility Board.

The annual budget serves as the foundation for the City's financial planning and control. All departments of the City are required to submit requests for appropriation to the City Manager prior to June 1 of each year. These requests are reviewed, prioritized and, based upon projected revenue availability, included in a proposed budget. The City Manager then presents the proposed budget to the City Council and Municipal Utility Board, respectively, for review prior to August 31. The Council and Board are required to hold public hearings on the proposed budget and to adopt a final budget by no later than September 30, the close of the City's fiscal year. The budget is prepared and appropriated by fund and department. Upon approval of the City Manager, department directors may make line-item transfers of appropriations within a department; however, appropriation transfers between departments require approval of the Council or Board. A summary budget-to-actual comparison for the General Fund is provided on pages 62 – 63 of this report. Budget-to-actual comparisons for each of the nonmajor governmental funds are found on pages 74 – 88.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Weatherford operates.

Local Economy. The City of Weatherford and Texas have been impacted by the recession and economic downturn that has hit the nation. As hard as both have been hit, the state, and more so the North Texas Metroplex that includes Weatherford, has fared much better than many other parts of the nation. Local manufacturing includes national & international silicone rubber products, automotive fuel additives, natural gas drilling & production, PVC plastic pipe, regional lower-tier subcontractors to Metroplex aerospace companies, regional retail shopping, healthcare/physician recruitment, and service businesses are the leading sectors in the economy, however, dairy, horse and cattle ranching, and agricultural crop production are still significant economic contributors to the area. In addition, 45 to 50 percent of local residents make the short commute to Lockheed-Martin, Bell Helicopter/Textron, Alliance Airport, the Federal Currency Center, and other major corporate employers in the Fort Worth/Dallas metropolitan area. The local unemployment rate of 7.0% (Dec 2010), while much higher than in 2008, continues to be the lowest of the County, Fort Worth-Dallas MSA and State, and much lower than national levels. The City continues to develop as a major regional retail center along the IH-20 corridor with over 850,000 sq. ft. of commercial construction that created over 1,200 new jobs, since 2005. As a result of economic development incentive agreements negotiated with Target and Lowe's Home Centers in 2004, they and several other comparable anchor/chain retail stores and restaurants have either opened or are in the process of constructing stores in Weatherford at the intersection of IH-20 and S. Main St. (State Highways 51/171).

As mentioned above, the national economic downturn has affected the City. Nine local key economic indicators, we have tracked since October 2008 – including new business prospects, local sales tax, residential & commercial construction permits (number and values) and others - have all “bottomed-out” and are slowly recovering from Recession lows of each. In fact three indicators did not decline through 2009 and 2010 – the number of new business prospects (retail, commercial/service and industrial), population growth, and the number of commercial construction permits (dollar values did decline) maintained in 2009 and increased in 2010. The Consumer Confidence Index, as reported by the Texas Comptroller, decreased 9% for the entire United States and decreased 18% for the West-South-Central Region. Despite the economic growth, local sales tax collections were down 4.7% from the prior fiscal year. Another probable sign of the economic times is the fact that building permit revenue also decreased 16% over this last fiscal year. This is the second year for decreased building permits after having experienced four consecutive years of increases.

Long-term financial planning. In 2009, City Council adopted Financial Management Policy Statements to provide a framework for fiscal decision-making to ensure that financial resources are available to meet the present and future needs of the City. Management of the City believes we are currently in compliance with these policy statements. The policy statements state that current expenditures shall not exceed current revenues plus the planned use of fund balances for non-recurring expenditures. As previously mentioned, the City's economic future is influenced by current challenges. Procedures recommended by the Financial Management Policy Statements have been enacted and sustained to reduce expenses and workforce to maintain the City's strong financial position.

Debt issuance is permitted in the Financial Management Policy Statements with certain stipulations. For example, to accommodate the growth of vehicular traffic within the City generated by increasing residential and retail development, the City Council is currently working with the Texas Department of Transportation (TxDOT) to fund design and construction of major thoroughfare improvements along IH-20 and State Highways 51/171. In mid-2003, the City issued \$3.5 million in certificates of obligation for design and initial funding of a major thoroughfare project to connect Fort Worth Street with Santa Fe Drive. Since this project would connect two state highways and is related to the state's planned reconstruction of the railroad overpass on Fort Worth Street, it has also been included in the TxDOT funding program. The estimated total cost of these projects was \$45.6 million. A Pass-Through Toll Agreement with TxDOT provides for the City to finance and construct the projects, with TxDOT reimbursing the City annually \$.15 for each vehicle-mile traveled on the highway improvements. Annual payments will be no less than \$3,496,235 or more than \$5,244,352. Total reimbursement will be \$52.4 million over a 10-15 year period based upon annual traffic estimates. In May 2007, the City issued \$46.5 million in certificates of obligation to fund the TxDOT projects. Many of these projects are currently under construction and Jack Borden Way has already been completed and opened. During the winter of 2010-2011 a portion of these 2007 certificates of obligation were restructured along with a refunding, due to favorable market conditions, for the remainder of the 2000 general obligation bonds and 2001 certificates of obligation as well as an issuance of \$8,345,000 of certificates of obligation to complete these TxDOT cooperative projects.

The City issued \$10.8 million in general obligation bonds during 2007. Projects include \$3 million for the construction and equipping of a fourth fire station as well as \$7.8 million for major transportation and thoroughfare improvements. Many projects from this issuance have been completed with final amounts being added together with remaining transportation funds from the 2006 and 2008 certificates of obligation proceeds for final TxDOT cooperative projects described above.

Cash Management Policies and Practices. Some cash temporarily idle or in reserves during the year was invested in direct obligations of the two state-wide investment pools available to local governments (TexPool and TexStar), certificates of deposit programs such as structured certificates of deposit and a money market fund. The City's local depository bank agreement, effective July 1, 2009, provides for an overnight rate equal to the London Interbank Offered Rate (LIBOR) rate less .10%. Of the total \$62,756,297 in idle or reserve cash at year-end, \$33,176,561 was in TexPool yielding 0.233%, \$21,650,793 was in TexStar yielding 0.244%, and the remaining \$7,928,943 was in Compass Bank, the City's depository bank, with an overnight yield of 0.157%. Investment income presented in the financial statements includes any gain or loss as a result of the change in the fair market value of investments held during the year.

Risk Management. The City currently maintains third-party coverage for workers' compensation, general liability, automobile liability, public officials (errors and omissions) liability, law enforcement liability, and property damage by participating in a statewide, joint, self-insurance pool operated by the Texas Municipal League (TML). In an effort to prevent and/or minimize claims, management reviews all personal injury and vehicle-related accidents, promotes safety training and awareness programs (defensive driving, mandatory drug testing, etc.), and works with the TML loss prevention coordinator to implement safety recommendations. Utility department personnel also attend scheduled safety programs offered by Texas A&M Extension Service. A Risk Manager was also hired by the City last year to specifically handle all of these areas. Additional information on the City of Weatherford's risk management activity can be found in Note 9 of the notes to the financial statements.

Pension and Other Post-Employment Benefits. The City of Weatherford provides pension benefits for all of its full-time employees through a non-traditional, joint contributory, hybrid defined benefit plan in the state-wide Texas Municipal Retirement System (TMRS), one of 837 administered by TMRS, an agent multiple-employer public employee retirement system. Under the state law governing TMRS, an independent actuary annually determines the City contribution rate. As of December 31, 2009, the City had funded 61% of the actuarial accrued liability for projected benefits earned by employees. The remaining unfunded amount is being systematically funded over a 30-year amortization period as part of the annual required contribution calculated by the actuary. Please review Note V for more information regarding TMRS and currently known facts with the administration of the plan.

The City also provides post-retirement health, dental and vision benefits for certain eligible retirees and the City has complied with the Governmental Accounting Standards Board (GASB) Statement 45, which requires governments to measure and report the net obligation and annual cost of post-retirement benefits on the accrual basis of accounting. The City has not placed funds that cover the net obligation in an irrevocable trust but has accumulated funds to cover that amount and are currently holding them in a designated fund balance/retained earnings account and have budgeted to do the same for the next fiscal year. As of the end of the current fiscal year, there were 38 retired employees receiving these benefits, which are financed on a pay-as-you-go basis. Please review Note V for more information regarding Other Post Employment Benefits.

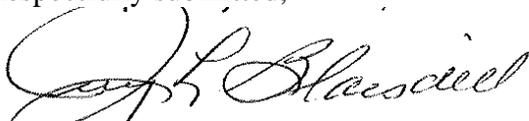
Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Weatherford for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2009. This was the 22nd consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the finance department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report, but especially notable are the efforts and accomplishments of Assistant Finance Director, Sidney Kirk; Staff Accountant, Cathy Coffman; and Finance Analyst, Dahlia Wells. Credit also must be given to the Mayor, City Council members, and Municipal Utility Board Trustees for their unfailing support in maintaining the highest standards of professionalism in the management of the City of Weatherford's finances.

Respectfully submitted,

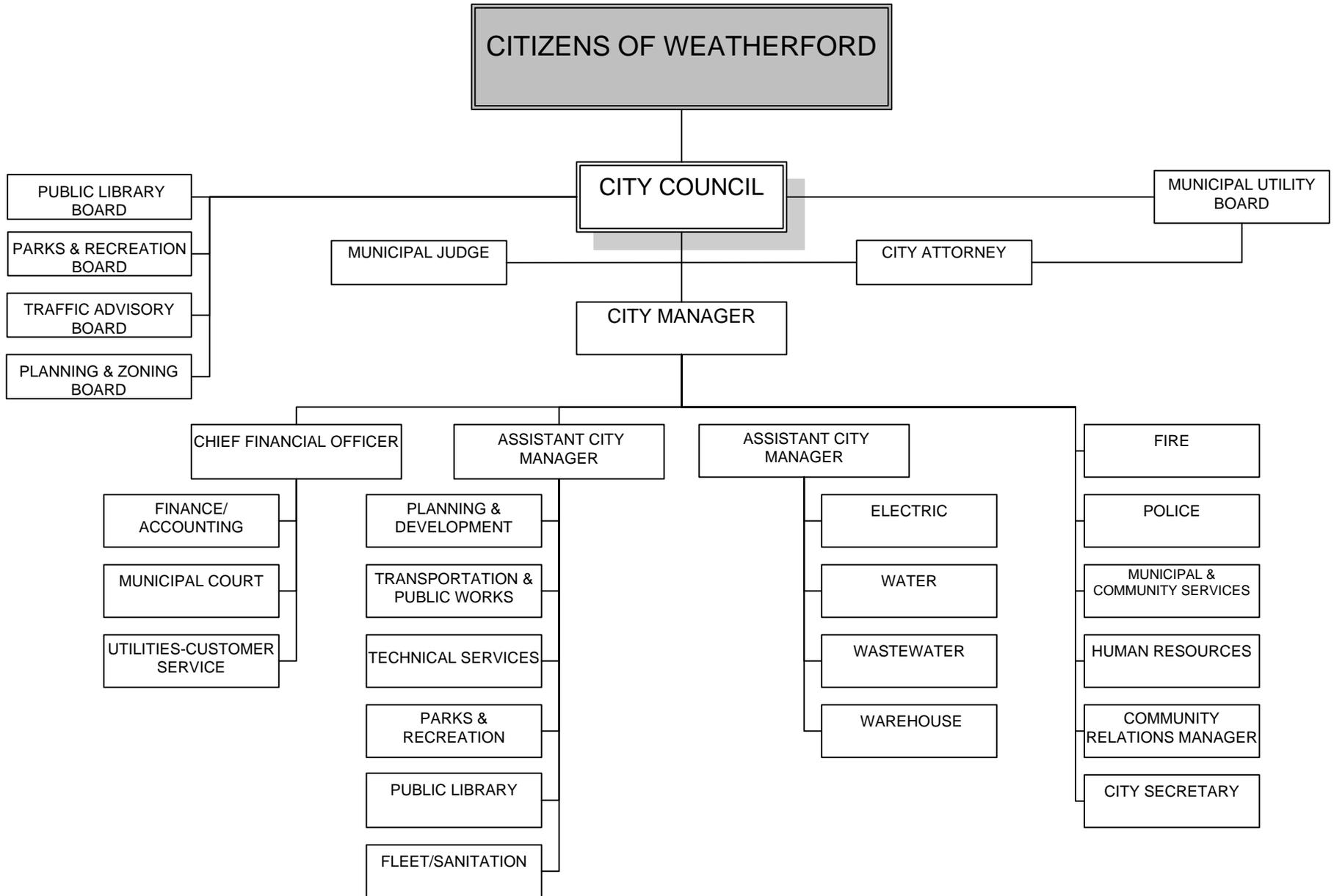


Jerry Blaisdell
City Manager



Janina Jewell
Chief Financial Officer

CITY OF WEATHERFORD, TEXAS ORGANIZATION CHART



**THE CITY OF
WEATHERFORD, TEXAS**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**YEAR ENDED
SEPTEMBER 30, 2010**

**ELECTED
CITY COUNCIL**

Dennis Hooks - Mayor

Waymon Hamilton – Mayor Pro Tem
Council Member

Jerry Clinton – Council Member

Craig Swancy – Council Member

**APPOINTED/DESIGNATED
MUNICIPAL UTILITY BOARD**

Dennis Hooks – Mayor – Chairman
Waymon Hamilton – Designated Council Member
Craig Swancy – Designated Council Member
James Dickason – Appointed Public Member
Therylene Helm – Appointed Public Member
Heidi Wilder – Appointed Public Member

SENIOR STAFF

Jerry Blaisdell – City Manager
Robert Hanna – Assistant City Manager
Sharon Hayes – Assistant City Manager
Laura Simonds – City Secretary
Ed Zellers – City Attorney
Dale Fleeger – Library Director
Terry Hughes – Transportation & Public Works Director
Janina Jewell – Chief Financial Officer
Mike Manning – Police Chief
Danielle Felts – Interim Parks & Recreation Director
Tammy Sinclair – Human Resources Director
Brent Smith – Municipal & Community Services Director
Don Stephens – Planning & Development Director
George Teague – Fire Chief

Certificate of Achievement for Excellence in Financial Reporting

Presented to
City of Weatherford
Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2009

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

The Honorable Mayor
and Members of City Council
City of Weatherford, Texas

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Weatherford, Texas, as of and for the year ended September 30, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Weatherford, Texas' management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, each major fund, and the aggregate remaining fund information of the City of Weatherford, Texas, as of September 30, 2010, and the respective changes in financial position and, cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 22, 2011, on our consideration of the City of Weatherford, Texas' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and 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*, and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that The Management's Discussion and Analysis and budgetary comparison information, on pages 3 through 16 and 62 through 63 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 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Weatherford, Texas' basic financial statements as a whole. The introductory section, combining and individual fund financial statements and 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 fund financial statements and 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. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the 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.

Pattillo, Brown & Hill, L.L.P.

March 22, 2011

**MANAGEMENT'S
DISCUSSION AND ANALYSIS**

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Management's Discussion and Analysis

As management of the City of Weatherford, Texas (the "City") we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2010. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i – v of this report.

Financial Highlights

- The assets of the City of Weatherford exceeded its liabilities at the close of the most recent fiscal year by \$129,984,636 (net assets). Of this amount, \$23,794,986 (unrestricted net assets) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net assets increased by \$3,589,396. Positive operating results, together with investment earnings and capital contributions from developers in the utility and solid waste systems resulted in an increase in net assets related to business-type activities of \$2,477,719. Net assets related to governmental activities increased by \$1,111,677, as a result of a combination of increased property taxes, reduction of expenses, increases in charges for service revenues, increase in capital grant proceeds offset by decreased sales tax collections and investment income.
- As of the close of the current fiscal year, the City of Weatherford's governmental funds reported combined ending fund balances of \$33,451,382, a decrease of \$17,270,332 in comparison with the prior year. This decrease is largely attributable to the various construction projects of the Series 2007 certificates of obligation (c.o.'s) transportation projects with the Texas Department of Transportation (TxDOT) as well as other transportation projects and improvements to the animal shelter facility. Approximately 34.4% of ending fund balances (\$11,496,948) is unreserved, undesignated, and available for spending at the City's discretion.
- At the end of the current fiscal year, unreserved and undesignated fund balance for the General Fund was \$10,316,757, or 52% of total General Fund expenditures.
- The City of Weatherford's total debt decreased by \$4,689,088, (4%) during the current fiscal year as a result of principal retirement.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The *governmental activities* of the City include general government, public safety, public works, planning and development, community development, culture and recreation, and health and welfare. The business-type activities of the City include sanitation and the water, wastewater, and electric utility system. All governmental and business-type activities included in the government-wide financial statements are functions of the City (known as the primary government).

The government-wide financial statements can be found on pages 17 – 19 of this report.

Fund Financial Statements. 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. The City of Weatherford uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds utilized by state and local governments can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of available resources, as well as on balances of unencumbered resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-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 between governmental funds and governmental activities.

The City of Weatherford maintains 21 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Debt Service Fund and Series 2007 Certificate of Obligation Fund which are considered to be major funds. Data from the other 18 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 20 – 23 of this report.

Proprietary Funds. *Proprietary funds* can be further classified into two different types of funds. Enterprise Funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Weatherford uses Enterprise Funds to account for its combined electric, water and wastewater operations and for its solid waste collection operation. Internal Service Funds are an accounting device used to accumulate and allocate costs internally among a government's various functions. The City allocates costs directly to operating departments and accordingly does not account or report for any Internal Service Funds.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Municipal Utility System Fund and the Solid Waste Fund, both of which are considered to be major funds of the City. The basic proprietary fund financial statements can be found on pages 24 – 28 of this report.

Fiduciary Funds. *Fiduciary funds* are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City of Weatherford's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The City of Weatherford does not hold any resources for the benefit of parties outside the City government and accordingly neither accounts nor reports for any fiduciary funds.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29 – 61 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. The City's General Fund budgetary comparison schedule is included as required supplementary information and can be found on pages 62 – 63 of this report.

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Weatherford, assets exceeded liabilities by \$129,984,636 at the close of the most recent fiscal year.

CITY OF WEATHERFORD'S NET ASSETS

	Governmental Activities		Business-type Activities		Totals	
	2010	2009	2010	2009	2010	2009
Current and other assets	\$ 38,803,207	\$ 56,462,948	\$ 35,114,585	\$ 40,455,872	\$ 73,917,792	\$ 96,918,820
Capital assets	73,136,454	55,151,745	111,423,622	108,024,510	184,560,076	163,176,255
Total assets	<u>111,939,661</u>	<u>111,614,693</u>	<u>146,538,207</u>	<u>148,480,382</u>	<u>258,477,868</u>	<u>260,095,075</u>
Long-term liabilities						
outstanding	72,770,768	73,090,663	46,425,822	48,793,441	119,196,590	121,884,104
Other liabilities	4,490,127	4,956,941	4,806,515	6,858,790	9,296,642	11,815,731
Total liabilities	<u>77,260,895</u>	<u>78,047,604</u>	<u>51,232,337</u>	<u>55,652,231</u>	<u>128,493,232</u>	<u>133,699,835</u>
Net assets:						
Invested in capital assets, net of related debt	19,852,401	21,410,012	67,232,594	68,649,354	87,084,995	90,059,366
Restricted	6,101,207	6,381,977	13,003,448	7,628,531	19,104,655	14,010,508
Unrestricted	<u>8,725,158</u>	<u>5,775,100</u>	<u>15,069,828</u>	<u>16,550,266</u>	<u>23,794,986</u>	<u>22,325,366</u>
Total net assets	<u>\$ 34,678,766</u>	<u>\$ 33,567,089</u>	<u>\$ 95,305,870</u>	<u>\$ 92,828,151</u>	<u>\$ 129,984,636</u>	<u>\$ 126,395,240</u>

By far, the largest portion of the City's net assets (67%) reflects its investment in capital assets (land, building, infrastructure, machinery and equipment), less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that 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 assets (14.7%) represents resources that are subject to external restrictions on how they may be used. All restricted assets of the City relating to both governmental activities and business-type activities are being held for purposes established by state and local laws, future construction, and debt service/reserve requirements on the City's outstanding debt. The remaining \$23,794,886 (18.3%) balance of net assets is unrestricted and may be used to meet the City's ongoing obligations to citizens, creditors and currently designated assets sufficient to cover the Net OPEB Obligation costs to date.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net assets, both for the City as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

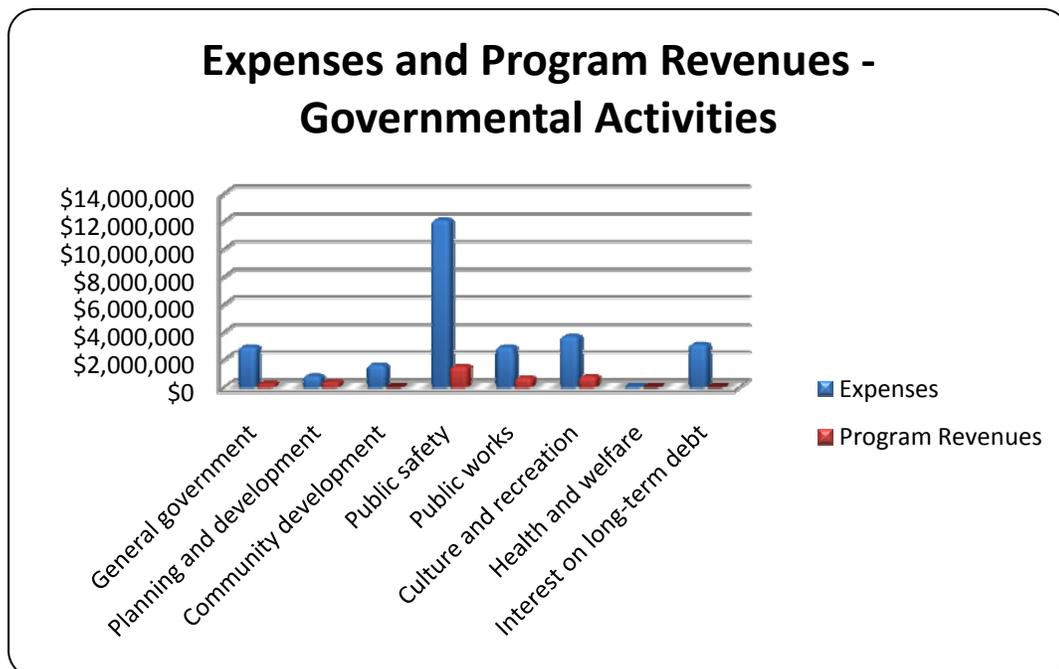
The City's total net assets increased by \$3,589,396 during the current fiscal year. Net assets related to business-type activities increased by \$2,477,719. This increase is largely attributable to positive operating results as well as investment earnings and capital grants and contributions. Net assets related to governmental activities increased by \$1,111,677, as a result of a combination of increased property taxes, reduction of expenses, increases in charges for service revenues, increase in capital grant proceeds offset by decreased sales tax collections and investment income.

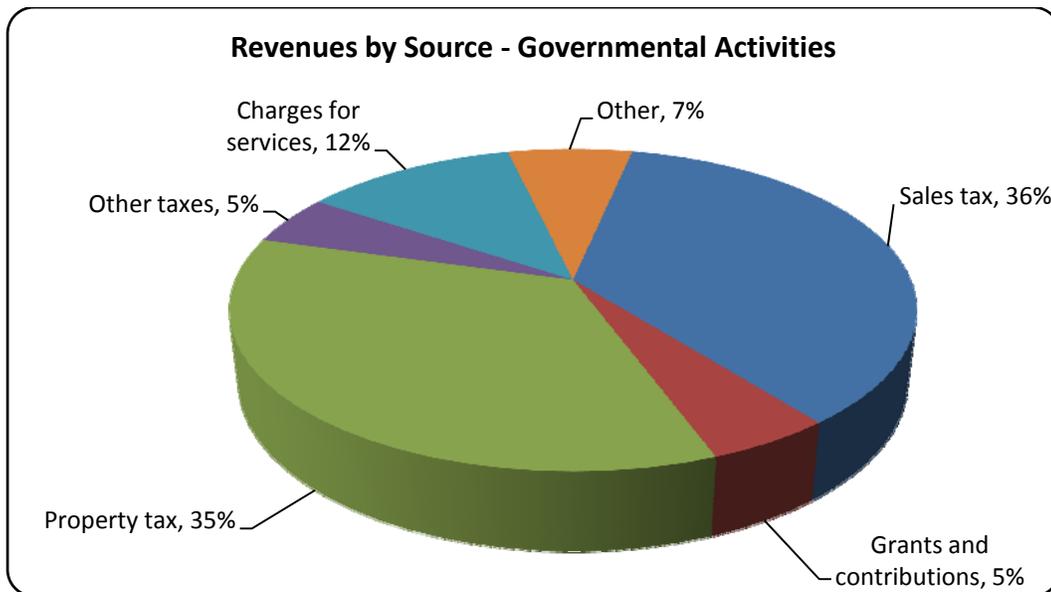
CITY OF WEATHERFORD'S CHANGES IN NET ASSETS

	Governmental Activities		Business-type Activities		Totals	
	2010	2009	2010	2009	2010	2009
Revenues:						
Program revenues:						
Charges for services	\$ 2,750,248	\$ 2,549,244	\$ 48,229,196	\$ 58,457,439	\$ 50,979,444	\$ 61,006,683
Operating grants and contributions	234,710	401,357	-	-	234,710	401,357
Capital grants and contributions	1,191,580	707,935	1,068,437	1,820,404	2,260,017	2,528,339
General revenues:						
Sales taxes	8,236,286	8,641,879	-	-	8,236,286	8,641,879
Property taxes	8,108,727	7,371,902	-	-	8,108,727	7,371,902
Other taxes	1,113,995	2,909,521	-	-	1,113,995	2,909,521
Other	1,393,401	1,905,231	242,492	429,282	1,635,893	2,334,513
Total revenues	<u>23,028,947</u>	<u>24,487,069</u>	<u>49,540,125</u>	<u>60,707,125</u>	<u>72,569,072</u>	<u>85,194,194</u>
Expenses:						
General government	3,160,927	2,928,150	-	-	3,160,927	2,928,150
Planning and development	677,682	825,967	-	-	677,682	825,967
Community development	1,314,302	1,627,371	-	-	1,314,302	1,627,371
Public safety	11,877,757	12,081,348	-	-	11,877,757	12,081,348
Public works	2,997,970	2,920,416	-	-	2,997,970	2,920,416
Culture and recreational	4,088,694	3,681,961	-	-	4,088,694	3,681,961
Health and welfare	45,000	45,000	-	-	45,000	45,000
Interest on long-term debt	2,996,869	3,109,094	-	-	2,996,869	3,109,094
Electric	-	-	30,670,906	41,197,102	30,670,906	41,197,102
Water	-	-	6,433,439	7,899,776	6,433,439	7,899,776
Wastewater	-	-	3,281,199	2,888,556	3,281,199	2,888,556
Solid waste	-	-	1,434,931	1,464,621	1,434,931	1,464,621
Total expenses	<u>27,159,201</u>	<u>27,219,307</u>	<u>41,820,475</u>	<u>53,450,055</u>	<u>68,979,676</u>	<u>80,669,362</u>
Increases in net assets before transfers	(4,130,254)	(2,732,238)	7,719,650	7,257,070	3,589,396	4,524,832
Transfers	<u>5,241,931</u>	<u>2,707,584</u>	<u>(5,241,931)</u>	<u>(2,707,584)</u>	<u>-</u>	<u>-</u>
Increase in net assets	1,111,677	(24,654)	2,477,719	4,549,486	3,589,396	4,524,832
Net assets, beginning	<u>33,567,089</u>	<u>33,591,743</u>	<u>92,828,151</u>	<u>88,278,665</u>	<u>126,395,240</u>	<u>121,870,408</u>
Net assets, ending	<u>\$ 34,678,766</u>	<u>\$ 33,567,089</u>	<u>\$ 95,305,870</u>	<u>\$ 92,828,151</u>	<u>\$ 129,984,636</u>	<u>\$ 126,395,240</u>

Governmental activities. The City of Weatherford’s total net assets related to governmental activities increased by \$1,111,677. Key elements of this decrease are as follows:

- Revenues increased primarily due to an increase in property tax revenues of \$736,825 (10%) mainly to rate increase for capital projects, charges for services increased by \$201,004 (7.9%), and capital grant proceeds increased by \$483,645 (68.3%) for various programs. Offsetting these increases were decreases of sales taxes by \$405,593 (-4.7%) and decreased interest income of \$699,858 (-47.8%) due to continued low rates and significantly reduced portfolio size due to construction efforts from the previous year.
- Expenses were also decreased by \$60,106 as the economic condition has been slow to rebound and thus caused staff to reduce revenue estimates.

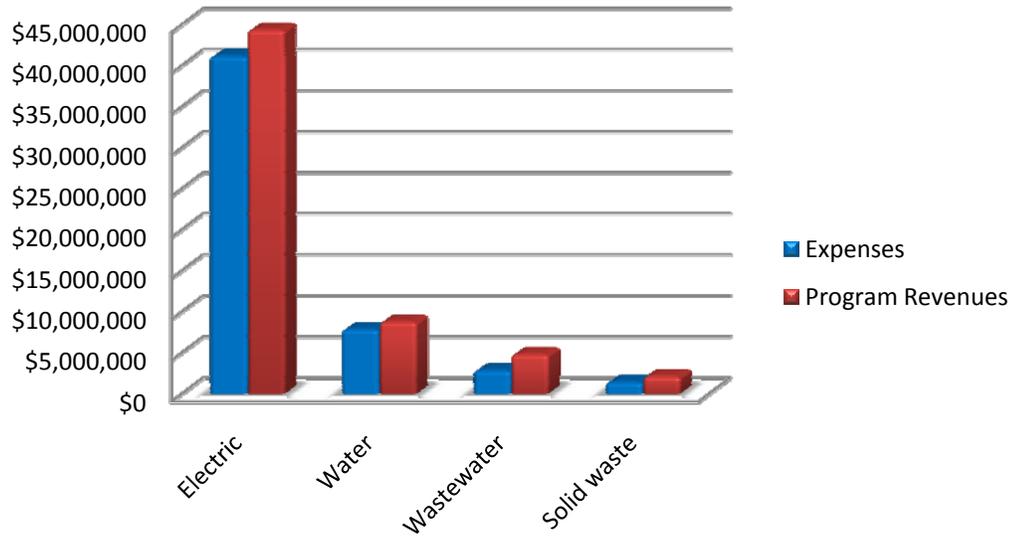




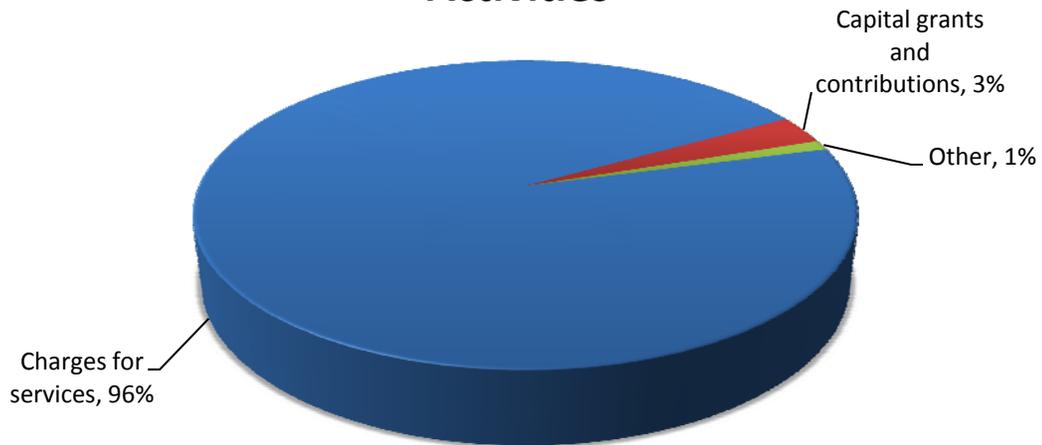
Business-type activities. Business-type activities increased the City of Weatherford's net assets by \$2,477,719. Key elements of this increase are as follows:

- For a year that had a \$2,477,719 increase in net assets it was not due to increased revenues. In fact, charges for services decreased \$10,228,243 (17.5%) and capital grants and contributions decreased \$751,967 (41.3%). The primary reason for the decrease in charges for services is the reduced electrical rate Weatherford Utilities was able to charge customers for costs of power.
- That reduced cost of power was the primary reason that expenses were reduced by \$11,629,580 (21.8%) from the prior year. A portion of reduced expenses in this area do come from a reclassification of an expense to a transfer.

Expenses and Program Revenues - Business-type Activities



Revenues by Source - Business-type Activities



Financial Analysis of the City's Funds

As noted earlier, the City of Weatherford uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved 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 the end of the current fiscal year, the City of Weatherford's governmental funds reported combined ending fund balances of \$33,451,382, a decrease of \$17,270,332 in comparison with the prior year. This decrease is primarily attributable to the previously mentioned capital improvements being made from previously issued certificates of obligation, and general obligations. Approximately 36.9% (\$12,350,218) constitutes unreserved fund balance, of which \$11,496,948 is available for spending at the government's discretion and \$846,061 is designated for net OPEB obligation costs to date. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) to fund street, park, and other capital improvements (\$19,613,531), 2) to pay debt service on the City's general obligation debt (\$1,397,564), 3) for inventory (\$39,512), and 4) for other purposes (\$50,557).

The General Fund is the chief operating fund of the City of Weatherford. At the end of the current fiscal year, unreserved and undesignated fund balance of the General Fund was \$10,316,757, while total fund balance was \$11,202,330. As a measure of the General Fund's liquidity, it is useful to compare unreserved, undesignated fund balance to total fund expenditures. Unreserved, undesignated fund balance represents 52.2%, or approximately 191 days of total General Fund expenditures.

The fund balance of the City's General Fund increased overall by \$2,103,463 during the current fiscal year. The General Fund unreserved and undesignated fund balance portion of this fund balance was only up \$1,663,766 due to the designation for OPEB liability coverage and increases in inventory. Key factors in the ability to maintain a strong fund balance during these difficult times are as follows:

- The property tax rate for maintenance and operations remained the same at \$0.2920 per \$100 valuation. With the unchanged rate and slightly reduced values of existing homes and a lower collection rate due to the economic conditions, the maintenance and operation portion of property tax collects was down \$8,867 for this fiscal year.
- The declining economy is believed to be the main reason for the decrease of \$405,593 in retail sales tax collections as well.
- The declining economy is also believed to be a significant cause in planning and development decreased revenues of \$139,283. This is the second year for declining planning and development revenues.
- This year the City did reclassify a significant revenue line-item. Previously the transfers from Weatherford Utilities for their gross receipt taxes were included in taxes just like all other entities paying gross receipt taxes. Clarification of proper accounting procedures suggest that these funds should be considered as a transfer. Therefore, taxes are reduced by the amount transfers are increased this year, \$1,975,255.

- As mentioned previously, staff and City Council was conservative this year and continued steps in reducing budget appropriations to operate within our resources. Such actions resulted in actual expenses at year-end being \$1,942,452 or 9% lower than the previous year. Significant reductions were made to public works street rehabilitation funds.
- No sweeping changes this year were made to personnel services. This included no raise packages and no increases in employee healthcare expenses.
- The City started the fiscal year with seven and-a-half positions on hold.
- No one-time purchases were approved for the fiscal year. A couple of unforeseen and emergency purchases were made that included two zero turn radius mowers and some security cameras and surveillance equipment for the Chandor Garden facility.

The Debt Service Fund has a total fund balance of \$1,397,564, all of which is reserved for the payment of debt service. The net increase in fund balance during the current year in the Debt Service Fund was \$645,762. This increase was due to the increase in property tax rate for interest and sinking as planned for in the sale of the 2007 certificates of obligation. Funds have been transferred up to this point from capital interest income and the General Fund to try and cover for the delay in increasing taxes. The interest and sinking portion of the tax rate increased from \$0.1466 to \$0.1716 per \$100 valuation.

The Series 2007 Certificate of Obligation Fund has a total fund balance of \$12,242,448, all of which will be used to fund capital projects. Fund balance decreased by \$15,958,804 compared to the prior year, this was a result of expenditures on TxDOT transportation projects.

At the end of the fiscal year, the City's twelve (12) active special revenue funds (state forfeiture, federal forfeiture, Weatherford beautification, hotel/motel tax, Chandor Gardens, SFX grant, Weatherford Aerospace grant, court technology, court security, library, animal shelter, and court juvenile case manager) had combined fund balances totaling \$1,187,400, compared to prior year balances of \$1,089,249.

The six active Capital Projects Funds (general, park development, Series 2006 Certificate of Obligation, Series 2007 General Obligation Bond, Series 2007 Certificate of Obligation, and Series 2008 Certificate of Obligation) had combined ending fund balances of \$18,796,150 compared to prior year balances of \$39,729,440, all of which is reserved for transportation, building, and park improvement projects. The significant reduction in fund balance is due to the significant construction being performed in the City.

The Doss permanent library fund had an ending fund balance of \$50,557, compared to the prior year balance of \$52,356.

Proprietary funds. The City of Weatherford's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the municipal utility fund at the end of the year amounted to \$12,751,275, compared to the prior year balance of \$14,983,953. The total growth in net assets for the municipal utility fund was \$1,834,451. Unrestricted net assets of the solid waste fund amounted to \$2,318,553 compared to \$1,566,313 in the prior year.

General Fund Budgetary Highlights. Decreasing amendments to the original 2009-10 General Fund annual expenditure appropriations totaled \$1,237,382. The main components of this decrease are briefly summarized as follows:

- Numerous areas were reduced significantly to accommodate economic conditions including \$189,753 in General Government, \$703,973 in Public Works, \$120,132 in Planning and Development, \$368,661 in Community Development, and \$159,447 in Culture and Recreation for all areas including personnel, supplies, capital and service expenditures.
- \$272,777 increase in Public Safety was mainly due to grant proceeds on the police side of public safety and salary costs from two significant retirements on the fire side of public safety.

These significant reductions in budgeted expenditures were based on \$1,004,193 projected shortfall in revenues. Significant shortages in projected revenues came from sales tax projections, down \$1,153,976, building permits down \$187,725, interest income down \$100,000 and fines down \$82,797. Most shortfalls were as a result from the economic environment. Some offset to the reductions was achieved through gross receipt taxes up \$234,826 and grant proceeds of \$79,190.

Capital Assets and Debt Administration

Capital assets. The City of Weatherford's investment in total capital assets for its governmental and business-type activities as of September 30, 2010 amounts to \$184,560,076 (net of accumulated depreciation) compared to \$163,176,255 in the prior year. Investment in capital assets related to governmental activities (\$73,136,454) includes land and improvements, city hall, old city hall, public library, police station, animal shelter, fire stations, community centers, swimming pool, public market, other buildings and systems, vehicles, machinery and equipment, park facilities, streets, sidewalks and bridges. The City's investment in capital assets related to business-type activities (\$111,423,622) includes land and improvements, electric distribution facilities (substations, poles, wires, transformers, etc.), water supply reservoir, raw water transmission lines and pumping facilities, water purification plant and distribution system, wastewater treatment plant and collection system, utility service center and warehouse, other buildings and systems, vehicles, machinery and equipment.

Major capital assets events during the current fiscal year included the following:

- The expenditure of \$1,626,903 from the general capital projects fund was for street construction improvements on Washington Drive from Texas to Holland Lake Road, completion of the public works facility, work on the town creek trail project, and various other street repairs and equipment purchases.
- \$15,073,988 was expended from the Series 2007 Certificate of Obligation for continued design, easement acquisition, and construction of the TxDOT transportation projects.
- The expenditure of \$2,337,307 from the Series 2007 General Obligation Bonds was for finishing Franklin Street Bridge (\$57,870) and construction of BB Fielder Road West (\$2,279,437) improvement projects.
- The expenditure of \$27,300 from park development fee revenue was for engineering, design and concept studies on the Heritage Park/First Monday Trade Day grounds.

- \$740,307 expended from the Series 2008 Certificate of Obligation was to finish BB Fielder Road East.
- Various system extensions and improvements to the City's water, wastewater, and electric distribution system totaled \$3,399,109, of which \$1,068,437 represented facilities constructed by developers and dedicated to the City or for which the City was reimbursed.

**CITY OF WEATHERFORD'S CAPITAL ASSETS
(Net of Accumulated Depreciation)**

	Governmental Activities		Business-type Activities		Totals	
	2010	2009	2010	2009	2010	2009
Land	\$ 4,047,947	\$ 4,027,482	\$ 2,223,092	\$ 2,430,140	\$ 6,271,039	\$ 6,457,622
Buildings and systems	8,510,059	7,408,828	11,081,840	11,518,614	19,591,899	18,927,442
Improvements other than buildings	23,914,879	11,687,591	95,212,203	85,548,031	119,127,082	97,235,622
Machinery and equipment	2,287,856	2,613,876	1,947,251	1,922,148	4,235,107	4,536,024
Construction in progress	5,923,927	23,055,675	959,236	6,605,577	6,883,163	29,661,252
Infrastructure	28,451,786	6,358,293	-	-	28,451,786	6,358,293
Total capital assets	\$ 73,136,454	\$ 55,151,745	\$ 111,423,622	\$ 108,024,510	\$ 184,560,076	\$ 163,176,255

Additional information on the City's capital assets can be found in the notes to the financial statements on pages 42 through 43.

Long-term Debt. At the end of the current fiscal year the City of Weatherford had total bonded debt outstanding, including combination tax, revenue certificates of obligation, notes payable, and leases payable of \$111,437,761. Of this amount, \$10,215,000 comprises general obligation debt secured by property tax collections and backed by the full faith and credit of the City, \$57,500,000 represents combination tax and revenue certificates of obligation debt, \$42,755,000 represents bonds secured solely by revenue from the City's combined electric, water and wastewater utility system, \$926,667 in notes payable to be paid from utility revenues, and a new \$41,094 lease payable for computers over the next three years.

CITY OF WEATHERFORD'S OUTSTANDING DEBT AT YEAR-END

	Governmental Activities		Business-type Activities		Totals	
	2010	2009	2010	2009	2010	2009
General obligation bonds	\$ 10,215,000	\$ 10,650,000	\$ -	\$ -	\$ 10,215,000	\$ 10,650,000
Certificates of obligation	57,500,000	58,130,000	-	-	57,500,000	58,130,000
Revenue bonds	-	-	42,755,000	45,270,000	42,755,000	45,270,000
Notes payable	-	-	926,667	1,077,063	926,667	1,077,063
Lease obligations	-	-	41,094	-	41,094	-
	\$ 67,715,000	\$ 68,780,000	\$ 43,722,761	\$ 46,347,063	\$ 111,437,761	\$ 115,127,063

The City of Weatherford's total debt decreased \$4,689,088 (4%) during the current fiscal year. Governmental activities debt decreased by \$1,065,000 reflecting general obligation bonds and certificates of obligations retired during the fiscal year. Utility outstanding debt decreased during the year by \$3,624,088 due to retirement of debt offset by the computer lease.

The City's general obligation bonds and certificates of obligation are rated "Aa3" by Moody's Investors Service and "AA-" by Standard & Poor's Corporation at September 30, 2010. The City's combined utility system revenue debt is rated "A1" by Moody's Investors Service and "A" by Standard & Poor's Corporation at September 30, 2010. State statutes limit the total property tax rate to \$2.50 per \$100 assessed valuation. The City's total property tax rate for 2009-10 was \$0.4636 per \$100 assessed valuation, of which \$0.1716 was for annual debt service. As a condition for issuance of additional debt, utility revenue bond covenants require net revenues of the system to be not less than 1.25 times average annual debt requirements and 1.10 times maximum annual requirements. Net utility system revenues available for debt service for the fiscal year ended September 30, 2010 were 2.21 times the annual debt service, which approximates maximum debt service.

Additional information on the City of Weatherford's long-term debt can be found in the notes to the financial statements on pages 45 through 50.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the City of Weatherford as of the fiscal year-end was 7.0%, down from 7.8% in the prior year. This continues to compare favorably to national average unemployment rates.
- Sales tax collections for 2009-10 were down 4.7% from the prior year. Four months during the fiscal year were down double digit percentages from the prior year but the last several months of the fiscal year were much smaller decreases and no rebates for economic development were eligible, therefore allowing the City to retain all revenues. Annual percentage down was better than feared. Such collection trends have been consistent across the state. The better rates that were achieved in the last few months of fiscal year 2009-10 have been holding steady and/or improving into fiscal year 2010-11.
- New construction building permits issued dropped to 120 permits for 2009-10, the lowest in over 11 years.
- The final total taxable assessed value of property within the City for the 2010 tax year increased by 3.6% from the 2009 assessed values, from \$1.737 billion to almost \$1.8 billion. This total includes new construction.
- As a result of economic development incentive agreements negotiated with Target and Lowe's Home Centers in 2003-04 as well as transportation developments with TxDOT, they and several other comparable retail stores and restaurants have either opened or are in the process of constructing stores in Weatherford at the intersection of Interstate Highway 20 and State Highways 51/171. The combined economic impact from these stores is expected to far exceed the original \$50 million estimated retail sales, \$20 million taxable property values, and the creation of more than 200 additional jobs.

All of the above factors were considered in preparing the City of Weatherford's budget for the 2010-11 fiscal year. The property tax rate remained the same at \$0.4636 per \$100 of assessed value. Sales tax collections, accounting for approximately 37% of General Fund revenues and other financing sources, were preliminary projected to be slightly higher than fiscal year 2009-10 estimated collections with the continued concerns about the national economy and sliding consumer confidence. One-time supplemental funding requests totaling \$2,091,025 was approved for the fiscal year 2010-11. This included continued funding of the Freedom House and the Parker County Committee on Aging, replacement equipment and building improvements for public safety, cash drawers for remote cash collection sites, street repair and rehabilitation, possible acquisitions and enhancements for community projects and a one-time salary supplemental program. There is a planned draw down of fund balance of \$1,012,189, which in part covers these mention one-time expenses. Constant adjustments are being made to the budget to adjust to available resources so to have an ending General Fund balance at a level representing well over our target of 90 days of General Fund expenditures.

There are planned and approved increases in water and wastewater service rates for the 2010-11 fiscal year as a result of a two-year rate study on electric, water, wastewater, and solid waste service rates. These increased water and wastewater rates are being phased in over the next three years.

Requests for Information

This financial report is designed to provide a general overview of the City of Weatherford's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information provided in this report or requests for additional financial should be addressed to the Office of the Chief Financial Officer, P. O. Box 255, Weatherford, Texas 76086.

**BASIC
FINANCIAL STATEMENTS**

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CITY OF WEATHERFORD, TEXAS

STATEMENT OF NET ASSETS

SEPTEMBER 30, 2010

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 16,732,959	\$ 16,233,991	\$ 32,966,950
Receivables (net of allowance for uncollectibles):			
Taxes	446,467	-	446,467
Accounts	610,862	2,637,843	3,248,705
Other	-	61,711	61,711
Due from other governments	2,401,329	-	2,401,329
Inventories	39,512	3,617,213	3,656,725
Prepaid and other assets	200	49,995	50,195
Restricted assets:			
Cash and investments	17,822,023	11,972,480	29,794,503
Due from other governments	-	65,837	65,837
Deferred debt issuance cost	749,855	475,515	1,225,370
Capital assets:			
Land	4,047,947	2,223,092	6,271,039
Buildings	12,713,076	18,926,187	31,639,263
Improvements other than buildings	25,846,933	136,151,579	161,998,512
Infrastructure	13,001,726	-	13,001,726
Machinery and equipment	7,341,956	6,600,555	13,942,511
Construction in progress	28,451,786	959,236	29,411,022
Less: accumulated depreciation	(18,266,970)	(53,437,027)	(71,703,997)
Total capital assets	73,136,454	111,423,622	184,560,076
Total assets	111,939,661	146,538,207	258,477,868
LIABILITIES			
Accounts payable	1,997,630	2,385,882	4,383,512
Accrued liabilities	311,524	152,168	463,692
Accrued interest payable	241,544	11,242	252,786
Due to other governments	110,288	-	110,288
Customer deposits and escrows	65,535	1,021,434	1,086,969
Unearned revenue	165,334	638,079	803,413
Payable from restricted assets:			
Accounts payable	-	81,148	81,148
Accrued liabilities	-	8,609	8,609
Retainage payable	1,598,272	120,132	1,718,404
Accrued interest payable	-	169,488	169,488
Revenue bonds payable	-	218,333	218,333
Noncurrent liabilities:			
Due within one year	1,548,146	2,748,132	4,296,278
Due in more than one year	71,222,622	43,677,690	114,900,312
Total liabilities	77,260,895	51,232,337	128,493,232
NET ASSETS			
Invested in capital assets, net of related debt	19,852,401	67,232,594	87,084,995
Restricted for:			
Capital projects	3,591,361	6,585,491	10,176,852
Debt service	1,271,889	6,417,957	7,689,846
Culture and recreation	149,703	-	149,703
Economic development	638,646	-	638,646
Public safety	449,608	-	449,608
Unrestricted	8,725,158	15,069,828	23,794,986
Total net assets	\$ 34,678,766	\$ 95,305,870	\$ 129,984,636

The accompanying notes are an integral part of these financial statements.

CITY OF WEATHERFORD, TEXAS

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2010

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 3,160,927	\$ 260,293	\$ -	\$ -
Public safety	11,877,757	1,112,838	159,306	14,500
Public works	2,997,970	25,603	-	778,536
Planning and development	677,682	256,563	-	-
Community development	1,314,302	427,224	-	-
Health and welfare	45,000	31,607	-	-
Cultural and recreation	4,088,694	636,120	75,404	398,544
Interest on long-term debt	2,996,869	-	-	-
Total governmental activities	<u>27,159,201</u>	<u>2,750,248</u>	<u>234,710</u>	<u>1,191,580</u>
Business-type activities:				
Electric	30,670,906	35,217,275	-	346,955
Water	6,433,439	6,592,204	-	351,233
Wastewater	3,281,199	3,858,895	-	370,249
Sanitation	1,434,931	2,560,822	-	-
Total business-type activities	<u>41,820,475</u>	<u>48,229,196</u>	<u>-</u>	<u>1,068,437</u>
Total primary government	<u>\$ 68,979,676</u>	<u>\$ 50,979,444</u>	<u>\$ 234,710</u>	<u>\$ 2,260,017</u>
General revenues:				
Taxes:				
Property				
Sales				
Other				
Grants and contributions not restricted to specific programs				
Investment earnings				
Miscellaneous				
Transfers				
Total general revenues and transfers				
Change in net assets				
Net assets, beginning				
Net assets, ending				

The accompanying notes are an integral part of these financial statements.

Net (Expense) Revenue and Changes in Net Assets

Primary Government		
Governmental Activities	Business-type Activities	Total
\$(2,900,634)	\$ -	\$(2,900,634)
(10,591,113)	-	(10,591,113)
(2,193,831)	-	(2,193,831)
(421,119)	-	(421,119)
(887,078)	-	(887,078)
(13,393)	-	(13,393)
(2,978,626)	-	(2,978,626)
(2,996,869)	-	(2,996,869)
(22,982,663)	-	(22,982,663)
-	4,893,324	4,893,324
-	509,998	509,998
-	947,945	947,945
-	1,125,891	1,125,891
-	7,477,158	7,477,158
(22,982,663)	7,477,158	(15,505,505)
8,108,727	-	8,108,727
8,236,286	-	8,236,286
1,113,995	-	1,113,995
155,092	-	155,092
763,500	64,432	827,932
474,809	178,060	652,869
5,241,931	(5,241,931)	-
24,094,340	(4,999,439)	19,094,901
1,111,677	2,477,719	3,589,396
33,567,089	92,828,151	126,395,240
\$ 34,678,766	\$ 95,305,870	\$ 129,984,636

CITY OF WEATHERFORD, TEXAS

BALANCE SHEET

GOVERNMENTAL FUNDS

SEPTEMBER 30, 2010

	<u>General</u>	<u>Series 2007 C. O. Fund</u>	<u>Debt Service</u>	<u>Other Governmental</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and investments	\$ 10,338,034	\$ 13,404,937	\$ 1,394,356	\$ 9,417,655	\$ 34,554,982
Receivables (net of allowance for uncollectibles of \$691,684):					
Delinquent taxes	330,598	-	115,869	-	446,467
Accounts	471,864	-	-	138,998	610,862
Prepays	200	-	-	-	200
Due from other funds	-	-	3,208	-	3,208
Due from other governments	1,393,950	-	665,303	342,076	2,401,329
Inventories	<u>39,512</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>39,512</u>
Total assets	<u>\$ 12,574,158</u>	<u>\$ 13,404,937</u>	<u>\$ 2,178,736</u>	<u>\$ 9,898,729</u>	<u>\$ 38,056,560</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	431,728	634,916	-	930,986	1,997,630
Retainage payable	-	521,838	-	159,010	680,848
Accrued liabilities	285,230	5,735	-	20,559	311,524
Deposits and escrows	50,235	-	-	15,300	65,535
Due to other governments	110,288	-	-	-	110,288
Due to other funds	3,208	-	-	-	3,208
Deferred revenue	<u>491,139</u>	<u>-</u>	<u>781,172</u>	<u>163,834</u>	<u>1,436,145</u>
Total liabilities	<u>1,371,828</u>	<u>1,162,489</u>	<u>781,172</u>	<u>1,289,689</u>	<u>4,605,178</u>
Fund balances:					
Reserved for:					
Capital projects	-	12,242,448	-	7,371,083	19,613,531
Debt service	-	-	1,397,564	-	1,397,564
Doss library	-	-	-	50,557	50,557
Inventory	39,512	-	-	-	39,512
Unreserved and designated for OPEB obligation	846,061	-	-	7,209	853,270
Unreserved, undesignated reported in:					
General fund	10,316,757	-	-	-	10,316,757
Special revenue funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,180,191</u>	<u>1,180,191</u>
Total fund balances	<u>11,202,330</u>	<u>12,242,448</u>	<u>1,397,564</u>	<u>8,609,040</u>	<u>33,451,382</u>
Total liabilities and fund balances	<u>\$ 12,574,158</u>	<u>\$ 13,404,937</u>	<u>\$ 2,178,736</u>	<u>\$ 9,898,729</u>	<u>\$ 38,056,560</u>

The accompanying notes are an integral part of these financial statements.

CITY OF WEATHERFORD, TEXAS

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENTAL ACTIVITIES STATEMENT OF NET ASSETS**

SEPTEMBER 30, 2010

Total fund balances - governmental funds balance sheet	\$	33,451,382
Amounts reported for governmental activities in the Statement of Net Assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		73,136,454
Other long-term assets are not available to pay for current period expenditures, and, therefore are deferred in the funds.		1,270,811
Some liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(<u>73,179,881)</u>
Net assets of governmental activities - statement of net assets	\$	<u>34,678,766</u>

The accompanying notes are an integral part of these financial statements.

CITY OF WEATHERFORD, TEXAS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	General	Series 2007 C. O. Fund	Debt Service	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 13,999,401	\$ -	\$ 2,900,836	\$ 474,607	\$ 17,374,844
Licenses and permits	355,842	-	-	-	355,842
Intergovernmental	435,190	-	-	342,076	777,266
Charges for services	963,733	-	-	155,670	1,119,403
Fines and forfeitures	668,048	-	-	47,817	715,865
Contributions	-	-	-	34,546	34,546
Investment earnings	18,594	720,402	3,354	21,150	763,500
Miscellaneous	210,697	51,600	-	456,617	718,914
Total revenues	<u>16,651,505</u>	<u>772,002</u>	<u>2,904,190</u>	<u>1,532,483</u>	<u>21,860,180</u>
EXPENDITURES					
Current:					
General government	2,326,303	244,721	-	265,054	2,836,078
Public safety	10,894,231	-	-	35,482	10,929,713
Public works	1,567,437	-	-	137,290	1,704,727
Planning and development	638,591	-	-	-	638,591
Community development	1,120,738	-	-	16,076	1,136,814
Health and welfare	45,000	-	-	-	45,000
Cultural and recreation	2,987,200	-	-	587,260	3,574,460
Capital outlay	153,563	14,829,267	-	4,407,765	19,390,595
Debt service:					
Principal retirement	-	-	1,065,000	-	1,065,000
Interest and fiscal charges	-	-	3,069,221	-	3,069,221
Total expenditures	<u>19,733,063</u>	<u>15,073,988</u>	<u>4,134,221</u>	<u>5,448,927</u>	<u>44,390,199</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(3,081,558)</u>	<u>(14,301,986)</u>	<u>(1,230,031)</u>	<u>(3,916,444)</u>	<u>(22,530,019)</u>
OTHER FINANCING SOURCES (USES)					
Sale of capital assets	16,228	-	-	1,528	17,756
Transfers in	5,290,660	-	1,875,793	109,743	7,276,196
Transfers out	<u>(121,867)</u>	<u>(1,656,818)</u>	<u>-</u>	<u>(255,580)</u>	<u>(2,034,265)</u>
Total other financing sources and uses	<u>5,185,021</u>	<u>(1,656,818)</u>	<u>1,875,793</u>	<u>(144,309)</u>	<u>5,259,687</u>
NET CHANGE IN FUND BALANCES	2,103,463	(15,958,804)	645,762	(4,060,753)	(17,270,332)
FUND BALANCES, BEGINNING	<u>9,098,867</u>	<u>28,201,252</u>	<u>751,802</u>	<u>12,669,793</u>	<u>50,721,714</u>
FUND BALANCES, ENDING	<u>\$ 11,202,330</u>	<u>\$ 12,242,448</u>	<u>\$ 1,397,564</u>	<u>\$ 8,609,040</u>	<u>\$ 33,451,382</u>

The accompanying notes are an integral part of these financial statements.

CITY OF WEATHERFORD, TEXAS

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES**

FOR THE YEAR ENDED SEPTEMBER 30, 2010

Net change in fund balances - total governmental funds: \$(17,270,332)

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the governmental activities statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. 16,953,438

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net assets. 113,847

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Property taxes	84,164	
Court fines	287,697	
Grant - TX Dot	<u>665,303</u>	
		1,037,164

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net asset. Also governmental funds report the issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. 1,079,166

Some expenses reported in the governmental activities statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (801,606)

Change in net assets of governmental activities \$ 1,111,677

The accompanying notes are an integral part of these financial statements.

CITY OF WEATHERFORD, TEXAS

STATEMENT OF NET ASSETS

ENTERPRISE FUNDS

SEPTEMBER 30, 2010

	Business-type Activities - Enterprise Funds		
	Municipal Utility System	Solid Waste Fund	Total
ASSETS			
Current assets			
Unrestricted assets			
Cash and cash equivalents	\$ 13,690,359	\$ 2,543,632	\$ 16,233,991
Receivables:			
Accounts, net of allowances for uncollectible accounts of \$509,090	2,503,438	2,985	2,506,423
Earned but unbilled customer accounts	131,420	-	131,420
Other	61,711	-	61,711
Prepays	49,995	-	49,995
Inventory	3,599,645	17,568	3,617,213
Restricted assets			
Cash and cash equivalents	11,972,480	-	11,972,480
Due from government agencies	65,837	-	65,837
Total current assets	32,074,885	2,564,185	34,639,070
Noncurrent assets			
Deferred charges	475,515	-	475,515
Capital assets			
Land	2,223,092	-	2,223,092
Construction in progress	954,059	5,177	959,236
Buildings and improvements	18,926,187	-	18,926,187
Other improvements	136,141,002	10,577	136,151,579
Machinery and equipment	5,756,723	843,832	6,600,555
Less: accumulated depreciation	(52,896,873)	(540,154)	(53,437,027)
Total noncurrent assets	111,579,705	319,432	111,899,137
Total assets	143,654,590	2,883,617	146,538,207

(continued)

CITY OF WEATHERFORD, TEXAS

STATEMENT OF NET ASSETS

ENTERPRISE FUNDS

(Continued)

SEPTEMBER 30, 2010

	Business-type Activities - Enterprise Funds		
	Municipal Utility System	Solid Waste Fund	Total
LIABILITIES			
Current liabilities (payable from current assets):			
Accounts payable	\$ 2,342,313	\$ 43,569	\$ 2,385,882
Accrued wages payable	106,584	15,533	122,117
Accrued interest payable	11,242	-	11,242
Other accrued liabilities	30,051	-	30,051
Unearned revenue	638,079	-	638,079
Customer deposits	1,021,434	-	1,021,434
Notes payable	157,734	-	157,734
Capital lease payable	19,794	-	19,794
Revenue bonds payable	2,396,667	-	2,396,667
Compensated absences	160,039	13,898	173,937
Current liabilities (payable from restricted assets):			
Accounts payable	81,148	-	81,148
Accrued wages payable	8,609	-	8,609
Retainage payable	120,132	-	120,132
Accrued interest payable	169,488	-	169,488
Revenue bonds payable	218,333	-	218,333
Total current liabilities	7,481,647	73,000	7,554,647
Noncurrent liabilities			
Notes payable	768,933	-	768,933
Capital lease payable	21,300	-	21,300
Revenue bonds payable	41,124,876	-	41,124,876
Compensated absences	955,777	83,002	1,038,779
Net pension obligation	300,125	31,292	331,417
Net OPEB obligation	334,047	58,338	392,385
Total noncurrent liabilities	43,505,058	172,632	43,677,690
Total liabilities	50,986,705	245,632	51,232,337
NET ASSETS			
Invested in capital assets, net of related debt	66,913,162	319,432	67,232,594
Restricted for:			
Debt service	6,417,957	-	6,417,957
Construction	6,585,491	-	6,585,491
Unrestricted	12,751,275	2,318,553	15,069,828
Total net assets	\$ 92,667,885	\$ 2,637,985	\$ 95,305,870

The accompanying notes are an integral part of these financial statements.

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CITY OF WEATHERFORD, TEXAS
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET ASSETS
ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Business-type Activities - Enterprise Funds		
	Municipal Utility System	Solid Waste Fund	Total
OPERATING REVENUES			
Electric sales	\$ 34,729,534	\$ -	\$ 34,729,534
Electric services	535,390	-	535,390
Water sales	5,544,945	-	5,544,945
Water pumping services	49,918	-	49,918
Water services	34,764	-	34,764
Wastewater services	3,692,973	-	3,692,973
Sanitation services	-	1,965,919	1,965,919
Total operating revenues	<u>44,587,524</u>	<u>1,965,919</u>	<u>46,553,443</u>
OPERATING EXPENSES			
Personal services	6,086,386	826,342	6,912,728
Contractual services	3,141,604	197,660	3,339,264
Purchased power	23,245,445	-	23,245,445
Materials and supplies	1,717,165	289,475	2,006,640
Depreciation	4,123,303	121,454	4,244,757
Total operating expenses	<u>38,313,903</u>	<u>1,434,931</u>	<u>39,748,834</u>
OPERATING INCOME	<u>6,273,621</u>	<u>530,988</u>	<u>6,804,609</u>
NONOPERATING REVENUES (EXPENSES)			
Investment earnings	60,567	3,865	64,432
Miscellaneous	66,912	-	66,912
Rentals	794,415	-	794,415
Royalties	-	595,666	595,666
Interest and fiscal charges	(2,071,641)	-	(2,071,641)
Total nonoperating revenues (expenses)	<u>(1,149,747)</u>	<u>599,531</u>	<u>(550,216)</u>
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	5,123,874	1,130,519	6,254,393
Capital contributions	1,465,257	-	1,465,257
Transfers in	83,558	-	83,558
Transfers out	(4,838,238)	(487,251)	(5,325,489)
CHANGE IN NET ASSETS	1,834,451	643,268	2,477,719
NET ASSETS, BEGINNING	<u>90,833,434</u>	<u>1,994,717</u>	<u>92,828,151</u>
NET ASSETS, ENDING	<u>\$ 92,667,885</u>	<u>\$ 2,637,985</u>	<u>\$ 95,305,870</u>

The accompanying notes are an integral part of these financial statements.

CITY OF WEATHERFORD, TEXAS
STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Business-type Activities - Enterprise Funds		
	Municipal Utility System	Solid Waste Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 47,388,780	\$ 1,964,820	\$ 49,353,600
Cash paid to suppliers	(5,625,428)	(657,719)	(6,283,147)
Cash paid to employees	(30,248,608)	(755,637)	(31,004,245)
Net cash provided by operating activities	<u>11,514,744</u>	<u>551,464</u>	<u>12,066,208</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Cash received from rentals	794,415	-	794,415
Cash received from royalties	-	595,666	595,666
Cash received for miscellaneous items	52,326	-	52,326
Transfers from other funds	83,558	-	83,558
Transfers to other funds	(4,838,238)	(487,251)	(5,325,489)
Net cash used by noncapital financing activities	<u>(3,907,939)</u>	<u>108,415</u>	<u>(3,799,524)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from sale of capital assets	29,172	-	29,172
Proceeds from developers for contributions in aid of construction	743,775	-	743,775
Principal payments on long-term debt	(2,688,314)	-	(2,688,314)
Acquisition and construction of capital assets	(6,860,479)	(12,482)	(6,872,961)
Interest and fiscal charges on debt	(2,026,046)	-	(2,026,046)
Net cash used by capital and related financing activities	<u>(10,801,892)</u>	<u>(12,482)</u>	<u>(10,814,374)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	62,263	3,865	66,128
Sale of investments	2,995,383	-	2,995,383
Net cash provided by investing activities	<u>3,057,646</u>	<u>3,865</u>	<u>3,061,511</u>
NET INCREASE (DECREASE) IN CASH	(137,441)	651,262	513,821
CASH AND CASH EQUIVALENTS, BEGINNING	<u>25,800,280</u>	<u>1,892,370</u>	<u>27,692,650</u>
CASH AND CASH EQUIVALENTS, ENDING	<u>\$ 25,662,839</u>	<u>\$ 2,543,632</u>	<u>\$ 28,206,471</u>
RECONCILIATION OF TOTAL CASH AND CASH EQUIVALENTS			
Current assets - cash and cash equivalents	\$ 13,690,359	\$ 2,543,632	\$ 16,233,991
Restricted assets - cash and cash equivalents	11,972,480	-	11,972,480
Total cash and cash equivalents	<u>\$ 25,662,839</u>	<u>\$ 2,543,632</u>	<u>\$ 28,206,471</u>

(continued)

CITY OF WEATHERFORD, TEXAS

STATEMENT OF CASH FLOWS

ENTERPRISE FUNDS

(Continued)

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Business-type Activities - Enterprise Funds		
	Municipal Utility System	Solid Waste Fund	Total
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating income	\$ 6,273,621	\$ 530,988	\$ 6,804,609
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	4,123,303	121,454	4,244,757
(Increase) decrease in accounts receivable	875,099	(1,099)	874,000
(Increase) decrease in prepaid expenditures	(49,995)	-	(49,995)
(Increase) decrease in due from other funds	36,068	372	36,440
(Increase) decrease in unbilled accounts	1,978,168	-	1,978,168
(Increase) decrease in inventory	270,702	13,704	284,406
Increase (decrease) in accounts payable	(1,908,332)	(162,015)	(2,070,347)
Increase (decrease) in accrued wages payable	26,204	15,533	41,737
Increase (decrease) in unearned revenue	(59,110)	-	(59,110)
Increase (decrease) in customer deposits	7,099	-	7,099
Increase (decrease) in due to other funds	(309,508)	(22,645)	(332,153)
Increase (decrease) in retainage payable	(183,329)	-	(183,329)
Increase (decrease) in liability for compensated absences	91,554	5,391	96,945
Increase (decrease) in net pension obligation	176,084	19,700	195,784
Increase (decrease) in net OPEB obligation	<u>167,116</u>	<u>30,081</u>	<u>197,197</u>
Net cash provided by operating activities	<u>\$ 11,514,744</u>	<u>\$ 551,464</u>	<u>\$ 12,066,208</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES			
Capital lease	\$ 64,012	\$ -	\$ 64,012
Capital contributions from developers	721,482	-	721,482

The accompanying notes are an integral part of these financial statements.

CITY OF WEATHERFORD, TEXAS

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2010

I. SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Weatherford, Texas (the City) was incorporated April 23, 1918. The City operates as a home rule City, under a Council-Manager form of government and provides the following services as authorized by its charter: public safety (police and fire), highways and streets, water, electric and sewer utilities, sanitation, health and social services, parks and recreation, public improvements, planning and zoning, and general administrative services. The City Council consists of an elected Mayor and four Council members. The City of Weatherford Municipal Utility System (the "Utility System") Board of Trustees, consisting of the Mayor, two Council members, and four trustees appointed by the Council, exercises management control of the electric, water, and wastewater systems that serve the City. The setting of rates for user charges and bond issuances authorizations require approval by the Council. The City also retains title to all property of the system.

As required by generally accepted accounting principles, these financial statements include all funds of the City of Weatherford (primary government). There are no legally separate entities that meet the criteria for inclusion in these statements as component units (entities for which the primary government is considered to be financially accountable.)

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenue, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

Separate financial statements are provided for governmental and proprietary funds. Major individual governmental funds and major individual Enterprise Funds are reported as separate columns in the fund financial statements.

(continued)

I. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 fund financial statements. Revenue is 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 revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be *available* when it is collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenue to be available if collected within 30 days of the end of the current fiscal period. Property taxes availability period is considered to be 60 days. 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.

Revenues susceptible to accrual are property taxes, franchise taxes, sales taxes, interest revenues, and charges for services. All other revenue items are considered to be measurable and available only when cash is received by the City. Unbilled receivables for electric and water utility services are recorded at year-end.

The City has selected the option to not follow Financial Accounting Standards Board pronouncements issued subsequent to November 30, 1989, for its propriety activities.

In the governmental funds, the City reports deferred revenue for amounts that have been billed and/or collected and do not meet both the “measurable” and “available” criteria for recognition in the current period. The City reports unearned revenue in the government-wide and fund financial statements for any amounts where an asset was recognized before the earnings process was complete.

The City reports the following major governmental funds:

The **General Fund** is the City’s primary operating fund. It is utilized to account for all financial resources, except those required to be accounted for in other funds.

The **2007 C.O. Fund** is utilized to account for the proceeds from the issuance of \$46.5 million in certificates of obligation for the TxDOT project or construction of major capital projects.

The **Debt Service Fund** is used to account for financial resources being accumulated for payment of the principal and interest requirements of general obligation bonds and capital leases.

(continued)

I. SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation
(Continued)

The City reports the following major proprietary funds:

The **Municipal Utility System Fund** is utilized to account for the operations of the City's electric distribution, water treatment and distribution, and wastewater collection and treatment systems.

The **Solid Waste Fund** is utilized to account for the City's solid waste collection and disposal services.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for the proprietary funds include the cost of personal and contractual services supplies, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

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

(continued)

I. SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Net Assets or Equity

1. Cash, Cash Equivalents, and Investments

The City's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments, which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes.

The City maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the combined financial statements as cash and investments or restricted cash and investments. The City's cash and investments are considered as cash equivalents as they can be readily converted to cash at their carrying value.

For purposes of the statement of cash flows, the City considers cash and other investments with maturities of three months or less from the date of purchase to be cash and cash equivalents.

2. Property Taxes

Property taxes are levied on October 1, on property values assessed as of January 1. The Parker County Appraisal District bills and collects all property taxes on behalf of the City and establishes appraisal values. Property taxes attach as an enforceable lien on property as of January 1.

Taxes are due on October 1. Full payment can be made prior to February 1, to avoid penalty and interest charges.

The City is permitted by Article XI, Section 5 of the State of Texas Constitution to levy taxes up to \$2.50 per \$100 of assessed valuation for general governmental services including the payment of principal and interest. The combined tax rate to finance general governmental service and debt service for the year ended September 30, 2010, was \$.46 per \$100 of assessed valuation. The assessed value upon which the completed fiscal 2009 levy was based was approximately \$1,800,547,010.

(continued)

I. SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Net Assets or Equity (Continued)

3. Restricted assets

Certain proceeds of the City’s Enterprise Fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable bond ordinances. The “reserve bond debt service” account is used to report resources set aside to subsidize potential deficiencies from the City’s operation that could adversely affect debt service payments.

Deposits collected from utility customers are set aside until repayment.

4. Inventory

Inventories in the General Fund and Solid Waste Fund consist of expendable supplies held for consumption and refuse bags, respectively, which are valued at cost using the first-in, first-out method. Cost is recorded as an expenditure at the time inventory is used (consumption method). The Municipal Utility System Fund inventory is valued at cost using the moving average cost method.

5. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g. streets, bridges, sidewalks, curbs, gutters, drainage systems and similar items) are reported in the governmental or business-type activities columns in the government-wide financial statements.

Depreciation is recorded on each class of depreciable property utilizing the straight-line method over the estimated useful lives of the assets.

Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40
Infrastructure	20
Water, electric and sewer system	40 - 60
Machinery and equipment	5 - 10

(continued)

I. SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Net Assets or Equity (Continued)

5. Capital Assets (Continued)

Renewals and betterments of property and equipment are capitalized, whereas normal repairs and maintenance are charged to expense as incurred. Individual items with an initial cost greater than \$5,000 and with an estimated useful life of at least two years following the date of acquisition are capitalized. Purchased or constructed assets are recorded at historical cost or estimated historical cost if actual cost is unavailable. Assets acquired by donation are recorded at fair market value at the date of acquisition.

Interest is capitalized on business-type assets acquired with tax-exempt debt. The City calculates capitalized interest by applying the interest rate of the debt to the weighted average construction expenditures.

6. Accumulated Unpaid Vacations, Sick Leave, and Other Employee Benefit Amounts

Employees are paid for up to 720 hours of unused sick leave upon retirement or annually for one-half of the accumulated sick leave in excess of 720 hours. With the exception of sick leave for employees eligible for retirement, sick leave less than 720 hours is expensed when paid. Vacation is earned in varying amounts. Unused vacation leave is carried forward from one year to the next without limit.

The City has accrued for the estimated liability for compensated absences in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

7. Long-term Obligations

In the government-wide financial statements and the proprietary fund in the fund financial statements, the long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount and deferred amount on refunding. Bond issuance costs are reported as unamortized debt issue costs and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

(continued)

I. SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Net Assets or Equity (Continued)

8. Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” or “due to other funds” on the fund financial statements. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

9. Interfund Services Provided and Used

Interfund services provided and used are sales and purchases of goods and services between funds for a price approximating their external exchange value. Interfund services provided and used are recognized as revenues and expenditures (or expenses) in the funds involved just as they would be recognized if the transactions involved organizations outside the governmental unit.

10. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts not appropriable for expenditure or legally segregated for specific future use. Designated fund balance represents tentative plans for future use of financial resources.

11. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

12. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual amounts could differ from those estimates.

13. Concentration of Credit Risk

The City has property tax receivables due from residents and businesses all of whom are located in the City. Also, the City has utility receivables due from residents and businesses located in the City and the surrounding area.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Assets

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net assets – governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains, “Some liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.” The details of this \$73,179,881 difference are as follows:

Bonds payable	\$(67,715,000)
Less: deferred charge for issuance costs (to be amortized over life of debt)	749,855
Plus: issuance premium (to be amortized as interest expense)	(673,799)
Accrued interest payable	(241,544)
Retainage payable	(917,424)
Compensated absences	(2,721,997)
Net pension obligation	(806,702)
Net OPEB obligation	<u>(853,270)</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	<u>\$(73,179,881)</u>

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental fund statement of revenue, expenditures and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental fund* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains, “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$16,953,438 difference are as follows:

Capital outlay	\$ 19,438,242
Depreciation expense	<u>(2,484,804)</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ 16,953,438</u>

(continued)

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS
(Continued)

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenue, Expenditures and Changes in Fund Balances and the Government-wide Statement of Activities (Continued)

Another element of that reconciliation states, “The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net assets.” The details of this \$113,847 difference are as follows:

Donations of capital assets increase net assets in the statement of activities, but do not appear in the governmental funds because they are not financial resources	\$ 127,733
Sale of capital assets	(13,886)
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ 113,847</u>

Another element of that reconciliation states, “The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$1,079,166 difference are as follows:

Principal repayments	\$ 1,065,000
Accrued interest	15,851
Amortization of issuance costs	(58,186)
Amortization of bond premium	<u>56,501</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ 1,079,166</u>

Another element of that reconciliation states, “Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.” The details of this \$801,606 difference are as follows:

Compensated absences	\$ 82,767
Pension cost	(453,213)
OPEB cost	<u>(431,160)</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$(801,606)</u>

III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

The City Council adheres to the following procedures in establishing the budgets reflected in the financial statements:

- 1) The City Manager is required to submit to the City Council and Municipal Utility Board a proposed budget for the fiscal year beginning on the following October 1.
- 2) Public hearings are conducted to obtain taxpayer comments.
- 3) The City Manager is authorized to transfer budgeted amounts between accounts within any department. However, any revisions that alter total expenditures of any department must be approved by the City Council or Municipal Utility Board. Expenditures may not legally exceed budgeted appropriations at the department level. Appropriations lapse at year-end.
- 4) Annual budgets are legally adopted for all funds, except for the Series 2007 C. O., General Capital Projects, Series 2006 C.O., Series 2007 G.O. and Series 2008 C.O. Funds, which adopt project-length budgets. The budgets are prepared on an accrual basis consistent with the basis of accounting for each fund type, with the exception of depreciation, which is not budgeted in the proprietary fund types and capital expenditures and debt service principal, which are budgeted in the proprietary fund types. All governmental type funds are budgeted based on the modified accrual basis of accounting.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

State statutes authorize the City to invest in obligations of the U. S. Treasury, the State of Texas or its agencies; other states, counties, cities, and state agencies with an “A” rating or equivalent, fully insured or collateralized bank certificates of deposit, and fully collateralized direct repurchase agreements. The City’s investments at year-end are shown below.

Description	Maturity Date	Market Value 09/30/10	% of Total	Weighted Average Maturity (Days)
Local Government Investment				
Pools (2a-7 like pools):				
TexPool	10/01/10	\$ 33,176,561	60.51%	34
TexStar	10/01/10	<u>21,650,794</u>	<u>39.49%</u>	46
Total		<u>54,827,355</u>	<u>100.00%</u>	
Total all investments		<u>\$ 54,827,355</u>	<u>100.00%</u>	

Interest Rate Risk: In compliance with the City’s Investment Policy the City minimizes interest rate risk or the decrease in market value of securities in the City’s portfolio due to changes in interest through strong cash flow projections so that market value losses are reduced and through investments in short-term securities with maturity dates that do not exceed five years from the date of purchase with the exception of security purchases related to reserve funds or that are matched to other specific cash flows and by investing operating funds in short-term securities or government investment pools. By doing this, the City avoids the need to sell securities in the secondary market prior to the maturity date. At September 30, 2010, 100% of the City’s portfolio had maturity dates less than one year.

Credit Risk: The City has no formal policy addressing credit risk. However, safety of principal is the primary objective of the City’s investment policy. In accordance with this objective, the City limits its investments to those that have been issued one of the top ratings by a nationally recognized credit rating agency. As of September 30, 2010, the City’s investment in TexPool and TexStar were rated AAAM by Standard & Poor’s.

Concentration of Credit Risk: In accordance with the City’s investment policy, the City of Weatherford limits their exposure of concentration of credit risk by restricting investments in a single security type or financial institute to less than 50% of the City’s total investment portfolio with the exception of U. S. Treasury and Agency Securities and authorized pools. As of September 30, 2010, 100% was in local government investment pools.

It is the City’s policy to report all debt securities held at the end of the reporting period at fair value, regardless of the remaining maturity at time of purchase. The fair value of investments is based on quoted market prices for the same or similar security with like stated interest and maturity characteristics.

(continued)

IV. DETAILED NOTES ON ALL FUNDS (Continued)

A. Deposits and Investments (Continued)

The State Comptroller of Public Accounts exercises oversight responsibility over TexPool, the Texas Local Government Investment Pool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The Advisory Board members review the investment policy and management fee structure. Finally, TexPool is rated AAAM by Standard & Poor's. As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard & Poor's, as well as the office of the Comptroller of Public Accounts for review. TexPool operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. TexPool uses amortized cost rather than market value to report net assets to compute share prices. Accordingly, the fair value of the position in TexPool is the same as the value of TexPool shares.

The Texas Short-term Asset Reserve Program, TexStar, is managed by a five-member Board of Directors in accordance with its bylaws which set forth procedures governing the selection of, and actions taken by the Board. Board oversight is maintained through daily, weekly, and monthly reporting contracts. Administration of TexStar is maintained by JP Morgan Chase, Inc. and First Southwest Asset Management, Inc. who serve as co-administrators for TexStar under contract with the Board. The contract may be extended periodically to a term of two years or less.

In accordance with the Public Funds Investment Act, TexStar maintains an advisory board. The members of the Board are composed of participants and other persons who do not have a business relationship with TexStar. Members are appointed and serve at the will of the Board of Directors.

TexStar is rated AAAM by Standard & Poor's and operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. All investments are stated at amortized cost rather than market value. Accordingly, the fair value of the position in TexStar is the same as the value of the TexStar shares.

(continued)

IV. DETAILED NOTES ON ALL FUNDS (Continued)

A. Deposits and Investments (Continued)

As of September 30, 2010, the City held restricted cash and investments of \$29,794,503 for the following purposes:

Governmental activities:	
Construction	\$ 17,822,023
Business-type activities:	
Revenue bond debt service	793,375
Revenue bond reserve	4,036,881
Construction	3,916,321
Water impact fee	2,038,085
Wastewater impact fee	<u>1,187,818</u>
Total business-type activities	<u>11,972,480</u>
Total restricted cash and investments	<u>\$ 29,794,503</u>

B. Interfund Receivables, Payables and Transfers

The composition of interfund balances as of September 30, 2010, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Debt service	General	\$ 3,208

Balances resulted from the time lag between the dates that payments between funds are made.

Interfund transfers during the year were as follows:

	<u>Transfers In</u>				<u>Total</u>
	<u>General</u>	<u>Debt Service</u>	<u>Nonmajor Governmental</u>	<u>Municipal Utility System</u>	
Transfers Out:					
Municipal utility system	\$ 4,838,238	\$ -	\$ -	\$ -	\$ 4,838,238
Solid waste	452,422	-	-	34,829	487,251
General	-	71,207	1,931	48,729	121,867
Series 2007 C.O. fund	-	1,656,818	-	-	1,656,818
Nonmajor governmental	<u>-</u>	<u>147,768</u>	<u>107,812</u>	<u>-</u>	<u>255,580</u>
Total Transfers	<u>\$ 5,290,660</u>	<u>\$ 1,875,793</u>	<u>\$ 109,743</u>	<u>\$ 83,558</u>	<u>\$ 7,359,754</u>

(continued)

IV. DETAILED NOTES ON ALL FUNDS (Continued)

B. Interfund Receivables, Payables and Transfers (Continued)

Transfers are generally used 1) to transfer franchise fees to the General Fund from the Utility System Fund; 2) to transfer funds from the Utility System Fund to the General Fund for return on investment of the City owned utility system; 3) to transfer funds from the Solid Waste Fund to the General Fund for upkeep of the roads used by Solid Waste during their collection and disposal services; 4) to transfer funds from the General Fund to fund various capital projects; 5) to transfer funds from the proprietary funds to the General Fund for administrative services provided by the General Fund; 6) to transfer interest earnings from the Series 2007 C.O. Fund to the Debt Service Fund for future debt service requirements related to the issuance of the 2007 Certificate of Obligations; and 7) to move receipts restricted to debt service from the General Fund to the Debt Service Fund.

C. Capital Assets

Capital asset activity for the year ended September 30, 2010, was as follows:

	Beginning Balance	Additions	Transfers/ Retirements	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 4,027,482	\$ 20,465	\$ -	\$ 4,047,947
Construction in progress	23,055,676	19,706,323	(14,310,213)	28,451,786
Total assets not being depreciated	<u>27,083,158</u>	<u>19,726,788</u>	<u>(14,310,213)</u>	<u>32,499,733</u>
Capital assets, being depreciated:				
Buildings and improvements	11,281,461	99,615	1,332,000	12,713,076
Infrastructure	12,888,493	113,233	-	13,001,726
Other improvements	12,646,676	222,043	12,978,214	25,846,933
Machinery and equipment	7,269,456	321,719	(249,219)	7,341,956
Total capital assets being depreciated	<u>44,086,086</u>	<u>756,610</u>	<u>14,060,995</u>	<u>58,903,691</u>
Less accumulated depreciation:				
Buildings and improvements	(3,872,634)	(330,383)	-	(4,203,017)
Infrastructure	(6,530,200)	(547,599)	-	(7,077,799)
Other improvements	(959,085)	(972,969)	-	(1,932,054)
Machinery and equipment	(4,655,580)	(633,853)	235,333	(5,054,100)
Total accumulated depreciation	<u>(16,017,499)</u>	<u>(2,484,804)</u>	<u>235,333</u>	<u>(18,266,970)</u>
Total capital assets being depreciated, net	<u>28,068,587</u>	<u>(1,728,194)</u>	<u>14,296,328</u>	<u>40,636,721</u>
Governmental activities capital assets, net	<u>\$ 55,151,745</u>	<u>\$ 17,998,594</u>	<u>\$(13,885)</u>	<u>\$ 73,136,454</u>

(continued)

IV. DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital Assets (Continued)

	Beginning Balance	Additions	Retirements	Ending Balance
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 2,430,140	\$ -	\$(207,048)	\$ 2,223,092
Construction in progress	6,605,577	497,932	(6,144,273)	959,236
Total assets not being depreciated	<u>9,035,717</u>	<u>497,932</u>	<u>(6,351,321)</u>	<u>3,182,328</u>
Capital assets, being depreciated:				
Buildings and improvements	18,926,187	-	-	18,926,187
Other improvements	123,154,205	3,378,744	9,618,630	136,151,579
Machinery and equipment	<u>6,221,291</u>	<u>499,882</u>	<u>(120,618)</u>	<u>6,600,555</u>
Total capital assets being depreciated	<u>148,301,683</u>	<u>3,878,626</u>	<u>9,498,012</u>	<u>161,678,321</u>
Less accumulated depreciation:				
Buildings and improvements	(7,407,573)	(436,774)	-	(7,844,347)
Other improvements	(37,606,174)	(3,333,202)	-	(40,939,376)
Machinery and equipment	<u>(4,299,143)</u>	<u>(471,790)</u>	<u>117,629</u>	<u>(4,653,304)</u>
Total accumulated depreciation	<u>(49,312,890)</u>	<u>(4,241,766)</u>	<u>117,629</u>	<u>(53,437,027)</u>
Total capital assets being depreciated, net	<u>98,988,793</u>	<u>(363,140)</u>	<u>9,615,641</u>	<u>108,241,294</u>
Business-type activities capital assets, net	<u>\$ 108,024,510</u>	<u>\$ 134,792</u>	<u>\$ 3,264,320</u>	<u>\$ 111,423,622</u>

The City capitalized interest expense of \$129,481 on various construction projects in progress during the year. For the year ended September 30, 2010, the Municipal Utility System's total amount of interest expense was \$2,121,884.

Depreciation expense was charged to functions/programs of the City as follows:

Governmental activities:	
General government	\$ 176,048
Public safety	448,197
Public works	1,322,908
Planning and development	9,262
Community development	79,517
Cultural and recreational	<u>448,872</u>
Total depreciation expense - governmental activities	<u>\$ 2,484,804</u>
Business-type activities:	
Electric	\$ 1,624,802
Water	1,759,685
Wastewater	735,825
Sanitation	<u>121,454</u>
Total depreciation expense - business-type activities	<u>\$ 4,241,766</u>

(continued)

IV. DETAILED NOTES ON ALL FUNDS (Continued)

D. Deferred Revenue

Governmental funds report deferred revenue in connection with receivables for revenue that is not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
General fund		
Delinquent property taxes receivable	\$ 201,942	\$ -
Court fines	287,697	-
Miscellaneous	-	1,500
Total general fund	<u>489,639</u>	<u>1,500</u>
Debt service fund		
Delinquent property taxes receivable	115,869	-
Grant - TX Dot	665,303	-
Total debt service fund	<u>781,172</u>	<u>-</u>
Nonmajor governmental		
Grant	-	1,864
Escrow	-	161,970
Total nonmajor government funds	<u>-</u>	<u>163,834</u>
Total governmental funds	<u>\$ 1,270,811</u>	<u>\$ 165,334</u>

(continued)

IV. DETAILED NOTES ON ALL FUNDS (Continued)

E. Bonds and Certificates of Obligation Payable

Bonds and certificates of obligation payable at September 30, 2010, consist of the following individual issues:

Governmental activities

\$800,000 2000 General Obligation Bonds, for constructing and equipping Fire Station 3, due in annual installments through March 1, 2015, 5.20% - 6.50%.	\$ 330,000
\$1,000,000 2001 Certificates of Obligation, for street construction and improvements, due in annual installments through March 1, 2016, 4.50% - 5.30%.	510,000
\$1,800,000 2002 Certificates of Obligation, to acquire and improve property for a convention center, due in annual installments through March 1, 2022, 4.80% - 5.50%.	1,300,000
\$3,500,000 2003 Certificates of Obligation, for constructing and improving park and recreational facilities and street improvements, due in annual installments through March 1, 2026, 4.00% - 5.00%.	2,800,000
\$4,000,000 2006 Certificates of Obligation, for constructing and improving park and recreational facilities and street improvements, due in annual installments through March 1, 2022, 4.00% - 5.00%.	3,705,000
\$46,490,000 Certificates of Obligation, for street construction and improvements, due in annual installments through March 1, 2022, 4.00% - 5.00%.	46,390,000
\$10,800,000 2007 General Obligation Bonds, for constructing and equipping Fire Station 4 and street improvements, due in annual installments through March 1, 2027, 4.00% - 5.00%.	9,885,000
\$3,000,000 2008 Certificates of Obligation, for acquiring, constructing and improving roads, streets, and highways within the City due in annual installments through September 1, 2028, 4.27%.	<u>2,795,000</u>
Total governmental activities	<u>\$ 67,715,000</u>

(continued)

IV. DETAILED NOTES ON ALL FUNDS (Continued)

E. Bonds and Certificates of Obligation Payable (Continued)

Business-type activities

\$10,085,000 1996 Combined Utility System Refunding Bonds, to refund a portion of the 1991 Utility System Revenue Bonds, due in annual installments through September 1, 2011, 3.30% - 5.00%.	\$ 535,000
\$21,055,000 2005 Utility System Refunding Bonds, to refund a portion of the 1999 Utility System Revenue Bonds, due in annual installments through September 1, 2018, 3.00% - 5.00% .	17,320,000
\$20,000,000 2006 Utility System Revenue Bonds, for improvements and extensions to the City's water, wastewater, and electric systems, due in annual installments through September 1, 2026, 4.00% - 5.125%.	19,520,000
\$6,575,000 2008 Utility System Refunding Bonds, to refund a portion of the 1996 Utility System Refunding Bonds and to refund the 1999 Utility System Refunding/Improvement Bonds due in annual installments through September 1, 2018, 3.46%.	<u>5,380,000</u>
Total business-type activities	<u>\$ 42,755,000</u>

The annual requirements to amortize the long-term debt as of September 30, 2010, are as follows:

Governmental Activities

Fiscal Year	General Obligation		Certificates of Obligation		Total
	Principal	Interest	Principal	Interest	
2011	\$ 455,000	\$ 441,881	\$ 700,000	\$ 2,573,260	\$ 4,170,141
2012	480,000	418,287	770,000	2,541,401	4,209,688
2013	500,000	393,526	4,805,000	2,406,978	8,105,504
2014	530,000	367,471	5,000,000	2,188,428	8,085,899
2015	555,000	339,996	5,210,000	1,959,706	8,064,702
2016-2020	2,740,000	1,363,290	29,535,000	5,973,829	39,612,119
2021-2025	3,380,000	725,154	10,450,000	816,915	15,372,069
2026-2030	<u>1,575,000</u>	<u>69,672</u>	<u>1,030,000</u>	<u>64,141</u>	<u>2,738,813</u>
	<u>\$ 10,215,000</u>	<u>\$ 4,119,277</u>	<u>\$ 57,500,000</u>	<u>\$ 18,524,658</u>	<u>\$ 90,358,935</u>

(continued)

IV. DETAILED NOTES ON ALL FUNDS (Continued)

E. Bonds and Certificates of Obligation Payable (Continued)

Business-type Activities

Fiscal Year	Revenue Bonds		
	Principal	Interest	Total
2011	\$ 2,615,000	\$ 2,015,352	\$ 4,630,352
2012	2,715,000	1,912,988	4,627,988
2013	2,840,000	1,787,416	4,627,416
2014	2,985,000	1,655,952	4,640,952
2015	3,115,000	1,517,523	4,632,523
2016-2020	14,855,000	5,429,004	20,284,004
2021-2025	11,350,000	2,237,815	13,587,815
2026-2030	<u>2,280,000</u>	<u>116,850</u>	<u>2,396,850</u>
	<u>\$ 42,755,000</u>	<u>\$ 16,672,900</u>	<u>\$ 59,427,900</u>

The revenue bonds are collateralized by the revenue of the combined utility system and the various special funds established by the bond ordinances. The ordinances provide that the revenue of the system is to be used, first, to pay operating and maintenance expenses of the system and, second, to establish and maintain the revenue bond funds. Any remaining revenues may then be used for any lawful purpose. The ordinances also contain provisions, which, among other items, restrict the issuance of additional revenue bonds unless the special funds noted above contain the required amounts and certain financial ratios are met. The City is in compliance with these financial requirements.

Below is a summary of the various restricted asset accounts required by the bond ordinances along with the actual cash reserved as September 30, 2010.

	Required	Actual
Reserve fund	\$ <u>3,987,280</u>	\$ <u>4,036,881</u>
Total, September 30, 2010	\$ <u>3,987,280</u>	\$ <u>4,036,881</u>
Bond fund	\$ <u>442,822</u>	\$ <u>793,375</u>
Total, September 30, 2010	\$ <u>442,822</u>	\$ <u>793,375</u>

In addition to the above, there are certain other restricted asset accounts pertaining to customer meter deposits.

(continued)

IV. DETAILED NOTES ON ALL FUNDS (Continued)

F. Notes Payable

Notes payable at September 30, 2010, consisted of the following:

Business-type activities:

Bank of America:

2009 Tax Notes, for improvements to the City's electric system due in annual installments through March 1, 2015, 3.63% \$ 510,000

Texas Department of Transportation:

May 2003, the City received a State Infrastructure Bank Loan in the amount of \$193,325. Payable in 10 annual installments of \$24,098, including interest at 4.2% 66,622

March 2009, the City received a State Infrastructure Bank Loan in the amount of \$320,000. Payable in 10 annual installments of \$39,061, including interest at 3.8% To fund utility relocations in connection with replacement of two bridges over railroad tracks on U. S. 180. 293,099

March 2009, the City received a State Infrastructure Bank Loan in the amount of \$70,000. Payable in five annual installments of \$15,504, including interest at 3.5% For sewer line relocation along FM 51. 56,946

\$ 926,667

The annual requirements to amortize the long-term debt as of September 30, 2010, are as follows:

Business-type Activities

Fiscal Year	Notes Payable		Totals
	Principal	Interest	
2011	\$ 157,734	\$ 32,718	\$ 190,452
2012	165,163	26,750	191,913
2013	167,686	20,597	188,283
2014	151,209	14,255	165,464
2015	142,416	8,642	151,058
2016-2019	<u>142,459</u>	<u>13,786</u>	<u>156,245</u>
	<u>\$ 926,667</u>	<u>\$ 116,748</u>	<u>\$ 1,043,415</u>

(continued)

IV. DETAILED NOTES ON ALL FUNDS (Continued)

G. Capital Lease Obligation

The City has entered into a lease agreement as lessee for financing the acquisition of computers of various departments. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of their minimum lease payments as of the inception date. The assets acquired through the capital lease were below the City's capitalization threshold; therefore, the items were not capitalized.

Business-type Activities

<u>Fiscal Year</u>	<u>Capital Lease</u>
2011	\$ 22,918
2012	<u>22,918</u>
Total minimum lease payments	45,836
Less: amount representing interest	<u>(4,742)</u>
 Present value of minimum lease payments	 <u>\$ 41,094</u>

F. Long-term Liability Activity

Long-term liability activity for the year ended September 30, 2010, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Bonds payable:					
General obligations	\$ 10,650,000	\$ -	\$ 435,000	\$ 10,215,000	\$ 455,000
Certificates of obligation	58,130,000	-	630,000	57,500,000	700,000
Issuance premium	<u>730,300</u>	-	<u>56,501</u>	<u>673,799</u>	-
Total bonds payable	69,510,300	-	1,121,501	68,388,799	1,155,000
OPEB obligation	422,110	645,823	214,663	853,270	-
Pension obligation	353,489	2,353,883	1,900,670	806,702	-
Compensated absences	<u>2,804,764</u>	<u>1,511,072</u>	<u>1,593,839</u>	<u>2,721,997</u>	<u>393,146</u>
Governmental activities long-term liabilities	<u>\$ 73,090,663</u>	<u>\$ 4,510,778</u>	<u>\$ 4,830,673</u>	<u>\$ 72,770,768</u>	<u>\$ 1,548,146</u>

The General Fund has typically been used to liquidate governmental activities OPEB obligation, pension obligation and compensated absences liabilities.

(continued)

IV. DETAILED NOTES ON ALL FUNDS (Continued)

F. Long-term Liability Activity(Continued)

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities:					
Bonds payable:					
Revenue bonds	\$ 45,270,000	\$ -	\$ 2,515,000	\$ 42,755,000	\$ 2,615,000
Issuance premium/discount	1,448,886	-	123,304	1,325,582	-
Less: deferred amount on refunding	(449,100)	-	(108,394)	(340,706)	-
Total bonds payable	46,269,786	-	2,529,910	43,739,876	2,615,000
Tax note	600,000	-	90,000	510,000	95,000
State infrastructure loans	477,063	-	60,396	416,667	62,734
Capital lease obligation	-	64,012	22,918	41,094	19,794
OPEB obligation	195,188	303,916	106,719	392,385	-
Pension obligation	135,633	961,445	765,661	331,417	-
Compensated absences	1,115,771	497,883	400,938	1,212,716	173,937
Business-type activities long-term liabilities	<u>\$ 48,793,441</u>	<u>\$ 1,827,256</u>	<u>\$ 3,976,542</u>	<u>\$ 46,644,155</u>	<u>\$ 2,966,465</u>

V. OTHER INFORMATION

A. Retirement Plan

Plan Description

The City provides pension benefits for all of its eligible employees through a nontraditional, joint contributory, hybrid defined benefit plan in the statewide Texas Municipal Retirement System (TMRS), an agent multiple-employer public employee retirement system. The plan provisions that have been adopted by the City are within the options available in the governing state statutes of 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 to TMRS, P. O. Box 149153, Austin, Texas 78714-9153 or by calling 800-924-8677; in addition, the report is available on TMRS' website at www.TMRS.com.

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. Plan provisions for the City were as follows:

(continued)

V. OTHER INFORMATION (Continued)

A. Retirement Plan (Continued)

Plan Description (Continued)

	<u>Plan Year 2009</u>	<u>Plan Year 2010</u>
Employee deposit rate	7.0%	7.0%
Matching ratio (city to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service retirement eligibility (expressed as age/years of service)	60/5, 0/20	60/5, 0/20
Updated service credit	100% repeating, transfers	100% repeating, transfers
Annuity increase (to retirees)	70% of CPI repeating	70% of CPI repeating

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. The annual pension cost and net pension obligation/(asset) is as follows:

Annual required contribution (ARC)	\$ 3,308,509
Interest on net pension obligation	36,684
Adjustment to ARC	<u>(29,865)</u>
Annual pension cost	3,315,328
Contributions made	<u>(2,666,331)</u>
Change in net pension obligation	648,997
Net pension obligation, beginning of year	<u>489,122</u>
Net pension obligation, end of year	<u>\$ 1,138,119</u>

(continued)

V. OTHER INFORMATION (Continued)

A. Retirement Plan (Continued)

Contributions (Continued)

Fiscal Year Ending	Annual Pension Cost (APC)	Annual Contribution Made	Percentage of APC Contributed	Net Pension Obligation
09/30/2008	\$ 2,334,704	\$ 2,334,704	100%	\$ -
09/30/2009	2,931,096	2,441,974	83%	489,122
09/30/2010	3,315,328	2,666,331	80%	1,138,119

The required contribution rates for fiscal year 2010 were determined as part of the December 31, 2007 and 2008 actuarial valuations. Additional information as of the latest actuarial valuation, December 31, 2009, also follows:

Actuarial Valuation Date	12/31/07	12/31/08	12/31/09
Actuarial cost method	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
Amortization method	Level percent of payroll	Level percent of payroll	Level percent of payroll
GASB 25 equivalent single amortization period	30 years; closed period	29 years; closed period	28 years; closed period
Amortization period for new gains/losses	30 years	30 years	30 years
Asset valuation method	Amortized cost	Amortized cost	10-year smoothed market
Actuarial Assumptions:			
Investment rate of return*	7.0%	7.5%	7.5%
Projected salary increases*	varies by age and service	varies by age and service	varies by age and service
*Includes inflation at	3.0%	3.0%	3.0%
Cost-of-living adjustments	2.1%	2.1%	2.1%

The schedule of funding progress presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability benefits. The funded status as of December 31, 2009, is the most recent actuarial valuation.

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/07	32,463,128	52,144,117	19,680,989	62.3%	15,408,514	127.7%
12/31/08	32,648,294	53,115,834	20,467,540	61.5%	16,389,033	124.9%
12/31/09	35,653,368	58,401,386	22,748,018	61.0%	17,587,671	129.3%

(continued)

V. OTHER INFORMATION (Continued)

B. Other Postemployment Benefits (OPEB)

Retiree Health Plan

Plan Description

The City offers its retired employees health insurance benefits through a single-employer defined benefit OPEB plan, under City policy. This plan is administered by the City and no separate audited financial statements are available.

After October 2000, the City began paying for 100 percent of the premiums of health, dental, and vision care for employees who retire from fulltime service with the City. On March 1, 2007, the City changed this policy to only pay the medical premiums for those retirees who attain age 55 with 20 years of continuous service before retirement and meet the requirements under TMRS. On September 23, 2009, eligibility was further limited to those employees that were hired regular, fulltime before October 1, 2008.

Therefore, under the existing plan, the City will pay 100% medical, dental, and vision premiums for those retirees who were hired regular fulltime before October 1, 2008, retire after October 1, 2008, and meet the following qualifications:

1. Employed by the City of Weatherford in a fulltime status for a period of at least 20 years continuously prior to retirement;
2. Meet eligibility requirements under TMRS; and
3. Attain minimum age 55 at retirement date.

The City of Weatherford will not pay any portion of medical premiums for retirees hired after October 1, 2008.

Retirees are responsible for payment of premiums for any dependent coverage. Retirement under TMRS is attainment of 20 years of service, any age or five years of service and age 60. Only fulltime employees who attain age 55 with 20 years of continuous service with the City are eligible for health benefits. Employees retiring early under retirement conditions or who terminate employment are not eligible for retiree health benefits. Survivors of employees who die while actively employed are not eligible for retiree health care benefits. Employees who retire under a disability retirement must meet the eligibility requirements stated above to be eligible for health care benefits. Spouses and the dependents of retired employees are eligible to continue health care, dental and vision benefits or Medicare Supplement with payment of 100% of premiums, until death of retiree. Upon death of retiree, all benefits cease. Retirees are required to enroll in Medicare Supplement policy for retiree. The City does not offer life insurance coverage for retirees or their dependents. Retirees who decide to opt-out of the health care plan are not eligible to opt back.

(continued)

V. **OTHER INFORMATION** (Continued)

B. **Other Postemployment Benefits (OPEB)** (Continued)

Retiree Health Plan (Continued)

Funding Policy

The City's annual OPEB cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance within the parameters of GASB Statement No. 45. The ARC represents an amount that is projected to recognize the normal cost each year and the amortization of any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The City had its first OPEB actuarial valuation performed for the fiscal year beginning October 1, 2008, as required by GASB. The City's annual OPEB cost for the fiscal year ending September 30, 2010, is as follows:

Annual required contribution	\$ 947,697
Interest on OPEB obligation	27,778
Adjustment to ARC	<u>(25,736)</u>
Annual OPEB cost	949,739
Net estimated employer contributions	<u>(321,382)</u>
Increase in net OPEB obligation	628,357
Net OPEB obligation, beginning of year	<u>617,298</u>
 Net OPEB obligation, end of year	 <u>\$ 1,245,655</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the prior three years (4.5% discount rate, and level percent of pay amortization) follow:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Employer Contribution</u>	<u>Percentage Contributed</u>	<u>Net OPEB Obligation End of Year</u>
12/31/07	N/A	N/A	N/A	N/A
12/31/08	\$ 920,094	\$ 302,796	32.9%	\$ 617,298
12/31/09	949,739	321,382	33.8%	1,245,655

(continued)

V. **OTHER INFORMATION** (Continued)

B. **Other Postemployment Benefits (OPEB)** (Continued)

Retiree Health Plan (Continued)

Funding Status and Funding Progress

The funded status of the City’s retiree health care plan, as of the most recent actuarial valuation date is as follows:

Schedule of Funding Progress – Other Post-Employment Health Care Benefits

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
12/31/08	\$ -	\$ 10,339,130	\$ 10,339,130	- %	\$ 6,311,246	163.82%

Actuarial valuations of an ongoing plan involve estimates of the value reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the health care cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. A schedule of funding progress presents multi-trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. The 2008 actuarial valuation is the most recent and only actuarial valuation available; therefore, a schedule of funding progress with multi-trend information is not provided.

Actuarial Methods and Assumptions

The Projected Unit Credit 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 recognition of the cost of 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 unfunded accrued liability.

(continued)

V. **OTHER INFORMATION** (Continued)

B. **Other Postemployment Benefits (OPEB)** (Continued)

Retiree Health Plan (Continued)

Actuarial Methods and Assumptions (Continued)

Projects 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 the City's 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:

Actuarial valuation date	12/31/08
Actuarial cost method	Projected unit credit
Amortization method	Level as a percentage of payroll
Remaining amortization period	30 years; open amortization
Actuarial assumptions:	
Investment rate of return	4.5%, net of expenses
Projected salary increases	Payroll growth 3% per annum.
Health care inflation rate	9:5 initial and declining 4.5% ultimate after 10 years.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability 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 provides multiyear 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.

Supplemental Death Benefits Plan for Retirees

Plan Description

The City participates in the cost sharing multiple-employer defined benefit group term life insurance plan operated by the Texas Municipal Retirement System (TMRS) known as the Supplemental Death Benefits Fund (SDBF). The City elected, by ordinance, to provide group term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

(continued)

V. **OTHER INFORMATION** (Continued)

B. **Postemployment Health Care** (Continued)

Supplemental Death Benefits Plan for Retirees (Continued)

Plan Description (Continued)

The death benefit for active employees provides a lump sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death); retired employees are insured for \$7,500; this coverage is an "other postemployment benefit," or OPEB.

Contributions

The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to pre-fund retiree term life insurance during employees' entire careers. Contributions are made on a monthly basis on the covered payroll of employee members of the City.

Schedule of Contribution Rates

<u>Plan/ Calendar Year</u>	<u>Annual Required Contribution (ARC)</u>	<u>Actual Contribution</u>	<u>Percentage of ARC Contributed</u>
2008	0.05%	0.05%	100.0%
2009	0.03%	0.03%	100.0%
2010	0.04%	0.04%	100.0%

(continued)

V. **OTHER INFORMATION** (Continued)

C. **Risk Management**

The City is exposed to various risks of loss related to theft or damage of assets, errors and omissions, injuries to employees, and natural disasters. These risks are covered by the City's participation in the Texas Municipal League Intergovernmental Risk Pool (TMLIRP) for liability, property, and workers' compensation and in the Texas Municipal League Intergovernmental Employee Benefits Pool (TMLIEBP) for employee health insurance. These are self-sustaining risk pools operated on a state-wide basis for the benefit of several hundred Texas cities and other public entities. The City pays annual premiums to the TMLIRP, which retains risk of loss up to \$3,000,000 and obtains independent coverage for losses in excess of that amount. Monthly premiums are paid to the TMLIEBP, which retains risk of loss up to \$500,000 per individual and obtains independent coverage for losses in excess of that amount.

The City retains no risk except for the deductible amounts as shown below:

<u>Type of Coverage</u>	<u>Limit Per Occurrence</u>	<u>Annual Aggregate</u>	<u>Deductible</u>
General liability	\$ 2,000,000	\$ 4,000,000	\$ 5,000
Law enforcement liability	2,000,000	4,000,000	5,000
Errors and omissions liability	2,000,000	4,000,000	50,000
Auto liability	2,000,000	N/A	5,000
Auto physical damage	ACV*	N/A	2,500
Real and personal property**	57,277,073	57,277,073	5,000
Mobile equipment*	2,237,894	2,237,894	5,000
Boiler and machinery	11,000,000	N/A	5,000
Sewage backup	50,000	N/A	1,000

*Actual cash value

**Blanket limit

There have been no reductions in coverage from the coverage in the prior year, and there have been no settlements that exceeded coverage in the current or past three fiscal years. On October 1, 2011, the City's insurance deductibles increased significantly from prior years.

D. **Contingencies**

There are various lawsuits pending in which the City is involved. In the opinion of legal counsel and City management, the settlement of these lawsuits will not have a material adverse effect on the City's financial position.

The City owns and operates its own electric distribution system and purchases all of its power from a wholesale supplier with the exception of small amounts generated by City-owned gas/diesel-fired generators during emergencies.

(continued)

V. **OTHER INFORMATION** (Continued)

D. **Contingencies** (Continued)

In November 2007, the City signed a five-year agreement with AEP Energy Partners, Inc. (AEP) beginning January 1, 2008. Under terms of the contract, the City agreed to purchase the full requirements for its retail customer base. The contract assumes normal retail growth and, subject to the agreement of both parties, can be amended to include requirements in excess of normal growth. During the Winter/Spring of 2008, energy congestion charges exceeded expectations of this contract so the City and AEP negotiated a new contract. This contract, which removed the energy congestion charges from a 40% cost generation in the west zone, is now based on natural gas rates and generation. This was signed May 16, 2008, with an effective date of May 16, 2008.

In an effort to stabilize rates, the City has begun to lock in gas rates for extended periods of time. On September 30, 2010, no rates had been locked in further out that the upcoming fiscal year.

During the year ended September 30, 2010, the total KWHs purchased, total cost, and cost per KWH were as follows:

<u>Power Supplier</u>	<u>KWH Purchased</u>	<u>Total Cost</u>	<u>Cost Per KWH</u>
American Electric Power	<u>384,427,776</u>	<u>\$ 23,229,243</u>	<u>0.0604</u>

E. **Construction and Other Significant Commitments**

On February 24, 2009, the City Council approved a contract with Ed Bell Construction in the amount of \$24,687,909, for the Interstate 20 west and east bound frontage roads between Highway 171/FM51 to FM 2552, and ramps, u-turns and a bridge for Holland Lake Road. This project is being funded with certificates of obligation bonds and is scheduled for completion in August 2011. As of September 30, 2010, work completed and billed totaled \$18,485,807.

On October 14, 2008, the City Council approved a contract with L. H. Lacy Company in the amount of \$6,962,394 for construction to re-route S. Denton St./FM 2552. This project is being funded with certificates of obligation bonds and was completed in January 2010. However, as of September 30, 2010, there were a few items to be finalized; therefore, the final bill was not received until December 2010. As of September 30, 2010, work completed and billed totaled \$6,741,106.

(continued)

V. OTHER INFORMATION (Continued)

E. Construction and Other Significant Commitments (Continued)

On February 24, 2009, the City Council approved a contract with Prater Equipment in the amount of \$3,620,735 to reconstruct and widen Highway 171/FM 51 from Interstate 20. This project is being funded with certificates of obligation bonds and was completed in July 2010. However, as of September 30, 2010, there were a few items to be finalized; therefore, the final bill was not received until October 2010. As of September 30, 2010, work completed and billed totaled \$3,554,303.

On March 9, 2010, the City Council approved a contract with Ed Bell Construction in the amount of \$1,118,624 for Washington Drive improvements. This project is being funded with general capital project funds and is scheduled for completion in May 2011. As of September 30, 2010, work completed and billed totaled \$551,410.

On August 27, 2009, the City Council approved a contract with W. R. Hodgson in the amount of \$1,209,294 to construct 20" water transmission main segment A-2. This project was funded with utility revenue bond funds and became operational in September 2010, but is not closed out due to the project being turned over to the bonding company. As of September 30, 2010, work completed and billed totaled \$1,201,315.

On December 22, 2009, the City Council approved a contract with Ed Bell Construction in the amount of \$3,112,441 for West BB Fielder Rd construction. This project is being funded with general obligation bonds and is scheduled for completion in May 2011. As of September 30, 2010, work completed and billed totaled \$2,134,636.

On May 11, 2010, the City Council approved a contract with Ed Bell Construction in the amount of \$2,519,000 for construction of the Town Creek Hike and Bike Trail. This project is being funded with general capital project funds and is scheduled for completion in May 2011. As of September 30, 2010, work completed and billed totaled \$333,894.

(continued)

V. OTHER INFORMATION (Continued)

F. Subsequent Events

On December 30, 2010, the City issued \$25,130,000 of a General Obligation Refunding Bond, Series 2010. This debt will provide funding for the partial refunding of the 2007 Tax and Utility System Revenue, Certificate of Obligations Series.

On January 1, 2011, the City issued \$8,345,000 of Tax and Utility System Revenue Certificates of Obligation, Series 2011. This debt will provide for funding for the construction and improvements of the City's roads, streets, and highways.

G. Accounting Changes

In March 2009, GASB issued Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, which establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in government funds. This statement is effective for fiscal year 2011. The City is in the process of reviewing and evaluating this statement and its potential impact on the City's financial statements.

**REQUIRED
SUPPLEMENTARY INFORMATION**

CITY OF WEATHERFORD, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 16,461,451	\$ 15,601,869	\$ 13,999,401	\$(1,602,468)
Licenses and permits	556,740	386,010	355,842	(30,168)
Intergovernmental	303,763	395,690	435,190	39,500
Charges for services	929,228	949,162	963,733	14,571
Fines and forfeitures	727,500	644,703	668,048	23,345
Investment earnings	120,000	20,000	18,594	(1,406)
Miscellaneous	54,500	54,500	210,697	156,197
Total revenues	<u>19,153,182</u>	<u>18,051,934</u>	<u>16,651,505</u>	<u>(1,400,429)</u>
EXPENDITURES				
Current:				
General government				
City council	80,742	54,631	42,829	11,802
Administration	678,461	671,336	617,484	53,852
Economic development	406,053	397,851	394,294	3,557
Human resources	294,018	278,193	269,226	8,967
Finance	619,491	626,291	626,809	(518)
City attorney	137,050	126,610	81,889	44,721
Municipal court	297,393	309,777	284,751	25,026
Non-departmental	656,135	514,901	9,021	505,880
Total general government	<u>3,169,343</u>	<u>2,979,590</u>	<u>2,326,303</u>	<u>653,287</u>
Public safety				
Police services	6,586,969	6,697,394	6,360,209	337,185
Fire	4,454,568	4,616,920	4,636,068	(19,148)
Total public safety	<u>11,041,537</u>	<u>11,314,314</u>	<u>10,996,277</u>	<u>318,037</u>
Public works				
Administration	200,787	201,364	192,422	8,942
Street maintenance	2,156,594	1,454,021	1,237,836	216,185
Vehicle/equipment maintenance	160,462	158,485	145,656	12,829
Total public works	<u>2,517,843</u>	<u>1,813,870</u>	<u>1,575,914</u>	<u>237,956</u>
Planning and development				
	<u>808,265</u>	<u>688,133</u>	<u>638,591</u>	<u>49,542</u>

(continued)

CITY OF WEATHERFORD, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
(Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES (Continued)				
Current: (Continued)				
Community development				
Administration	\$ 412,428	\$ 227,041	\$ 213,276	\$ 13,765
Field operations/inspections	111,537	14,208	13,209	999
Traffic control	168,792	149,622	148,388	1,234
Animal control	571,449	590,448	555,948	34,500
Code enforcement	285,588	199,814	189,917	9,897
Total community development	<u>1,549,794</u>	<u>1,181,133</u>	<u>1,120,738</u>	<u>60,395</u>
Health and welfare				
Parker County committee on aging	30,000	30,000	30,000	-
Rape crisis program	15,000	15,000	15,000	-
Total health and welfare	<u>45,000</u>	<u>45,000</u>	<u>45,000</u>	<u>-</u>
Cultural and recreation				
Parks	948,222	723,269	878,307	(155,038)
Recreation	451,830	455,826	413,091	42,735
Facilities maintenance	534,698	562,224	546,846	15,378
Library	1,137,172	1,177,253	1,136,636	40,617
First Monday	97,115	91,608	54,231	37,377
Public market	3,350	2,760	1,129	1,631
Total cultural and recreation	<u>3,172,387</u>	<u>3,012,940</u>	<u>3,030,240</u>	<u>(17,300)</u>
Total expenditures	<u>22,304,169</u>	<u>21,034,980</u>	<u>19,733,063</u>	<u>1,301,917</u>
EXCESS (DEFICIENCY) OF REVENUES				
OVER (UNDER) EXPENDITURES	(3,150,987)	(2,983,046)	(3,081,558)	(98,512)
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	10,000	18,878	16,228	(2,650)
Transfers in	3,214,886	3,303,063	5,290,660	1,987,597
Transfers out	(90,055)	(121,862)	(121,867)	(5)
Total other financing sources and uses	<u>3,134,831</u>	<u>3,200,079</u>	<u>5,185,021</u>	<u>1,984,942</u>
NET CHANGE IN FUND BALANCE	(16,156)	217,033	2,103,463	1,886,430
FUND BALANCE, BEGINNING	<u>9,098,867</u>	<u>9,098,867</u>	<u>9,098,867</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 9,082,711</u>	<u>\$ 9,315,900</u>	<u>\$ 11,202,330</u>	<u>\$ 1,886,430</u>

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**COMBINING AND INDIVIDUAL
FUND STATEMENTS AND SCHEDULES**

NONMAJOR SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

State/Federal Forfeiture Fund – This fund is used to account for funds received from the District Attorney’s office that have been seized and confiscated during criminal prosecution. These funds may only be used for law enforcement purposes.

Weatherford Beautification Fund – This fund is used to account for donations received by the City for beautification projects administered by the Weatherford Parks and Recreation Board.

Hotel/Motel Tax Fund – This fund is used to account for the City’s hotel/motel occupancy tax that is legally restricted by state law for use in convention center facilities, promotion of tourism, encouragement and promotion of the arts, and historical restoration or preservation.

Chandor Gardens Fund – This fund was established to account for the expenditures related to the operations and maintenance of the facilities and grounds at Chandor Gardens. Funding sources include tour and rental fees and transfer of funds from hotel/motel occupancy tax collections.

SFX Grant Fund – This fund was established for the receipt and reimbursement of lease payments from SFX Design, Inc. to the Texas Community Development Program.

Weatherford Aerospace Grant Fund – This fund was established for the receipt and reimbursement of lease payments from Weatherford Aerospace to the Texas Community Development Program.

Municipal Court Technology Fund – This fund was established by action of the City Council, (Ord. 1999-40), as authorized by Article 102-0172 of the Texas Code of Criminal Procedure, to account for a \$4.00 fee assessed on each misdemeanor conviction for the purchase of technological enhancements for the Municipal Court.

Municipal Court Building Security Fund – This fund was established by action of the City Council, (Ord. 336-2008-10), as authorized by Article 102.017 of the Texas Code of Criminal Procedure, to account for a \$3.00 fee assessed on each misdemeanor conviction for the purchase of security devices and/or services for the building housing the Weatherford Municipal Court.

Library Fund – This fund is used to account for donations to the public library and profits from the coin-operated copiers in the library. This fund is restricted to expenditures at the public library.

Animal Shelter Fund – This fund was established to account for donations received for improvements to the Animal Shelter.

Juvenile Case Manager Fund – This fund was established by action of the City Council, (Ord. 462-2009-43), as authorized by Article 102.0174 of the Texas Code of Criminal Procedure, to account for a \$5.00 fee assessed on each misdemeanor conviction for the salary and benefits of a juvenile case manager as defined under the Code of Criminal Procedure Article 45.056.

CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary and trust funds.

General Capital Projects Fund – This fund is used to account for capital asset acquisition and construction from general government resources.

Park Development Fund – This fund is used to account for funds set aside by the City Council from general revenues for future acquisition of park and open space areas.

Series 2006 C.O. Fund – This fund is used to account for proceeds from the issuance of \$4,000,000 of certificates of obligation for Holland Lake Park Improvements and Hwy 51/171 improvements from Causbie Road to the City limits.

Series 2007 G.O. Bond Fund – This fund is used to account for proceeds from the issuance of \$10,800,000 of general obligation bonds issued to construct and equip Fire Station No. 4 and for street improvement projects.

Series 2008 C.O. Bond Fund – This fund is used to account for proceeds from the issuance of \$3,000,000 of certificates of obligation issued to complete the 2006 capital projects goals for parks and street improvement projects.

DEBT SERVICE FUNDS

Debt Service Funds are used to account for financial resources being accumulated for payment of the principal and interest requirements of general obligation bonds and capital leases.

PERMANENT FUND

The Permanent Library Fund consists of interest earned on the \$50,000 Doss Trust. Expenditures are restricted for supplies and new library equipment as recommended by the Library Board.

CITY OF WEATHERFORD, TEXAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2010

	Special Revenue Funds		
	State Forfeiture	Federal Forfeiture	Weatherford Beautification
ASSETS			
Cash and investments	\$ 50,419	\$ 347,714	\$ 2,391
Accounts receivable	-	-	-
Due from other governments	-	-	-
Total assets	\$ 50,419	\$ 347,714	\$ 2,391
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 2,507	\$ -	\$ -
Retainage payable	-	-	-
Accrued liabilities	-	-	-
Deposits and escrows	-	-	-
Deferred revenue	-	-	-
Total liabilities	2,507	-	-
Fund balances:			
Reserved for:			
Capital projects	-	-	-
Doss library	-	-	-
Unreserved and designated for OPEB obligation	-	-	-
Unreserved and undesignated	47,912	347,714	2,391
Total fund balances	47,912	347,714	2,391
Total liabilities and fund balances	\$ 50,419	\$ 347,714	\$ 2,391

Special Revenue Funds

Hotel/Motel Tax	Chandor Gardens	SFX Grant	Weatherford Aerospace Grant	Court Technology	Court Security
\$ 342,585	\$ 204,346	\$ -	\$ -	\$ 21,799	\$ 33,797
127,069	-	3,728	1,156	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 469,654</u>	<u>\$ 204,346</u>	<u>\$ 3,728</u>	<u>\$ 1,156</u>	<u>\$ 21,799</u>	<u>\$ 33,797</u>
\$ 3,440	\$ 3,740	\$ 1,864	\$ 1,156	\$ 1,614	\$ -
-	-	-	-	-	-
6,656	8,609	-	-	-	-
-	15,300	-	-	-	-
-	-	1,864	-	-	-
<u>10,096</u>	<u>27,649</u>	<u>3,728</u>	<u>1,156</u>	<u>1,614</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
2,403	4,806	-	-	-	-
<u>457,155</u>	<u>171,891</u>	<u>-</u>	<u>-</u>	<u>20,185</u>	<u>33,797</u>
<u>459,558</u>	<u>176,697</u>	<u>-</u>	<u>-</u>	<u>20,185</u>	<u>33,797</u>
<u>\$ 469,654</u>	<u>\$ 204,346</u>	<u>\$ 3,728</u>	<u>\$ 1,156</u>	<u>\$ 21,799</u>	<u>\$ 33,797</u>

(continued)

CITY OF WEATHERFORD, TEXAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

(Continued)

SEPTEMBER 30, 2010

	Special Revenue Funds		
	Library	Animal Shelter	Juvenile Case Manager
ASSETS			
Cash and investments	\$ 81,543	\$ 19,856	\$ -
Accounts receivable	-	-	-
Due from other governments	-	-	-
Total assets	\$ 81,543	\$ 19,856	\$ -
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 2,253	\$ -	\$ -
Retainage payable	-	-	-
Accrued liabilities	-	-	-
Deposits and escrows	-	-	-
Deferred revenue	-	-	-
Total liabilities	2,253	-	-
Fund balances:			
Reserved for:			
Capital projects	-	-	-
Doss library	-	-	-
Unreserved and designated for OPEB liability	-	-	-
Unreserved and undesignated	79,290	19,856	-
Total fund balances	79,290	19,856	-
Total liabilities and fund balances	\$ 81,543	\$ 19,856	\$ -

Capital Projects Funds

General Capital Projects	Park Development	Series 2006 C. O.	Series 2007 G. O.	Series 2008 C. O.
\$ 3,758,159	\$ 87,403	\$ 352,681	\$ 3,247,024	\$ 817,381
7,045	-	-	-	-
<u>342,076</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 4,107,280</u>	<u>\$ 87,403</u>	<u>\$ 352,681</u>	<u>\$ 3,247,024</u>	<u>\$ 817,381</u>
\$ 300,391	\$ -	\$ -	\$ 614,021	\$ -
48,264	-	-	110,746	-
5,294	-	-	-	-
-	-	-	-	-
161,970	-	-	-	-
<u>515,919</u>	<u>-</u>	<u>-</u>	<u>724,767</u>	<u>-</u>
3,591,361	87,403	352,681	2,522,257	817,381
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>3,591,361</u>	<u>87,403</u>	<u>352,681</u>	<u>2,522,257</u>	<u>817,381</u>
<u>\$ 4,107,280</u>	<u>\$ 87,403</u>	<u>\$ 352,681</u>	<u>\$ 3,247,024</u>	<u>\$ 817,381</u>

(continued)

CITY OF WEATHERFORD, TEXAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

(Continued)

SEPTEMBER 30, 2010

	<u>Permanent</u>	Total
	Doss	Nonmajor
	<u>Library</u>	<u>Governmental</u>
		<u>Funds</u>
ASSETS		
Cash and investments	\$ 50,557	\$ 9,417,655
Accounts receivable	-	138,998
Due from other governments	<u>-</u>	<u>342,076</u>
 Total assets	 <u>\$ 50,557</u>	 <u>\$ 9,898,729</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable	\$ -	\$ 930,986
Retainage payable	-	159,010
Accrued liabilities	-	20,559
Deposits and escrows	-	15,300
Deferred revenue	<u>-</u>	<u>163,834</u>
Total liabilities	<u>-</u>	<u>1,289,689</u>
Fund balances:		
Reserved for:		
Capital projects	-	7,371,083
Doss library	50,557	50,557
Unreserved and designated for OPEB liability	-	7,209
Unreserved and undesignated	<u>-</u>	<u>1,180,191</u>
Total fund balances	<u>50,557</u>	<u>8,609,040</u>
 Total liabilities and fund balances	 <u>\$ 50,557</u>	 <u>\$ 9,898,729</u>

CITY OF WEATHERFORD, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Special Revenue Funds		
	State Forfeiture	Federal Forfeiture	Weatherford Beautification
REVENUES			
Taxes:			
Hotel/motel	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Charges for services	-	-	-
Fines and forfeits	-	-	-
Contributions	-	-	-
Investment earnings	104	584	5
Miscellaneous	<u>11,333</u>	<u>195,474</u>	<u>-</u>
Total revenues	<u>11,437</u>	<u>196,058</u>	<u>5</u>
EXPENDITURES			
Current:			
General government	-	-	-
Public safety	18,262	17,220	-
Public works	-	-	-
Community development	-	-	-
Cultural and recreational	-	-	-
Capital outlay	<u>-</u>	<u>7,997</u>	<u>-</u>
Total expenditures	<u>18,262</u>	<u>25,217</u>	<u>-</u>
EXCESS (DEFICIENCY OF REVENUES OVER (UNDER) EXPENDITURES	<u>(6,825)</u>	<u>170,841</u>	<u>5</u>
OTHER FINANCING SOURCES (USES)			
Sale of capital assets	1,528	-	-
Transfers in	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>1,528</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>(5,297)</u>	<u>170,841</u>	<u>5</u>
FUND BALANCES, BEGINNING	<u>53,209</u>	<u>176,873</u>	<u>2,386</u>
FUND BALANCES, ENDING	<u>\$ 47,912</u>	<u>\$ 347,714</u>	<u>\$ 2,391</u>

Special Revenue Funds

Hotel/Motel Tax	Chandor Gardens	SFX Grant	Weatherford Aerospace Grant	Court Technology	Court Security
\$ 474,607	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	143,369	-	-	-	-
-	-	-	-	19,102	13,915
-	2,275	-	-	-	-
619	394	-	-	24	54
-	1	22,368	13,875	-	-
<u>475,226</u>	<u>146,039</u>	<u>22,368</u>	<u>13,875</u>	<u>19,126</u>	<u>13,969</u>
-	-	22,368	13,875	4,211	667
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
329,078	248,216	-	-	-	-
-	-	-	-	-	-
<u>329,078</u>	<u>248,216</u>	<u>22,368</u>	<u>13,875</u>	<u>4,211</u>	<u>667</u>
<u>146,148</u>	<u>(102,177)</u>	<u>-</u>	<u>-</u>	<u>14,915</u>	<u>13,302</u>
-	-	-	-	-	-
554	107,290	-	-	-	-
<u>(253,681)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(253,127)</u>	<u>107,290</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(106,979)</u>	<u>5,113</u>	<u>-</u>	<u>-</u>	<u>14,915</u>	<u>13,302</u>
<u>566,537</u>	<u>171,584</u>	<u>-</u>	<u>-</u>	<u>5,270</u>	<u>20,495</u>
<u>\$ 459,558</u>	<u>\$ 176,697</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,185</u>	<u>\$ 33,797</u>

(continued)

CITY OF WEATHERFORD, TEXAS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE**

NONMAJOR GOVERNMENTAL FUNDS

(Continued)

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Special Revenue Funds		
	Library	Animal Shelter	Juvenile Case Manager
REVENUES			
Taxes:			
Hotel/motel	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Charges for services	12,301	-	-
Fines and forfeits	-	-	14,800
Contributions	8,790	23,481	-
Investment earnings	138	50	8
Miscellaneous	-	-	-
Total revenues	21,229	23,531	14,808
EXPENDITURES			
Current:			
General government	-	-	14,808
Public safety	-	-	-
Public works	-	-	-
Community development	-	16,076	-
Cultural and recreational	9,966	-	-
Capital outlay	-	14,366	-
Total expenditures	9,966	30,442	14,808
EXCESS (DEFICIENCY OF REVENUES OVER (UNDER) EXPENDITURES	11,263	(6,911)	-
OTHER FINANCING SOURCES (USES)			
Sale of capital assets	-	-	-
Transfers in	1,899	-	-
Transfers out	-	-	-
Total other financing sources (uses)	1,899	-	-
NET CHANGE IN FUND BALANCES	13,162	(6,911)	-
FUND BALANCES, BEGINNING	66,128	26,767	-
FUND BALANCES, ENDING	\$ 79,290	\$ 19,856	\$ -

Capital Projects Funds

General Capital Projects	Park Development	Series 2006 C. O.	Series 2007 G. O.	Series 2008 C. O.
\$ -	\$ -	\$ -	\$ -	\$ -
342,076	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
8,244	167	628	8,225	1,806
<u>154,766</u>	<u>58,800</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>505,086</u>	<u>58,967</u>	<u>628</u>	<u>8,225</u>	<u>1,806</u>
209,125	-	-	-	-
-	-	-	-	-
137,290	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>1,280,488</u>	<u>27,300</u>	<u>-</u>	<u>2,337,307</u>	<u>740,307</u>
<u>1,626,903</u>	<u>27,300</u>	<u>-</u>	<u>2,337,307</u>	<u>740,307</u>
(<u>1,121,817</u>)	<u>31,667</u>	<u>628</u>	(<u>2,329,082</u>)	(<u>738,501</u>)
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(<u>1,121,817</u>)	<u>31,667</u>	<u>628</u>	(<u>2,329,082</u>)	(<u>738,501</u>)
<u>4,713,178</u>	<u>55,736</u>	<u>352,053</u>	<u>4,851,339</u>	<u>1,555,882</u>
<u>\$ 3,591,361</u>	<u>\$ 87,403</u>	<u>\$ 352,681</u>	<u>\$ 2,522,257</u>	<u>\$ 817,381</u>

(continued)

CITY OF WEATHERFORD, TEXAS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE**

**NONMAJOR GOVERNMENTAL FUNDS
(Continued)**

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Permanent</u>	Total Nonmajor Governmental Funds
	Doss Library	
REVENUES		
Taxes:		
Hotel/motel	\$ -	\$ 474,607
Intergovernmental	-	342,076
Charges for services	-	155,670
Fines and forfeits	-	47,817
Contributions	-	34,546
Investment earnings	100	21,150
Miscellaneous	-	456,617
Total revenues	<u>100</u>	<u>1,532,483</u>
EXPENDITURES		
Current:		
General government	-	265,054
Public safety	-	35,482
Public works	-	137,290
Community development	-	16,076
Cultural and recreational	-	587,260
Capital outlay	-	4,407,765
Total expenditures	<u>-</u>	<u>5,448,927</u>
EXCESS (DEFICIENCY OF REVENUES OVER (UNDER) EXPENDITURES	<u>100</u>	<u>(3,916,444)</u>
OTHER FINANCING SOURCES (USES)		
Sale of capital assets	-	1,528
Transfers in	-	109,743
Transfers out	<u>(1,899)</u>	<u>(255,580)</u>
Total other financing sources (uses)	<u>(1,899)</u>	<u>(144,309)</u>
NET CHANGE IN FUND BALANCES	<u>(1,799)</u>	<u>(4,060,753)</u>
FUND BALANCES, BEGINNING	<u>52,356</u>	<u>12,669,793</u>
FUND BALANCES, ENDING	<u>\$ 50,557</u>	<u>\$ 8,609,040</u>

CITY OF WEATHERFORD, TEXAS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

STATE FORFEITURE FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Interest	\$ 50	\$ 96	\$ 104	\$ 8
Miscellaneous	<u>10,000</u>	<u>4,530</u>	<u>11,333</u>	<u>6,803</u>
Total revenues	<u>10,050</u>	<u>4,626</u>	<u>11,437</u>	<u>6,811</u>
EXPENDITURES				
Current:				
Public safety	<u>14,102</u>	<u>14,102</u>	<u>18,262</u>	<u>(4,160)</u>
Total expenditures	<u>14,102</u>	<u>14,102</u>	<u>18,262</u>	<u>(4,160)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(4,052)	(9,476)	(6,825)	2,651
OTHER FINANCING SOURCES				
Sale of capital assets	<u>-</u>	<u>-</u>	<u>1,528</u>	<u>1,528</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>1,528</u>	<u>1,528</u>
NET CHANGE IN FUND BALANCE	(4,052)	(9,476)	(5,297)	4,179
FUND BALANCE, BEGINNING	<u>53,209</u>	<u>53,209</u>	<u>53,209</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 49,157</u>	<u>\$ 43,733</u>	<u>\$ 47,912</u>	<u>\$ 4,179</u>

CITY OF WEATHERFORD, TEXAS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

FEDERAL FORFEITURE FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Interest	\$ 1,000	\$ 429	\$ 584	\$ 155
Miscellaneous	<u>30,000</u>	<u>195,474</u>	<u>195,474</u>	<u>-</u>
Total revenues	<u>31,000</u>	<u>195,903</u>	<u>196,058</u>	<u>155</u>
EXPENDITURES				
Current:				
Public safety	30,000	111,139	17,220	93,919
Capital outlay	<u>-</u>	<u>18,861</u>	<u>7,997</u>	<u>10,864</u>
Total expenditures	<u>30,000</u>	<u>130,000</u>	<u>25,217</u>	<u>104,783</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,000	65,903	170,841	104,938
FUND BALANCE, BEGINNING	<u>176,873</u>	<u>176,873</u>	<u>176,873</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 177,873</u>	<u>\$ 242,776</u>	<u>\$ 347,714</u>	<u>\$ 104,938</u>

CITY OF WEATHERFORD, TEXAS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

WEATHERFORD BEAUTIFICATION FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Interest	\$ 10	\$ 5	\$ 5	\$ -
Total revenues	<u>10</u>	<u>5</u>	<u>5</u>	<u>-</u>
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	10	5	5	-
FUND BALANCE, BEGINNING	<u>2,386</u>	<u>2,386</u>	<u>2,386</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 2,396</u>	<u>\$ 2,391</u>	<u>\$ 2,391</u>	<u>\$ -</u>

CITY OF WEATHERFORD, TEXAS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

HOTEL/MOTEL TAX FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 550,000	\$ 410,000	\$ 474,607	\$ 64,607
Interest	<u>3,500</u>	<u>500</u>	<u>619</u>	<u>119</u>
Total revenues	<u>553,500</u>	<u>410,500</u>	<u>475,226</u>	<u>64,726</u>
EXPENDITURES				
Cultural and recreational	233,086	234,209	145,678	88,531
Tourism program	121,400	121,400	121,400	-
Historic downtown project	100,000	10,000	-	10,000
Doss Historic and Cultural Center	<u>62,000</u>	<u>62,000</u>	<u>62,000</u>	<u>-</u>
Total expenditures	<u>516,486</u>	<u>427,609</u>	<u>329,078</u>	<u>98,531</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>37,014</u>	<u>(17,109)</u>	<u>146,148</u>	<u>163,257</u>
OTHER FINANCING SOURCES				
Transfers in	-	554	554	-
Transfers out	<u>(253,681)</u>	<u>(253,681)</u>	<u>(253,681)</u>	<u>-</u>
Total other financing sources	<u>(253,681)</u>	<u>(253,127)</u>	<u>(253,127)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(216,667)	(270,236)	(106,979)	163,257
FUND BALANCE, BEGINNING	<u>566,537</u>	<u>566,537</u>	<u>566,537</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 349,870</u>	<u>\$ 296,301</u>	<u>\$ 459,558</u>	<u>\$ 163,257</u>

CITY OF WEATHERFORD, TEXAS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

CHANDOR GARDENS

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 160,000	\$ 169,300	\$ 143,369	\$(25,931)
Contributions	-	1,100	2,275	1,175
Interest	600	367	394	27
Miscellaneous	<u>7,700</u>	<u>1</u>	<u>1</u>	<u>-</u>
Total revenues	<u>168,300</u>	<u>170,768</u>	<u>146,039</u>	<u>(24,729)</u>
EXPENDITURES				
Cultural and recreational	<u>267,736</u>	<u>269,569</u>	<u>248,216</u>	<u>21,353</u>
Total expenditures	<u>267,736</u>	<u>269,569</u>	<u>248,216</u>	<u>21,353</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES				
	<u>(99,436)</u>	<u>(98,801)</u>	<u>(102,177)</u>	<u>(3,376)</u>
OTHER FINANCING SOURCES				
Transfers in	<u>105,913</u>	<u>107,290</u>	<u>107,290</u>	<u>-</u>
Total other financing sources	<u>105,913</u>	<u>107,290</u>	<u>107,290</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	6,477	8,489	5,113	(3,376)
FUND BALANCE, BEGINNING	<u>171,584</u>	<u>171,584</u>	<u>171,584</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 178,061</u>	<u>\$ 180,073</u>	<u>\$ 176,697</u>	<u>\$(3,376)</u>

CITY OF WEATHERFORD, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SFX DESIGN GRANT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Miscellaneous	\$ 22,368	\$ 22,368	\$ 22,368	\$ -
Total revenues	<u>22,368</u>	<u>22,368</u>	<u>22,368</u>	<u>-</u>
EXPENDITURES				
Current:				
General government	<u>22,368</u>	<u>22,368</u>	<u>22,368</u>	<u>-</u>
Total expenditures	<u>22,368</u>	<u>22,368</u>	<u>22,368</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-
FUND BALANCE, BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF WEATHERFORD, TEXAS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

WEATHERFORD AEROSPACE GRANT FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Miscellaneous	\$ 13,875	\$ 13,875	\$ 13,875	\$ -
Total revenues	13,875	13,875	13,875	-
EXPENDITURES				
Current:				
General government	13,875	13,875	13,875	-
Total expenditures	13,875	13,875	13,875	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-
FUND BALANCE, BEGINNING	-	-	-	-
FUND BALANCE, ENDING	\$ -	\$ -	\$ -	\$ -

CITY OF WEATHERFORD, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COURT TECHNOLOGY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Fines and forfeitures	\$ 22,306	\$ 19,072	\$ 19,102	\$ 30
Interest	<u>100</u>	<u>12</u>	<u>24</u>	<u>12</u>
Total revenues	<u>22,406</u>	<u>19,084</u>	<u>19,126</u>	<u>42</u>
EXPENDITURES				
Current:				
General government	<u>18,000</u>	<u>1,000</u>	<u>4,211</u>	(3,211)
Total expenditures	<u>18,000</u>	<u>1,000</u>	<u>4,211</u>	(3,211)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	4,406	18,084	14,915	3,169
FUND BALANCE, BEGINNING	<u>5,270</u>	<u>5,270</u>	<u>5,270</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 9,676</u>	<u>\$ 23,354</u>	<u>\$ 20,185</u>	<u>\$ 3,169</u>

CITY OF WEATHERFORD, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COURT SECURITY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Fines and forfeitures	\$ 16,730	\$ 14,304	\$ 13,915	\$(389)
Interest	<u>50</u>	<u>45</u>	<u>54</u>	<u>9</u>
Total revenues	<u>16,780</u>	<u>14,349</u>	<u>13,969</u>	<u>(380)</u>
EXPENDITURES				
Current:				
General government	<u>30,330</u>	<u>1,000</u>	<u>667</u>	<u>333</u>
Total expenditures	<u>30,330</u>	<u>1,000</u>	<u>667</u>	<u>333</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(13,550)	13,349	13,302	(47)
FUND BALANCE, BEGINNING	<u>20,495</u>	<u>20,495</u>	<u>20,495</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 6,945</u>	<u>\$ 33,844</u>	<u>\$ 33,797</u>	<u>\$(47)</u>

CITY OF WEATHERFORD, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
LIBRARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 10,320	\$ 10,390	\$ 12,301	\$ 1,911
Interest	600	111	138	27
Contributions	<u>1,000</u>	<u>7,334</u>	<u>8,790</u>	<u>1,456</u>
Total revenues	<u>11,920</u>	<u>17,835</u>	<u>21,229</u>	<u>3,394</u>
EXPENDITURES				
Cultural and recreational	<u>8,275</u>	<u>11,275</u>	<u>9,966</u>	<u>1,309</u>
Total expenditures	<u>8,275</u>	<u>11,275</u>	<u>9,966</u>	<u>1,309</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES				
	<u>3,645</u>	<u>6,560</u>	<u>11,263</u>	<u>4,703</u>
OTHER FINANCING SOURCES				
Transfers in	<u>1,899</u>	<u>1,899</u>	<u>1,899</u>	<u>-</u>
Total other financing sources	<u>1,899</u>	<u>1,899</u>	<u>1,899</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	5,544	8,459	13,162	4,703
FUND BALANCE, BEGINNING	<u>66,128</u>	<u>66,128</u>	<u>66,128</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 71,672</u>	<u>\$ 74,587</u>	<u>\$ 79,290</u>	<u>\$ 4,703</u>

CITY OF WEATHERFORD, TEXAS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

ANIMAL SHELTER FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Contributions	\$ -	\$ 19,438	\$ 23,481	\$ 4,043
Interest	<u>300</u>	<u>53</u>	<u>50</u>	<u>(3)</u>
Total revenues	<u>300</u>	<u>19,491</u>	<u>23,531</u>	<u>4,040</u>
EXPENDITURES				
Community development	-	24,833	16,076	8,757
Capital outlay	<u>-</u>	<u>15,167</u>	<u>14,366</u>	<u>801</u>
Total expenditures	<u>-</u>	<u>40,000</u>	<u>30,442</u>	<u>9,558</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	300	(20,509)	(6,911)	13,598
FUND BALANCE, BEGINNING	<u>26,767</u>	<u>26,767</u>	<u>26,767</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 27,067</u>	<u>\$ 6,258</u>	<u>\$ 19,856</u>	<u>\$ 13,598</u>

CITY OF WEATHERFORD, TEXAS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

JUVENILE CASE MANAGER FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Budgeted Amounts</u>			Variance With Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
REVENUES				
Fines and forfeitures	\$ -	\$ 15,876	\$ 14,800	\$(1,076)
Interest	<u>-</u>	<u>5</u>	<u>8</u>	<u>3</u>
Total revenues	<u>-</u>	<u>15,881</u>	<u>14,808</u>	<u>(1,073)</u>
EXPENDITURES				
General government	<u>-</u>	<u>15,881</u>	<u>14,808</u>	<u>1,073</u>
Total expenditures	<u>-</u>	<u>15,881</u>	<u>14,808</u>	<u>1,073</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES				
	-	-	-	-
FUND BALANCE, BEGINNING				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, ENDING				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF WEATHERFORD, TEXAS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

PARK DEVELOPMENT FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Interest	\$ 100	\$ 152	\$ 167	\$ 15
Miscellaneous	<u>76,125</u>	<u>55,125</u>	<u>58,800</u>	<u>3,675</u>
Total revenues	<u>76,225</u>	<u>55,277</u>	<u>58,967</u>	<u>3,690</u>
EXPENDITURES				
Capital outlay	<u>36,600</u>	<u>27,300</u>	<u>27,300</u>	<u>-</u>
Total expenditures	<u>36,600</u>	<u>27,300</u>	<u>27,300</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	39,625	27,977	31,667	3,690
FUND BALANCE, BEGINNING	<u>55,736</u>	<u>55,736</u>	<u>55,736</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 95,361</u>	<u>\$ 83,713</u>	<u>\$ 87,403</u>	<u>\$ 3,690</u>

CITY OF WEATHERFORD, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DOSS LIBRARY PERMANENT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Interest	\$ 600	\$ 78	\$ 100	\$ 22
Total revenues	<u>600</u>	<u>78</u>	<u>100</u>	<u>22</u>
EXPENDITURES	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>600</u>	<u>78</u>	<u>100</u>	<u>22</u>
OTHER FINANCING SOURCES				
Transfers out	(1,899)	(1,899)	(1,899)	-
Total other financing sources	<u>(1,899)</u>	<u>(1,899)</u>	<u>(1,899)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(1,299)	(1,821)	(1,799)	22
FUND BALANCE, BEGINNING	<u>52,356</u>	<u>52,356</u>	<u>52,356</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 51,057</u>	<u>\$ 50,535</u>	<u>\$ 50,557</u>	<u>\$ 22</u>

CITY OF WEATHERFORD, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 2,860,535	\$ 2,900,000	\$ 2,900,836	\$ 836
Interest	<u>5,000</u>	<u>3,667</u>	<u>3,354</u>	<u>(313)</u>
Total revenues	<u>2,865,535</u>	<u>2,903,667</u>	<u>2,904,190</u>	<u>523</u>
EXPENDITURES				
Principal retirement	1,065,000	1,110,000	1,065,000	45,000
Interest and fiscal charges	<u>3,072,400</u>	<u>3,060,107</u>	<u>3,069,221</u>	<u>(9,114)</u>
Total expenditures	<u>4,137,400</u>	<u>4,170,107</u>	<u>4,134,221</u>	<u>35,886</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,271,865)</u>	<u>(1,266,440)</u>	<u>(1,230,031)</u>	<u>36,409</u>
OTHER FINANCING SOURCES				
Transfers in	<u>1,875,793</u>	<u>1,875,793</u>	<u>1,875,793</u>	<u>-</u>
Total other financing sources	<u>1,875,793</u>	<u>1,875,793</u>	<u>1,875,793</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	603,928	609,353	645,762	36,409
FUND BALANCE, BEGINNING	<u>751,802</u>	<u>751,802</u>	<u>751,802</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 1,355,730</u>	<u>\$ 1,361,155</u>	<u>\$ 1,397,564</u>	<u>\$ 36,409</u>

CITY OF WEATHERFORD, TEXAS

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

COMPARATIVE SCHEDULES BY SOURCE

SEPTEMBER 30, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
GOVERNMENTAL FUNDS CAPITAL ASSETS		
Land	\$ 4,047,946	\$ 4,027,482
Buildings and improvements	12,713,077	11,281,461
Infrastructure	13,001,726	12,888,493
Other improvements	25,846,933	12,646,676
Machinery and equipment	7,341,956	7,269,456
Construction in progress	<u>28,451,786</u>	<u>23,055,676</u>
Total governmental funds capital assets	<u>\$ 91,403,424</u>	<u>\$ 71,169,244</u>
INVESTMENTS IN GOVERNMENTAL FUNDS CAPITAL ASSETS BY SOURCE		
General fund revenues	\$ 18,179,213	\$ 16,904,559
Special revenue fund revenues	81,804	81,804
Capital projects fund general obligation bonds	63,914,298	45,090,502
Contributions	6,562,688	6,434,955
Grants	<u>2,665,421</u>	<u>2,657,424</u>
Total governmental funds capital assets	<u>\$ 91,403,424</u>	<u>\$ 71,169,244</u>

CITY OF WEATHERFORD, TEXAS

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

SCHEDULE BY FUNCTION AND ACTIVITY

SEPTEMBER 30, 2010

Function and Activity	Total	Land	Buildings and Improvements	Infrastructure and Other Improvements	Machinery and Equipment	Construction in Progress
General government						
City Council	\$ 5,131,315	\$ 174,673	\$ 4,602,997	\$ 25,448	\$ 328,197	\$ -
Finance	93,662	-	-	-	93,662	-
Municipal court	21,536	-	-	-	21,536	-
Total	<u>5,246,513</u>	<u>174,673</u>	<u>4,602,997</u>	<u>25,448</u>	<u>443,395</u>	<u>-</u>
Public works						
Administration	1,462,876	-	1,451,373	-	11,503	-
Street maintenance	62,778,331	2,203,862	6,077	31,216,046	1,865,605	27,486,741
Vehicle/equipment maintenance	118,218	-	50,833	23,007	44,378	-
Total	<u>64,359,425</u>	<u>2,203,862</u>	<u>1,508,283</u>	<u>31,239,053</u>	<u>1,921,486</u>	<u>27,486,741</u>
Planning and development	74,484	-	-	-	74,484	-
Community development	1,155,728	-	847,872	-	307,856	-
Police	2,841,105	16,619	1,295,697	-	1,528,789	-
Fire	5,479,434	467,884	2,624,231	2,721	2,384,598	-
Parks and recreation						
First Monday	295,890	192,729	80,469	22,692	-	-
Public market	24,792	-	-	24,792	-	-
Parks and properties	10,789,821	984,329	852,974	7,510,478	476,995	965,045
Recreation	40,620	-	-	-	40,620	-
Facilities maintenance	51,348	-	-	-	51,348	-
Total	<u>11,202,471</u>	<u>1,177,058</u>	<u>933,443</u>	<u>7,557,962</u>	<u>568,963</u>	<u>965,045</u>
Library	1,044,264	7,850	900,554	23,475	112,385	-
Total governmental funds capital assets	<u>\$ 91,403,424</u>	<u>\$ 4,047,946</u>	<u>\$ 12,713,077</u>	<u>\$ 38,848,659</u>	<u>\$ 7,341,956</u>	<u>\$ 28,451,786</u>

CITY OF WEATHERFORD, TEXAS

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY

FOR THE YEAR ENDED SEPTEMBER 30, 2010

<u>Function and Activity</u>	<u>Balance 09/30/2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 09/30/2010</u>
General government				
City Council	\$ 5,078,193	\$ 53,122	\$ -	\$ 5,131,315
Finance	93,662	-	-	93,662
Municipal court	21,536	-	-	21,536
Total	<u>5,193,391</u>	<u>53,122</u>	<u>-</u>	<u>5,246,513</u>
Public works				
Administration	1,331,621	215,820	(84,565)	1,462,876
Street maintenance	43,191,456	19,735,072	(148,197)	62,778,331
Vehicle/equipment maintenance	118,218	-	-	118,218
Total	<u>44,641,295</u>	<u>19,950,892</u>	<u>(232,762)</u>	<u>64,359,425</u>
Planning and development	<u>92,313</u>	<u>-</u>	<u>(17,829)</u>	<u>74,484</u>
Community development	<u>1,155,361</u>	<u>14,366</u>	<u>(13,999)</u>	<u>1,155,728</u>
Police	<u>2,790,048</u>	<u>98,380</u>	<u>(47,323)</u>	<u>2,841,105</u>
Fire	<u>5,484,921</u>	<u>2,991</u>	<u>(8,478)</u>	<u>5,479,434</u>
Parks and recreation				
First Monday	295,891	-	-	295,891
Public market	24,792	-	-	24,792
Parks and properties	10,335,651	467,562	(13,393)	10,789,820
Recreation	65,159	-	(24,539)	40,620
Facilities maintenance	46,158	5,190	-	51,348
Total	<u>10,767,651</u>	<u>472,752</u>	<u>(37,932)</u>	<u>11,202,471</u>
Library	<u>1,044,264</u>	<u>-</u>	<u>-</u>	<u>1,044,264</u>
Total governmental funds capital assets	<u>\$ 71,169,244</u>	<u>\$ 20,592,503</u>	<u>\$ (358,323)</u>	<u>\$ 91,403,424</u>

CITY OF WEATHERFORD, TEXAS

MUNICIPAL UTILITY SYSTEM

SCHEDULES OF CAPITAL ASSETS

SEPTEMBER 30, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
Land	\$ 2,223,092	\$ 2,430,140
Buildings and improvements	18,926,187	18,926,187
Other improvements	136,141,002	123,143,628
Machinery and equipment	5,756,723	5,384,765
Construction in progress	<u>954,059</u>	<u>6,605,577</u>
	164,001,063	156,490,297
Less accumulated depreciation	<u>(52,896,873)</u>	<u>(48,894,191)</u>
	<u>\$ 111,104,190</u>	<u>\$ 107,596,106</u>

CITY OF WEATHERFORD, TEXAS
MUNICIPAL UTILITY SYSTEM
SCHEDULE OF CHANGES IN CAPITAL ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

<u>Function and Activity</u>	<u>Balance 09/30/2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 09/30/2010</u>
Administration	\$ 5,122,202	\$ 15,458	\$(10,556)	\$ 5,127,104
Water production	25,062,404	326,544	(24,657)	25,364,291
Water distribution	47,976,393	3,473,034	(376,766)	51,072,661
Wastewater	33,045,681	2,259,319	(103,174)	35,201,826
Electric production	1,192,893	-	-	1,192,893
Electric distribution	<u>44,090,724</u>	<u>1,951,564</u>	<u>-</u>	<u>46,042,288</u>
Total capital assets	<u>\$ 156,490,297</u>	<u>\$ 8,025,919</u>	<u>\$(515,153)</u>	<u>\$ 164,001,063</u>

CITY OF WEATHERFORD, TEXAS

MUNICIPAL UTILITY SYSTEM

SCHEDULE OF CAPITAL ASSETS BY FUNCTION AND ACTIVITY

SEPTEMBER 30, 2010

<u>Function and Activity</u>	<u>Total</u>	<u>Land</u>	<u>Buildings and Improvements</u>	<u>Other Improvements</u>	<u>Machinery and Equipment</u>	<u>Construction in Progress</u>
Administration	\$ 5,127,104	\$ 326,764	\$ 2,767,323	\$ 1,052,970	\$ 980,047	\$ -
Water production	25,364,291	1,055,502	12,534,984	11,346,102	427,703	-
Water distribution	51,072,661	662,303	55,619	49,788,922	551,200	14,617
Wastewater	35,201,826	136,810	3,231,643	29,532,159	1,361,772	939,442
Electric production	1,192,893	11,334	336,618	13,203	831,738	-
Electric distribution	<u>46,042,288</u>	<u>30,379</u>	<u>-</u>	<u>44,407,646</u>	<u>1,604,263</u>	<u>-</u>
Total governmental funds capital assets	<u>\$ 164,001,063</u>	<u>\$ 2,223,092</u>	<u>\$ 18,926,187</u>	<u>\$ 136,141,002</u>	<u>\$ 5,756,723</u>	<u>\$ 954,059</u>

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STATISTICAL SECTION

(Unaudited)

This part of City of Weatherford, 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 These schedules contain trend information to help the reader understand how the City's financial performance has changed over time.	95 – 103
Revenue Capacity These schedules contain trend information to help the reader assess the factors affecting the City's ability to generate its electric utility, sales tax and property tax revenues.	104 – 115
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and its ability to issue additional debt in the future.	116 – 120
Economic and Demographic Indicators These schedules contain economic and demographic information to help the reader understand the environment within which the City's financial activities take place.	121 – 122
Operating Information These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	123 – 126

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CITY OF WEATHERFORD, TEXAS

NET ASSETS BY COMPONENT

LAST EIGHT FISCAL YEARS

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
Governmental activities:								
Invested in capital assets, net of related debt	\$ 11,895,401	\$ 11,125,732	\$ 11,681,836	\$ 12,874,433	\$ 15,219,107	\$ 18,027,712	\$ 21,410,012	\$ 19,852,401
Restricted	2,565,820	2,547,731	2,502,827	9,520,793	10,318,427	9,041,116	6,381,977	6,101,207
Unrestricted	<u>2,770,928</u>	<u>2,972,594</u>	<u>4,040,021</u>	<u>5,555,691</u>	<u>5,758,023</u>	<u>6,522,915</u>	<u>5,775,100</u>	<u>8,725,158</u>
Total governmental activities net assets	<u>\$ 17,232,149</u>	<u>\$ 16,646,057</u>	<u>\$ 18,224,684</u>	<u>\$ 27,950,917</u>	<u>\$ 31,295,557</u>	<u>\$ 33,591,743</u>	<u>\$ 33,567,089</u>	<u>\$ 34,678,766</u>
Business-type activities:								
Invested in capital assets, net of related debt	\$ 50,327,398	\$ 52,257,166	\$ 55,677,157	\$ 59,676,685	\$ 61,396,213	\$ 64,453,828	\$ 68,649,354	\$ 67,232,594
Restricted	5,430,600	5,752,573	5,480,674	6,221,761	7,291,875	7,563,464	7,628,531	13,003,448
Unrestricted	<u>13,920,676</u>	<u>14,502,848</u>	<u>17,183,561</u>	<u>13,774,237</u>	<u>14,845,101</u>	<u>16,261,373</u>	<u>16,550,266</u>	<u>15,069,828</u>
Total business-type activities net assets	<u>\$ 69,678,674</u>	<u>\$ 72,512,587</u>	<u>\$ 78,341,392</u>	<u>\$ 79,672,683</u>	<u>\$ 83,533,189</u>	<u>\$ 88,278,665</u>	<u>\$ 92,828,151</u>	<u>\$ 95,305,870</u>
Primary government:								
Invested in capital assets, net of related debt	\$ 62,222,799	\$ 63,382,898	\$ 67,358,993	\$ 72,551,118	\$ 76,615,320	\$ 82,481,540	\$ 90,059,366	\$ 87,084,995
Restricted	7,996,420	8,300,304	7,983,501	15,742,554	17,610,302	16,604,580	14,010,508	19,104,655
Unrestricted	<u>16,691,604</u>	<u>17,475,442</u>	<u>21,223,582</u>	<u>19,329,928</u>	<u>20,603,124</u>	<u>22,784,288</u>	<u>22,325,366</u>	<u>23,794,986</u>
Total primary government net assets	<u>\$ 86,910,823</u>	<u>\$ 89,158,644</u>	<u>\$ 96,566,076</u>	<u>\$ 107,623,600</u>	<u>\$ 114,828,746</u>	<u>\$ 121,870,408</u>	<u>\$ 126,395,240</u>	<u>\$ 129,984,636</u>

Note:

The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

CITY OF WEATHERFORD, TEXAS

CHANGES IN NET ASSETS LAST EIGHT FISCAL YEARS

	Fiscal Year		
	2003	2004	2005
EXPENSES			
Governmental activities:			
General government	\$ 1,403,747	\$ 1,848,399	\$ 2,320,668
Public safety	7,688,963	8,424,444	9,181,870
Public works	2,040,289	2,331,718	2,161,749
Community development	528,749	508,310	530,473
Planning and development	546,498	614,529	776,426
Health and welfare	48,000	48,000	35,000
Cultural and recreational	2,765,978	3,000,985	2,981,119
Interest on long-term debt	352,025	416,381	422,013
Total governmental activities expenses	<u>15,374,249</u>	<u>17,192,766</u>	<u>18,409,318</u>
Business-type activities:			
Electric	23,195,898	24,167,228	29,522,755
Water	5,132,653	5,209,604	5,174,495
Wastewater	2,743,571	2,576,454	2,649,235
Sanitation	1,152,985	938,603	1,050,072
Total business-type activities expenses	<u>32,225,107</u>	<u>32,891,889</u>	<u>38,396,557</u>
Total primary government program expenses	<u>\$ 47,599,356</u>	<u>\$ 50,084,655</u>	<u>\$ 56,805,875</u>
PROGRAM REVENUES			
Governmental activities:			
Charges for services:			
General government	\$ 61,888	\$ 84,252	\$ 228,809
Public safety	720,593	734,678	751,447
Public works	-	180,472	-
Planning and development	589,075	579,248	559,971
Community development	-	-	-
Health and welfare	-	-	-
Cultural and recreational	550,075	678,716	583,179
Operating grants and contributions	355,994	593,895	728,420
Capital grants and contributions	590,282	259,637	369,678
Total governmental activities program revenues	<u>2,867,907</u>	<u>3,110,898</u>	<u>3,221,504</u>
Business-type activities:			
Charges for services:			
Electric	26,552,520	27,615,959	34,016,204
Water	5,044,964	4,948,134	5,882,325
Wastewater	3,260,586	3,029,033	3,436,449
Sanitation	1,595,241	1,664,656	1,697,366
Operating grants and contributions	-	-	-
Capital grants and contributions	2,066,625	838,489	1,723,027
Total business-type activities program revenues	<u>38,519,936</u>	<u>38,096,271</u>	<u>46,755,371</u>
Total primary government program revenues	<u>\$ 41,387,843</u>	<u>\$ 41,207,169</u>	<u>\$ 49,976,875</u>

TABLE 2

		Fiscal Year							
		2006	2007	2008	2009	2010			
\$	2,320,569	\$	2,466,022	\$	2,866,557	\$	2,928,150	\$	3,160,927
	9,340,908		10,602,348		11,179,288		12,081,348		11,877,757
	2,743,092		2,790,615		2,973,277		2,920,416		2,997,970
	773,029		698,315		798,054		1,627,371		677,682
	616,598		973,236		1,094,289		825,967		1,314,302
	35,000		40,000		40,000		45,000		45,000
	3,193,738		3,626,826		4,490,038		3,681,961		4,088,694
	<u>346,758</u>		<u>600,668</u>		<u>3,749,754</u>		<u>3,109,094</u>		<u>2,996,869</u>
	<u>19,369,692</u>		<u>21,798,030</u>		<u>27,191,257</u>		<u>27,219,307</u>		<u>27,159,201</u>
	35,636,539		33,712,309		45,275,598		41,197,102		30,670,906
	5,737,688		6,947,460		6,969,907		7,899,776		6,433,439
	2,816,465		2,887,183		2,998,193		2,888,556		3,281,199
	<u>1,019,713</u>		<u>1,094,631</u>		<u>1,443,132</u>		<u>1,464,621</u>		<u>1,434,931</u>
	<u>45,210,405</u>		<u>44,641,583</u>		<u>56,686,830</u>		<u>53,450,055</u>		<u>41,820,475</u>
\$	<u>64,580,097</u>	\$	<u>66,439,613</u>	\$	<u>83,878,087</u>	\$	<u>80,669,362</u>	\$	<u>68,979,676</u>
\$	1,712,909	\$	234,430	\$	240,282	\$	247,258	\$	260,293
	861,969		1,208,676		1,316,499		1,269,329		1,112,838
	-		-		-		-		25,603
	623,468		642,624		652,314		395,846		256,563
	-		-		-		-		427,224
	-		-		-		-		31,607
	652,519		689,070		725,635		636,811		636,120
	488,795		292,214		546,231		401,357		234,710
	<u>308,755</u>		<u>298,032</u>		<u>150,087</u>		<u>707,935</u>		<u>1,191,580</u>
	<u>4,648,415</u>		<u>3,365,046</u>		<u>3,631,048</u>		<u>3,658,536</u>		<u>4,176,538</u>
	38,781,055		36,441,699		49,463,235		44,153,842		35,217,275
	7,698,682		6,553,467		7,313,082		8,078,376		6,592,204
	3,845,422		3,926,120		4,168,752		4,035,449		3,858,895
	1,765,007		1,824,906		1,930,313		2,189,772		2,560,822
	-		477,013		-		-		-
	<u>1,610,619</u>		<u>788,632</u>		<u>930,081</u>		<u>1,820,404</u>		<u>1,068,437</u>
	<u>53,700,785</u>		<u>50,011,837</u>		<u>63,805,463</u>		<u>60,277,843</u>		<u>49,297,633</u>
\$	<u>58,349,200</u>	\$	<u>53,376,883</u>	\$	<u>67,436,511</u>	\$	<u>63,936,379</u>	\$	<u>53,474,171</u>

(continued)

CITY OF WEATHERFORD, TEXAS

**CHANGES IN NET ASSETS
(Continued)
LAST EIGHT FISCAL YEARS**

	Fiscal Year		
	<u>2003</u>	<u>2004</u>	<u>2005</u>
NET (EXPENSE) REVENUES			
Governmental activities	\$(12,506,342)	\$(14,081,868)	\$(15,187,814)
Business-type activities	<u>6,294,829</u>	<u>5,204,382</u>	<u>8,358,814</u>
Total primary government net expense	<u>(6,211,513)</u>	<u>(8,877,486)</u>	<u>(6,829,000)</u>
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS			
Governmental activities:			
Taxes			
Property	3,290,317	3,574,036	3,791,801
Retail sales	5,454,299	5,943,635	6,932,094
Franchise	1,829,627	1,847,829	2,032,325
Hotel/motel	319,252	360,699	455,894
Mixed beverage	15,609	19,639	30,386
Unrestricted grants and contributions	16,120	6,378	18,750
Investment earnings	190,174	123,200	261,843
Gain on sale of capital assets	-	-	-
Miscellaneous	23,880	41,559	97,095
Special item	-	(1,346,466)	-
Transfers	<u>2,537,130</u>	<u>2,925,267</u>	<u>3,146,253</u>
Total governmental activities	<u>13,676,408</u>	<u>13,495,776</u>	<u>16,766,441</u>
Business-type activities:			
Investment earnings	379,361	292,748	536,644
Miscellaneous	204,746	262,050	79,600
Special item	5,337,507	-	-
Transfers	<u>(2,537,130)</u>	<u>(2,925,267)</u>	<u>(3,146,253)</u>
Total business-type activities	<u>3,384,484</u>	<u>(2,370,469)</u>	<u>(2,530,009)</u>
Total primary government	<u>17,060,892</u>	<u>11,125,307</u>	<u>14,236,432</u>
CHANGE IN NET ASSETS			
Governmental activities	1,170,066	(586,092)	1,578,627
Business-type activities	<u>9,679,313</u>	<u>2,833,913</u>	<u>5,828,805</u>
Total primary government	<u>\$ 10,849,379</u>	<u>\$ 2,247,821</u>	<u>\$ 7,407,432</u>

Note:

The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

The City of Weatherford sold its sanitary landfill in fiscal year 2003.

In fiscal year 2004, the City changed its policy for capitalizing library collection items and realized a one-time loss on the write-down of the library collection.

TABLE 2

Fiscal Year				
2006	2007	2008	2009	2010
\$(14,721,277)	\$(18,432,984)	\$(23,560,209)	\$(23,560,771)	\$(22,982,663)
<u>8,490,380</u>	<u>5,370,254</u>	<u>7,118,633</u>	<u>6,827,788</u>	<u>7,477,158</u>
<u>(6,230,897)</u>	<u>(13,062,730)</u>	<u>(16,441,576)</u>	<u>(16,732,983)</u>	<u>(15,505,505)</u>
4,351,788	4,749,712	6,977,107	7,371,902	8,108,727
7,628,658	8,097,754	9,166,195	8,641,879	8,236,286
2,254,202	2,272,898	2,439,677	2,403,704	581,566
570,854	684,782	707,136	452,312	474,607
39,803	43,571	45,662	53,505	57,822
17,963	9,021	10,226	3,373	155,092
704,988	2,299,115	2,575,000	1,463,358	763,500
399,656	6,650	76,548	-	-
68,384	110,674	199,107	438,500	474,809
-	-	-	-	-
<u>8,411,214</u>	<u>3,503,447</u>	<u>3,659,737</u>	<u>2,707,584</u>	<u>5,241,931</u>
<u>24,447,510</u>	<u>21,777,624</u>	<u>25,856,395</u>	<u>23,536,117</u>	<u>24,094,340</u>
1,102,832	1,810,807	1,140,045	228,337	64,432
149,293	182,892	146,535	200,945	178,060
-	-	-	-	-
<u>(8,411,214)</u>	<u>(3,503,447)</u>	<u>(3,659,737)</u>	<u>(2,707,584)</u>	<u>(5,241,931)</u>
<u>(7,159,089)</u>	<u>(1,509,748)</u>	<u>(2,373,157)</u>	<u>(2,278,302)</u>	<u>(4,999,439)</u>
<u>17,288,421</u>	<u>20,267,876</u>	<u>23,483,238</u>	<u>21,257,815</u>	<u>19,094,901</u>
9,726,233	3,344,640	2,296,186	(24,654)	1,111,677
<u>1,331,291</u>	<u>3,860,506</u>	<u>4,745,476</u>	<u>4,549,486</u>	<u>2,477,719</u>
<u>\$ 11,057,524</u>	<u>\$ 7,205,146</u>	<u>\$ 7,041,662</u>	<u>\$ 4,524,832</u>	<u>\$ 3,589,396</u>

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CITY OF WEATHERFORD, TEXAS

FUND BALANCES
GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General fund										
Reserved	\$ 57,612	\$ 36,886	\$ 55,702	\$ 47,929	\$ 44,393	\$ 51,821	\$ 71,041	\$ 60,372	\$ 30,975	\$ 39,512
Unreserved	<u>3,429,850</u>	<u>3,451,337</u>	<u>3,852,326</u>	<u>4,490,806</u>	<u>5,590,721</u>	<u>7,237,347</u>	<u>7,674,409</u>	<u>8,637,632</u>	<u>9,067,892</u>	<u>11,162,818</u>
Total general fund	<u>\$ 3,487,462</u>	<u>\$ 3,488,223</u>	<u>\$ 3,908,028</u>	<u>\$ 4,538,735</u>	<u>\$ 5,635,114</u>	<u>\$ 7,289,168</u>	<u>\$ 7,745,450</u>	<u>\$ 8,698,004</u>	<u>\$ 9,098,867</u>	<u>\$ 11,202,330</u>
All other governmental funds										
Reserved	\$ 2,496,502	\$ 2,761,093	\$ 5,481,606	\$ 5,205,557	\$ 4,172,001	\$ 13,592,170	\$ 70,250,798	\$ 66,257,136	\$ 40,533,598	\$ 21,061,652
Unreserved, reported in:										
Special revenue funds	<u>440,327</u>	<u>555,746</u>	<u>509,085</u>	<u>456,382</u>	<u>701,240</u>	<u>1,086,524</u>	<u>1,351,075</u>	<u>1,129,821</u>	<u>1,089,249</u>	<u>1,187,400</u>
Total all other governmental funds	<u>\$ 2,936,829</u>	<u>\$ 3,316,839</u>	<u>\$ 5,990,691</u>	<u>\$ 5,661,939</u>	<u>\$ 4,873,241</u>	<u>\$ 14,678,694</u>	<u>\$ 71,601,873</u>	<u>\$ 67,386,957</u>	<u>\$ 41,622,847</u>	<u>\$ 22,249,052</u>

CITY OF WEATHERFORD, TEXAS

CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
REVENUES										
Taxes	\$ 9,900,925	\$ 10,225,212	\$ 10,931,364	\$ 11,734,586	\$ 13,256,164	\$ 14,829,390	\$ 15,840,133	\$ 19,299,272	\$ 18,924,734	\$ 17,374,844
Licenses and permits	466,874	452,953	567,419	566,880	554,940	631,400	637,735	663,464	431,330	355,842
Intergovernmental	435,573	374,311	344,281	593,895	567,188	394,449	266,261	362,008	331,035	777,266
Charges for services	496,782	589,329	603,070	672,813	847,331	870,669	917,528	931,540	962,567	1,119,403
Fines and forfeitures	379,756	319,304	499,568	434,764	435,458	491,957	729,794	857,715	676,973	715,865
Contributions	-	-	-	-	-	-	-	-	-	34,546
Investment earnings	335,288	212,834	190,174	123,200	261,843	704,988	2,302,034	2,576,899	1,463,815	763,500
Miscellaneous	75,540	126,322	309,762	638,662	586,169	2,097,305	639,122	972,491	1,006,388	718,914
Total revenues	<u>12,090,738</u>	<u>12,300,265</u>	<u>13,445,638</u>	<u>14,764,800</u>	<u>16,509,093</u>	<u>20,020,158</u>	<u>21,332,607</u>	<u>25,663,389</u>	<u>23,796,842</u>	<u>21,860,180</u>
EXPENDITURES										
General government	1,319,727	1,369,681	1,400,503	1,764,420	1,967,561	2,163,428	2,370,333	2,947,667	2,749,341	2,836,078
Public safety	6,947,426	6,890,055	7,403,954	7,968,188	9,191,013	9,177,082	10,389,397	10,888,448	11,067,251	10,929,713
Public works	1,778,572	1,612,953	1,631,665	1,829,989	1,725,247	2,601,040	2,402,659	2,510,164	2,175,270	1,704,727
Planning and development	416,978	502,233	537,984	612,498	742,634	762,914	990,770	1,099,526	818,460	638,591
Community development	536,490	536,093	559,829	478,954	495,353	610,699	670,973	766,573	1,519,717	1,136,814
Health and welfare	10,000	48,000	48,000	48,000	35,000	35,000	40,000	40,000	45,000	45,000
Cultural and recreational	2,400,501	2,537,972	2,640,362	2,955,251	2,877,673	3,104,893	3,517,497	4,360,890	4,133,489	3,574,460
Debt service										
Interest	699,303	800,619	836,986	751,707	818,084	898,809	689,381	923,458	1,030,242	3,069,221
Principal	267,827	304,182	436,481	427,628	384,074	438,428	967,696	3,940,724	3,116,578	1,065,000
Capital outlay	706,940	2,071,201	954,517	651,201	1,357,026	1,784,982	3,535,335	8,108,038	25,212,325	19,390,595
Total expenditures	<u>15,083,764</u>	<u>16,672,989</u>	<u>16,450,281</u>	<u>17,487,836</u>	<u>19,593,665</u>	<u>21,577,275</u>	<u>25,574,041</u>	<u>35,585,488</u>	<u>51,867,673</u>	<u>44,390,199</u>

(continued)

CITY OF WEATHERFORD, TEXAS

CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
(Continued)
LAST TEN FISCAL YEARS

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (2,993,026)	\$ (4,372,724)	\$ (3,004,643)	\$ (2,723,036)	\$ (3,084,572)	\$ (1,557,117)	\$ (4,241,434)	\$ (9,922,099)	\$ (28,070,831)	\$ (22,530,019)
OTHER FINANCING SOURCES (USES)										
General obligation bond proceeds	-	-	-	-	-	-	10,800,000	-	-	-
Premium on general obligation bonds	-	-	-	-	-	-	66,260	-	-	-
Certificate of obligation proceeds	1,000,000	1,800,000	3,500,000	-	-	4,000,000	46,490,000	3,000,000	-	-
Premium on certificates of obligation	-	-	7,515	-	-	34,543	761,188	-	-	-
Lease purchase proceeds	612,858	81,489	177,173	99,724	246,000	570,867	-	-	-	-
Proceeds on sale of capital										17,756
Transfers in	3,751,100	3,268,924	3,127,775	3,443,072	3,740,638	9,041,701	5,293,472	6,115,459	5,850,469	7,276,196
Transfers out	(1,220,051)	(935,392)	(590,645)	(517,805)	(594,385)	(630,487)	(1,790,025)	(2,455,722)	(3,142,885)	(2,034,265)
Total other financing sources (uses)	4,143,907	4,215,021	6,221,818	3,024,991	3,392,253	13,016,624	61,620,895	6,659,737	2,707,584	5,259,687
NET CHANGE IN FUND BALANCES	\$ 1,150,881	\$ (157,703)	\$ 3,217,175	\$ 301,955	\$ 307,681	\$ 11,459,507	\$ 57,379,461	\$ (3,262,362)	\$ (25,363,247)	\$ (17,270,332)
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	7.19%	7.69%	8.39%	7.17%	6.74%	7.02%	7.74%	18.18%	15.90%	16.57%

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TABLE 5

CITY OF WEATHERFORD, TEXAS
GOVERNMENTAL FUNDS TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS

Fiscal Year	Property Tax	Sales Tax	Franchise Tax ⁽¹⁾	Hotel/Motel Occupancy Tax	Mixed Beverage Tax	Total Taxable Assessed Value
2001	\$ 2,721,550	\$ 5,094,488	\$ 1,797,587	\$ 274,936	\$ 12,364	\$ 9,900,925
2002	2,847,318	5,284,126	1,774,327	305,890	13,551	10,225,212
2003	3,312,577	5,454,299	1,829,627	319,252	15,609	10,931,364
2004	3,562,784	5,943,635	1,847,829	360,699	19,639	11,734,586
2005	3,805,465	6,932,094	2,032,325	455,894	30,386	13,256,164
2006	4,335,873	7,628,658	2,254,202	570,854	39,803	14,829,390
2007	4,741,128	8,097,754	2,272,898	684,782	43,571	15,840,133
2008	6,940,602	9,166,195	2,439,677	707,136	45,662	19,299,272
2009	7,373,334	8,641,879	2,403,704	452,312	53,505	18,924,734
2010	8,024,563	8,236,286	581,566	474,607	57,822	17,374,844

(1) Prior to fiscal year 2010, franchise taxes from the Municipal Utility Fund were classified with franchise taxes from other entities.

CITY OF WEATHERFORD, TEXAS

ELECTRIC RATES

LAST TEN FISCAL YEARS

	Fiscal Year		
	2001	2002	2003
Residential			
Base rate	\$ 4.25	\$ 4.25	\$ 4.25
Per KWH (May - October)	0.0750	0.0750	0.0750
Per KWH (November - April)	0.0690	0.0690	0.0690
Residential - All Electric			
Base rate	5.50	5.50	4.25
Per KWH (May - October)	0.0750	0.0750	0.0750
Per KWH (November - April)	0.5500	0.5500	0.0690
Small General Service (Demand does not exceed 20 KW)			
Base rate	16.00	16.00	16.00
Per KWH	0.765	0.765	0.765
Large General Service 1 (Demand 20 - 200 KW)			
Base rate	21.00	21.00	21.00
Per KWH	0.0605	0.0605	0.0605
Per KVA demand	3.25	3.25	3.25
Large General Service 2 (Demand 200 KW - 1000 KVA)			
Base rate	22.25	22.25	22.25
Per KWH	0.0565	0.0565	0.0565
Per KWH (if primary metered)	0.0545	0.0545	0.0545
Per KVA demand	2.55	2.55	2.55
Large General Service 3 (Demand 20 - 200 KW)			
Base rate	22.25	22.25	22.25
Per KWH for first 2500 KWH	0.0860	0.0860	0.0860
Per KWH for next 3500 KWH ⁽¹⁾	0.0520	0.0520	0.0520
Per KWH for all additional KWH	0.0260	0.0260	0.0260
Per KVA demand > 10 KVA	8.10	8.10	8.10
Municipal			
Base rate	10.25	10.25	12.25
Per KWH	0.0600	0.0600	0.0665
School/Church			
Base rate	16.00	16.00	16.00
Per KWH	0.0645	0.0645	0.0645
Per KW demand	2.25	2.25	2.25
Security Lights			
Per light	9.35	9.35	10.00

Notes:

The energy charges stated in all rate schedules applicable for the current billing month. Will be increased or decreased by the amount by which the average cost of purchased power plus production costs per KWH exceeds \$0.0400.

⁽¹⁾Add 215 KWH per KVA of demand in excess of 10 KVA.

TABLE 6

		Fiscal Year							
		2004	2005	2006	2007	2008	2009	2010	
\$	4.25	\$	4.25	\$	4.25	\$	4.25	\$	4.25
	0.0750		0.0750		0.0750		0.0750		0.0750
	0.0690		0.0690		0.0690		0.0690		0.0690
	4.25		4.25		4.25		4.25		4.25
	0.0750		0.0750		0.0750		0.0750		0.0750
	0.0690		0.0690		0.0690		0.0690		0.0690
	16.00		16.00		16.00		16.00		16.00
	0.765		0.765		0.765		0.765		0.0765
	21.00		21.00		21.00		21.00		21.00
	0.0605		0.0605		0.0605		0.0605		0.0605
	3.25		3.25		3.25		3.25		3.25
	22.25		22.25		22.25		22.25		22.25
	0.0565		0.0565		0.0565		0.0565		0.0565
	0.0545		0.0545		0.0545		0.0545		0.0545
	2.55		2.55		2.55		2.55		2.55
	22.25		22.25		22.25		22.25		22.25
	0.0860		0.0860		0.0860		0.0860		0.0860
	0.0520		0.0520		0.0520		0.0520		0.0520
	0.0260		0.0260		0.0260		0.0260		0.0260
	8.10		8.10		8.10		8.10		8.10
	12.25		12.25		12.25		12.25		12.25
	0.0665		0.0665		0.0665		0.0665		0.0665
	16.00		16.00		16.00		16.00		16.00
	0.0645		0.0645		0.0645		0.0645		0.0645
	2.25		2.25		2.25		2.25		2.25
	10.00		10.00		10.00		10.00		10.00

CITY OF WEATHERFORD, TEXAS
NUMBER OF ELECTRIC CUSTOMERS BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	Residential	Commercial	Industrial	Other ⁽¹⁾	Total
2001	8,683	1,344	31	231	10,289
2002	9,023	1,351	32	253	10,659
2003	9,250	1,423	33	252	10,958
2004	9,980	1,502	32	244	11,758
2005	10,198	1,586	37	239	12,060
2006	10,525	1,642	39	237	12,443
2007	10,891	1,644	41	247	12,823
2008	11,143	1,723	44	256	13,166
2009	11,223	1,770	45	259	13,297
2010	11,314	1,801	48	255	13,418

⁽¹⁾ Includes municipal governments, schools, and churches.

TABLE 8

CITY OF WEATHERFORD, TEXAS

TEN LARGEST ELECTRIC CUSTOMERS

CURRENT YEAR AND NINE YEARS AGO

Customer	2010	
	Revenue	Percentage of Electric Revenue
Weatherford ISD	\$ 1,470,031	4.18%
Heritage Plastic	809,628	2.30%
Jamak, Inc.	716,680	2.04%
Weatherford Texas Hospital Corp.	585,032	1.66%
Wal-Mart	491,785	1.40%
Weatherford Aerospace	432,814	1.23%
Weatherford College	429,585	1.22%
Albertson's	252,079	0.72%
Lowe's	237,286	0.67%
Home Depot	235,194	0.67%
	<u>5,660,114</u>	<u>16.08%</u>
Revenue from other customers	<u>29,540,365</u>	<u>83.92%</u>
Total	<u>\$ 35,200,479</u>	<u>100.00%</u>

Customer	2001	
	Revenue	Percentage of Electric Revenue
Jamak, Inc.	\$ 819,691	3.26%
Weatherford ISD	803,456	3.20%
Wal-Mart	610,042	2.43%
Heritage Plastic	589,010	2.35%
Campbell Health System	479,677	1.91%
Weatherford Aerospace	284,073	1.13%
Parker County	271,399	1.08%
Weatherford College	267,622	1.07%
Home Depot	251,688	1.00%
Winn Dixie	232,580	0.93%
	<u>4,609,238</u>	<u>18.35%</u>
Total	<u>20,507,028</u>	<u>81.65%</u>
	<u>\$ 25,116,266</u>	<u>100.00%</u>

CITY OF WEATHERFORD, TEXAS

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY⁽¹⁾

LAST TEN FISCAL YEARS

Category	2001		2002	
	Actual Value	Percentage of Total	Actual Value	Percentage of Total
Real, residential, single family	\$ 430,846,107	53.14%	\$ 448,254,190	52.11%
Real, residential, multi-family	24,162,960	2.98%	25,317,200	2.94%
Real, vacant lots/tracts	15,716,340	1.94%	15,147,090	1.76%
Real, acreage (land only)	28,845,640	3.56%	30,138,550	3.50%
Real, farm and ranch improvements	15,681,910	1.93%	15,845,170	1.84%
Real, commercial	169,114,920	20.86%	188,457,270	21.91%
Real, industrial	7,080,730	0.87%	7,080,730	0.82%
Real, oil, gas and other minerals	17,440	0.00%	16,450	0.00%
Total real property	<u>691,466,047</u>	85.29%	<u>730,256,650</u>	84.90%
Real and tangible personal, utilities	17,024,920	2.10%	18,418,040	2.14%
Tangible personal, commercial	83,292,715	10.27%	85,437,400	9.93%
Tangible personal, industrial	12,755,026	1.57%	19,091,830	2.22%
Tangible, personal, mobile homes	1,740,550	0.21%	1,910,640	0.22%
Intangible personal	-	-	-	-
Inventory	4,464,780	0.55%	5,060,660	0.59%
Total personal property	<u>119,277,991</u>	14.71%	<u>129,918,570</u>	15.10%
Total actual value	810,744,038	<u>100.00%</u>	860,175,220	<u>100.00%</u>
Less: exemptions/reductions	<u>68,859,184</u>		<u>70,699,941</u>	
Total	<u>\$ 741,884,854</u>		<u>\$ 789,475,279</u>	
Total direct rate ⁽²⁾	\$ 0.3600		\$ 0.3600	

Notes:

(1) Property is assessed at market value.

(2) Per \$100 of assessed value

Source: Parker County Appraisal District

TABLE 9

2003		2004		2005	
Actual Value	Percentage of Total	Actual Value	Percentage of Total	Actual Value	Percentage of Total
\$ 573,235,680	53.31%	\$ 611,816,260	54.46%	\$ 650,194,940	54.19%
30,423,790	2.83%	31,268,020	2.78%	31,489,910	2.62%
19,903,290	1.85%	18,094,880	1.61%	19,016,140	1.58%
47,895,100	4.45%	48,892,850	4.35%	50,936,150	4.25%
18,686,180	1.74%	16,646,290	1.48%	16,761,180	1.40%
238,291,820	22.16%	247,264,810	22.01%	276,298,640	23.03%
7,542,010	0.70%	7,823,290	0.70%	7,823,290	0.65%
-	- %	-	- %	-	- %
<u>935,977,870</u>	<u>87.04%</u>	<u>981,806,400</u>	<u>87.39%</u>	<u>1,052,520,250</u>	<u>87.72%</u>
20,382,350	1.90%	18,129,460	1.61%	16,690,530	1.39%
88,283,950	8.21%	89,775,290	7.99%	94,586,120	7.88%
23,000,330	2.14%	22,977,010	2.05%	24,378,430	2.03%
1,785,570	0.17%	1,852,430	0.16%	1,948,360	0.16%
-	- %	28,580	- %	21,990	- %
<u>5,927,220</u>	<u>0.55%</u>	<u>8,896,290</u>	<u>0.79%</u>	<u>9,686,950</u>	<u>0.81%</u>
<u>139,379,420</u>	<u>12.96%</u>	<u>141,659,060</u>	<u>12.61%</u>	<u>147,312,380</u>	<u>12.28%</u>
1,075,357,290	<u>100.00%</u>	1,123,465,460	<u>100.00%</u>	1,199,832,630	<u>100.00%</u>
<u>119,668,828</u>		<u>97,494,013</u>		<u>89,072,576</u>	
<u>\$ 955,688,462</u>		<u>\$ 1,025,971,447</u>		<u>\$ 1,110,760,054</u>	
\$ 0.3403		\$ 0.3403		\$ 0.3403	

(continued)

CITY OF WEATHERFORD, TEXAS

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY⁽¹⁾ (Continued) LAST TEN FISCAL YEARS

Category	2006		2007	
	Actual Value	Percentage of Total	Actual Value	Percentage of Total
Real, residential, single family	\$ 744,845,930	53.65%	\$ 786,575,270	52.41%
Real, residential, multi-family	38,787,970	2.79%	50,422,550	3.36%
Real, vacant lots/tracts	28,465,230	2.05%	31,371,500	2.09%
Real, acreage (land only)	61,611,030	4.44%	66,543,860	4.43%
Real, farm and ranch improvements	19,390,740	1.40%	19,971,440	1.33%
Real, commercial	328,022,860	23.63%	355,833,000	23.71%
Real, industrial	8,466,210	0.61%	8,176,550	0.54%
Real, oil, gas and other minerals	-	-	665,540	0.04%
Total real property	<u>1,229,589,970</u>	88.56%	<u>1,319,559,710</u>	87.93%
Real and tangible personal, utilities	17,714,320	1.28%	17,359,850	1.16%
Tangible personal, commercial	107,923,090	7.77%	122,749,210	8.18%
Tangible personal, industrial	22,895,960	1.65%	27,607,560	1.84%
Tangible, personal, mobile homes	1,681,410	0.12%	1,539,060	0.10%
Intangible personal	-	-	-	-
Inventory	<u>8,601,290</u>	0.62%	<u>11,868,130</u>	0.79%
Total personal property	<u>158,816,070</u>	11.44%	<u>181,123,810</u>	12.07%
Total actual value	1,388,406,040	<u>100.00%</u>	1,500,683,520	<u>100.00%</u>
Less: exemptions/reductions	<u>107,831,010</u>		<u>102,744,790</u>	
Total	<u>\$ 1,280,575,030</u>		<u>\$ 1,397,938,730</u>	
Total direct rate ⁽²⁾	\$ 0.3403		\$ 0.3403	

Notes:

(1) Property is assessed at market value.

(2) Per \$100 of assessed value

Source: Parker County Appraisal District

TABLE 9

2008		2009		2010	
Actual Value	Percentage of Total	Actual Value	Percentage of Total	Actual Value	Percentage of Total
\$ 884,837,500	52.16%	\$ 931,787,310	49.58%	\$ 966,262,300	49.35%
49,119,090	2.90%	63,259,650	3.37%	66,142,950	3.38%
28,945,620	1.71%	34,935,360	1.86%	32,079,260	1.64%
97,859,020	5.77%	114,848,250	6.11%	132,053,460	6.74%
19,102,150	1.13%	22,318,830	1.19%	21,383,540	1.09%
431,045,000	25.41%	504,549,930	26.85%	522,311,300	26.68%
5,685,760	0.34%	9,751,120	0.52%	10,348,560	0.53%
1,381,770	0.08%	785,960	0.04%	566,870	0.03%
<u>1,517,975,910</u>	<u>89.47%</u>	<u>1,682,236,410</u>	<u>89.51%</u>	<u>1,751,148,240</u>	<u>89.44%</u>
18,661,510	1.10%	17,684,650	0.94%	16,470,860	0.84%
119,755,350	7.06%	129,570,820	6.89%	139,204,420	7.11%
32,721,880	1.93%	34,733,290	1.85%	35,221,400	1.80%
1,563,200	0.09%	1,379,840	0.07%	1,469,130	0.08%
36,210	- %	37,620	- %	68,300	- %
<u>5,833,900</u>	<u>0.34%</u>	<u>13,786,420</u>	<u>0.73%</u>	<u>14,240,990</u>	<u>0.73%</u>
<u>178,572,050</u>	<u>10.52%</u>	<u>197,192,640</u>	<u>10.49%</u>	<u>206,675,100</u>	<u>10.55%</u>
1,696,547,960	<u>100.00%</u>	1,879,429,050	<u>100.00%</u>	1,957,823,340	<u>100.00%</u>
<u>131,475,380</u>		<u>141,624,420</u>		<u>157,276,330</u>	
<u>\$ 1,565,072,580</u>		<u>\$ 1,737,804,630</u>		<u>\$ 1,800,547,010</u>	
\$ 0.4386		\$ 0.4386		\$ 0.4636	

CITY OF WEATHERFORD, TEXAS

DIRECT AND OVERLAPPING PROPERTY TAX RATES⁽¹⁾

LAST TEN FISCAL YEARS

Fiscal Year	City Direct Rates			Overlapping ⁽²⁾				
	Operating	Debt Service	Total Direct	Parker County	Weatherford School District	Parker County Hospital District	Parker County Junior College	Peaster School District
2001	0.2693	0.0907	0.3600	0.3857	1.5990	0.1740	0.1289	1.4900
2002	0.2707	0.0893	0.3600	0.3789	1.6800	0.1840	0.1339	1.4972
2003	0.2624	0.0779	0.3403	0.3418	1.6600	0.1710	0.1278	1.7440
2004	0.2691	0.0712	0.3403	0.3425	1.7000	0.1667	0.1299	1.7500
2005	0.2740	0.0663	0.3403	0.3417	1.7400	0.1618	0.1298	1.6980
2006	0.2758	0.0645	0.3403	0.3399	1.7800	0.1590	0.1170	1.6980
2007	0.2782	0.0621	0.3403	0.3386	1.6900	0.1454	0.1138	1.6100
2008	0.2920	0.1466	0.4386	0.3372	1.4000	0.1250	0.1053	1.3528
2009	0.2920	0.1466	0.4386	0.3545	1.4000	0.1150	0.1053	1.3528
2010	0.2920	0.1716	0.4636	0.3754	1.4000	0.1136	0.1049	1.3528

Notes: ⁽¹⁾ Expressed in dollars per \$100 assessed value.

⁽²⁾ Not all overlapping rates apply to all City of Weatherford property owners. For example, less than 1% of property owners are located within the boundaries of the Peaster School District.

Source: Representatives of the taxing jurisdictions

CITY OF WEATHERFORD, TEXAS

PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2010	
	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value
Parker County Hospital	\$ 42,498,980	2.36%
Weatherford I-20/Main St.	17,652,910	0.98%
Weatherford Capital	16,839,150	0.94%
Holland Lake Partners	11,673,390	0.64%
Power Service Products	11,509,730	0.64%
JAMAK, Inc.	10,202,590	0.57%
Wal-Mart Stores, Inc.	10,156,620	0.56%
Brown Southgate Glen Apartments	9,294,420	0.52%
Target Corporation	7,666,880	0.43%
Lowes Home Centers	7,093,370	0.39%
Total	\$ 144,588,040	8.03%

Taxpayer	2001	
	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value
Wal-Mart Stores, Inc.	\$ 15,694,790	1.99%
Home Depot	11,716,850	1.48%
JAMAK, Inc.	11,459,180	1.45%
Southwestern Bell	9,677,720	1.23%
C. D. Hartnett Company	7,360,111	0.93%
Power Service Products	6,642,830	0.84%
Brown Southgate Glen Apartments	5,928,050	0.75%
Westward Way Estates	4,375,340	0.55%
Roger Williams Auto	4,069,120	0.52%
Richard Ball Shlpping Center	3,533,310	0.45%
Total	\$ 80,457,301	10.19%

Source: Parker County Appraisal District

CITY OF WEATHERFORD, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS⁽¹⁾
LAST SIX FISCAL YEARS

Fiscal Year Ended	Taxes Levied for the Fiscal Year	Adjustments	Total Adjusted Levies	Collected With the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
				Amount	Percentage of Levy		Amount	Percentage of Levy
2005	\$ 3,780,244	\$(31,223)	3,749,021	\$ 3,666,354	96.99%	\$ 31,779	\$ 3,698,133	98.64%
2006	4,315,877	(15,805)	4,300,072	4,215,124	97.67%	83,464	4,298,588	99.97%
2007	4,696,326	(16,260)	4,680,066	4,590,807	97.75%	88,907	4,679,714	99.99%
2008	6,919,281	(60,203)	6,859,078	6,759,210	97.69%	94,035	6,853,245	99.91%
2009	7,366,860	(29,757)	7,337,103	7,218,875	97.99%	79,575	7,298,450	99.47%
2010	8,016,933	(22,549)	7,994,384	7,837,978	97.77%	-	7,837,978	98.04%

Note: ⁽¹⁾ The City of Weatherford implemented GASB Statement No. 44 in fiscal year 2005/06.
Detailed information is not available for years prior to 2004/05.

Source: Parker County Appraisal District

CITY OF WEATHERFORD, TEXAS
TAXABLE SALES BY CATEGORY
LAST EIGHT FISCAL YEARS

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
Mining/Quarrying/Oil and Gas Extraction	1,011	-	515,558	2,347,140	1,244,207	1,252,092	14,326,698	88,530,759
Utilities	37,337	-	-	-	-	-	-	14,443
Construction	6,235,132	5,790,886	7,713,482	8,813,942	7,275,865	6,957,885	4,357,116	4,005,474
Manufacturing	7,941,216	8,480,151	11,417,424	12,266,814	10,892,575	11,006,653	8,052,901	9,153,179
Wholesale Trade	10,449,538	13,962,200	16,865,888	19,404,659	20,932,822	22,472,139	20,552,107	19,420,340
Retail Trade	207,853,192	221,607,207	259,551,137	274,468,277	307,054,524	319,784,449	306,397,750	296,338,161
Transportation/Warehousing	6,161	2,524	13,065	114,637	299,029	298,219	-	-
Information	895,350	1,281,883	1,782,692	2,269,814	1,902,312	2,056,382	2,168,761	3,007,895
Finance/Insurance	1,668,642	1,867,135	2,489,713	2,643,196	2,744,766	2,173,493	1,238,663	1,007,196
Real Estate/Rental/Leasing	1,600,597	2,368,939	2,906,602	5,988,307	12,909,665	10,905,094	5,856,372	3,398,093
Professional/Scientific/Technical Services	2,944,145	2,680,029	2,987,497	3,435,823	2,492,222	3,351,088	3,173,971	2,525,977
Admin/Support/Waste Mgmt/Remediation Services	2,639,015	3,310,849	3,467,818	3,184,939	2,974,145	3,855,420	3,966,809	4,128,723
Educational Services	213,875	320,362	238,871	369,212	339,063	331,207	388,591	2,053,012
Health Care/Social Assistance	334,969	307,035	323,278	331,275	53,634	53,933	4,169	189,402
Arts/Entertainment/Recreation	1,133,361	1,115,563	1,199,103	1,689,930	1,423,230	1,202,157	1,199,394	1,333,491
Accommodations/Food Services	40,027,467	46,480,604	53,593,119	59,244,910	63,045,572	67,976,752	69,513,396	66,596,343
Other services (except Public Administration)	11,475,858	13,553,888	14,291,440	13,628,435	14,648,835	19,215,998	18,010,209	17,907,133
Public Administration	1,842,689	2,101,631	2,452,113	9,624,417	3,019,642	3,228,818	16,587,342	13,610,308
Other services	820,282	232,274	47,085	22,410	19,874	18,261	-	-
Unclassified	8,694,981	8,925,327	10,542,942	5,869,106	12,328,558	16,359,816	2,696,208	1,149,033
Total	306,814,818	334,388,487	392,398,827	425,717,243	465,600,540	492,499,856	478,490,457	534,368,962
City direct sales tax rate	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%

Source: Texas Comptroller

Note: Information prior to fiscal year 2003 is not available.

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TABLE 14

CITY OF WEATHERFORD, TEXAS
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities			Business-type Activities				Total Primary Government	Percentage of Personal Income	Per Capita ⁽¹⁾
	General Obligation Bonds	Certificates of Obligation	Capital Leases	Revenue Bonds	Tax Note	Term Loan	Capital Leases			
2001	\$ 2,840,000	\$ 1,000,000	\$ 924,031	\$ 41,845,560	\$ -	\$ -	\$ 461,705	\$ 47,071,296	9.26%	\$ 2,429
2002	2,365,000	2,800,000	679,902	40,288,421	-	-	451,483	46,584,806	8.24%	2,341
2003	1,870,000	6,230,000	585,090	38,649,672	-	193,525	274,302	47,802,589	8.34%	2,326
2004	1,550,000	6,060,000	423,107	36,923,916	-	177,555	189,993	45,324,571	7.39%	2,070
2005	1,210,000	5,875,000	376,023	34,598,839	-	160,914	101,095	42,321,871	6.50%	1,836
2006	840,000	9,690,000	603,081	53,391,977	-	143,574	20,738	64,689,370	9.45%	2,695
2007	11,450,000	55,920,000	363,700	51,208,106	-	125,506	-	119,067,312	15.96%	4,763
2008	11,060,000	58,605,000	145,242	48,684,838	-	106,680	-	118,601,760	13.73%	4,570
2009	10,650,000	58,130,000	-	46,269,786	600,000	477,063	-	116,126,849	11.30%	4,357
2010	10,215,000	57,500,000	-	43,739,876	510,000	416,667	41,094	112,422,637	6.68%	2,522

⁽¹⁾ Personal income and population data located on Table 17.

Notes: Details to the City's outstanding debt can be found in the Notes to the Financial Statements.

CITY OF WEATHERFORD, TEXAS

RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING

LAST TEN FISCAL YEARS

Fiscal Year	General Bonded Debt Outstanding			Debt Service Assets Available	Net Bonded Debt
	General Obligation Bonds	Certificates of Obligation	Total		
2001	\$ 2,840,000	\$ 1,000,000	\$ 3,840,000	\$ 391,324	\$ 3,448,676
2002	2,365,000	2,800,000	5,165,000	335,643	4,829,357
2003	1,870,000	6,230,000	8,100,000	383,166	7,716,834
2004	1,550,000	6,060,000	7,610,000	391,639	7,218,361
2005	1,210,000	5,875,000	7,085,000	415,985	6,669,015
2006	840,000	9,690,000	10,530,000	484,855	10,045,145
2007	11,450,000	55,920,000	67,370,000	1,563,613	65,806,387
2008	11,060,000	58,605,000	69,665,000	707,853	68,957,147
2009	10,650,000	58,130,000	68,780,000	751,802	68,028,198
2010	10,215,000	57,500,000	67,715,000	1,397,564	66,251,204

Notes: Details to the City's outstanding debt can be found in the Notes to the Financial Statements.

(1) Population data located on Table 17

TABLE 15

	Actual Taxable Value of Property	Percentage of Actual Taxable Value of Property	Per Capita ⁽¹⁾
\$	741,884,854	0.46%	\$ 178
	789,475,279	0.61%	243
	955,688,462	0.81%	376
	1,025,971,447	0.70%	330
	1,110,760,054	0.60%	289
	1,280,575,030	0.78%	419
	1,397,938,730	4.71%	2,632
	1,565,072,580	4.41%	2,657
	1,737,804,630	3.91%	2,553
	1,800,547,010	3.68%	2,449

CITY OF WEATHERFORD, TEXAS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

AS OF SEPTEMBER 30, 2010

Government Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Debt repaid with property taxes			
Parker County	\$ 80,879,980	19.780%	\$ 15,998,060
Weatherford Independent School District	90,791,149	45.730%	41,518,792
Parker County Junior College District	5,855,000	19.780%	1,158,119
Peaster Independent School District	15,540,135	2.730%	424,246
Other debt			
Parker County Junior College, note payable	753,734	19.780%	<u>149,089</u>
Subtotal overlapping debt			59,248,306
City of Weatherford direct debt	67,715,000	100.00%	<u>67,715,000</u>
Total direct and overlapping debt			<u>\$ 126,963,306</u>

Note: The percentage of overlapping debt is estimated using the taxable assessed value and determining the portion of the other taxing entity's value that is within the City's boundaries.

Source: Representatives of taxing jurisdictions

CITY OF WEATHERFORD, TEXAS

PLEDGED REVENUE COVERAGE

LAST TEN FISCAL YEARS

Fiscal Year	Utility System Revenue Bonds					
	Gross Revenue ⁽¹⁾	Less: Operating Expenses ⁽²⁾	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2001	\$ 34,262,541	\$ 25,770,164	\$ 8,492,377	\$ 1,640,000	\$ 2,130,049	\$ 2.25
2002	29,730,212	20,509,421	9,220,791	1,725,000	2,049,184	2.44
2003	34,839,032	25,867,740	8,971,292	1,795,000	1,977,878	2.38
2004	35,042,210	26,856,979	8,185,231	1,870,000	1,901,654	2.17
2005	42,666,318	32,453,744	10,212,574	1,955,000	1,820,361	2.71
2006	50,133,799	39,001,632	11,132,167	2,035,000	2,089,058	2.70
2007	47,313,004	37,605,675	9,707,329	2,215,000	2,495,105	2.06
2008	60,783,520	49,251,229	11,532,291	2,300,000	2,408,986	2.45
2009	55,326,626	46,126,060	9,200,566	2,490,000	2,235,174	1.95
2010	44,648,091	34,190,600	10,457,491	2,605,000	2,121,884	2.21

Notes: Details regarding the City's outstanding debt can be found in the Notes to the Financial Statements.

(1) Total operating revenues plus interest

(2) Total operating expenses excluding depreciation and amortization.

CITY OF WEATHERFORD, TEXAS
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS

Calendar Year	Population ⁽¹⁾	Personal Income ⁽²⁾	Per Capita Income ⁽²⁾	School Enrollment ⁽³⁾	Unemployment Rate ⁽⁴⁾
2001	19,381	\$ 508,383,011	\$ 26,231	6,930	3.3%
2002	19,900	565,210,800	28,403	7,114	4.5%
2003	20,550	572,913,450	27,879	6,981	4.5%
2004	21,900	613,375,200	28,008	7,142	5.1%
2005	23,050	651,369,950	28,259	7,220	4.3%
2006	24,000	684,312,000	28,513	7,281	4.3%
2007	25,000	745,850,000	29,834	7,243	4.2%
2008	25,950	863,667,900	33,282	7,155	5.8%
2009	26,650	1,028,023,750	38,575	7,394	7.4%
2010	27,050	1,021,786,700	37,774	7,672	6.9%

Sources: (1) Bureau of Census and North Central Texas Council of Governments.
(2) Bureau of Economic Analysis
(3) Weatherford Independent School District
(4) Texas Workforce Commission

CITY OF WEATHERFORD, TEXAS

PRINCIPAL EMPLOYERS

CURRENT AND NINE YEARS AGO

Employer	2010	
	Employees	Percentage of Total City Employment
Weatherford Independent School District	1,017	8.57%
Weatherford Regional Medical Center	486	4.10%
Parker County	483	4.07%
City of Weatherford	374	3.15%
Jerry's Transportation Center	336	2.83%
Wal-Mart	326	2.75%
Weatherford College	298	2.51%
C. D. Hartnett	276	2.33%
JAMAK, Inc.	251	2.12%
Southwest Ford	160	1.35%
Total	4,007	33.78%

Employer	2001	
	Employees	Percentage of Total City Employment
Weatherford ISD	850	9.13%
Weatherford College	416	4.47%
Texas Bank	460	4.94%
Campbell Health System	450	4.84%
Wal-Mart	447	4.80%
JAMAK, Inc.	400	4.30%
Parker County	334	3.59%
C. D. Hartnett	296	3.18%
City of Weatherford	260	2.79%
Home Depot	200	2.15%
Total	4,113	44.19%

Source: Weatherford Economic Development Authority

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CITY OF WEATHERFORD, TEXAS
FULLTIME EQUIVALENT CITY GOVERNMENT EMPLOYEES
BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	Fulltime Equivalent Employees as of September 30,									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General government	23	21	19	20	21	22	22	23	24	24
Public safety ⁽¹⁾	106	106	106	114	114	119	124	128	130	130
Public works	22	22	19	19	19	19	18	20	22	22
Planning and development	8	9	9	9	12	13	16	16	10	10
Community development	9	8	8	8	8	8	9	9	24	24
Cultural and recreational	44	47	48	48	48	48	52	55	50	51
Electric	44	45	46	48	49	49	54	55	54	54
Water	25	24	27	27	27	27	27	25	28	28
Wastewater	15	15	17	15	15	15	15	16	16	16
Sanitation	<u>13</u>	<u>13</u>	<u>13</u>	<u>13</u>	<u>13</u>	<u>13</u>	<u>13</u>	<u>15</u>	<u>19</u>	<u>19</u>
Total	<u>309</u>	<u>310</u>	<u>312</u>	<u>321</u>	<u>326</u>	<u>333</u>	<u>350</u>	<u>362</u>	<u>377</u>	<u>378</u>

Note: (1) The City added 12 additional firefighters to staff a new fire station in fiscal year 2001.

CITY OF WEATHERFORD, TEXAS
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	Fiscal Year			
	2001	2002	2003	2004
Public safety				
Police				
Police personnel and officers	66	66	71	71
Arrests	1,235	1,094	1,158	1,271
Violations other than parking	7,739	7,739	12,110	8,720
Parking violations	548	548	283	325
Fire				
Paid fire personnel and officers	35	35	36	42
Calls answered	2,755	2,614	2,589	2,773
Planning and development				
New construction permits issued	224	305	234	198
Cultural and recreation				
Library holdings	123,620	123,620	128,790	93,979
Electric				
Service connections	10,297	10,550	10,958	11,758
Total system peak demand (kW)	64,300	68,419	73,205	71,857
Annual kilo-watt hour sales (KWH)	279,482,773	273,997,234	289,085,021	289,880,920
Water				
Service connections	8,220	8,575	8,847	9,113
Daily average consumption (thousands of gallons)	2,769	2,687	2,858	2,695
Annual water sales (thousands of gallons)	1,010,513	980,843	1,043,353	983,680
Wastewater				
Service connections	7,597	7,923	8,149	8,342
Daily average consumption (thousands of gallons)	2,380	2,040	2,320	2,429
Sanitation				
Refuse collected (tons)	8,810	9,567	9,257	8,512
Brush pickups (tons)	957	595	635	841
Special pickups (tons)	1,401	2,045	2,216	1,076

(1) The City of Weatherford Sanitation has combined the brush pickups and special pickups as of FY 2007/2008.

(2) The City of Weatherford has combined grinder pumps and sewage as one connection as of FY 2008/2009.

TABLE 21

2005	2006	2007	2008	2009	2010
71	71	75	79	77	76
1,652	1,689	1,512	1,597	1,604	1,591
8,483	9,744	10,160	10,078	7,823	6,855
357	193	281	231	114	88
42	473	43	52	51	51
3,169	3,724	3,505	3,167	3,897	3,985
270	345	289	341	143	120
93,895	91,422	90,745	97,232	98,596	98,241
12,060	12,443	12,823	13,166	13,297	13,418
78,273	82,721	81,859	82,317	83,385	90,289
315,001,959	338,176,662 #	334,246,819	354,818,755	341,457,244	365,673,529
9,345	9,769	10,108	10,418	10,507	10,604
3,141	4,142	3,091	3,555	3,494	3,072
1,146,612	1,511,964	1,128,377	1,297,535	1,275,433	1,121,197
8,503	8,835	9,254	9,902	(2) 9,660	(2) 9,769
2,165	2,118	2,223	2,079	1,936	2,261
9,259	8,865	9,130	9,189	8,780	8,951
2,396	1,016	509	2,459	1,832	1,601
2,732	1,154	1,541	(1)	(1)	(1)

TABLE 22

CITY OF WEATHERFORD, TEXAS
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Public safety										
Police										
Police stations	1	1	1	1	1	1	1	1	1	1
Police patrol units	19	19	21	21	21	22	21	22	22	22
Fire										
Fire stations	3	3	3	3	3	3	3	4	4	4
Fire trucks	12	12	12	12	11	11	12	14	16	17
Cultural and recreation										
Parks and recreation										
Community centers	2	2	2	2	2	2	2	2	2	2
Parks	9	9	9	9	9	10	10	10	10	10
Park acreage	294	294	294	294	294	300	300	300	300	300
Swimming pools	1	1	1	1	1	1	1	1	1	1
Tennis courts	3	3	3	3	3	3	3	3	3	3
Soccer fields	8	8	8	8	8	8	8	8	8	8
Softball/baseball fields	9	9	9	9	7	7	7	10	10	13
Multipurpose fields and courts	7	7	7	7	8	8	8	9	9	9
Electric										
Miles of distribution lines	243	257	267	272	283	288	302	304	313	316
Water										
Miles of water mains	192	196	200	200	236	236	236	241	249	254
Number of fire hydrants	832	871	884	884	993	1,123	1,170	1,213	1,244	1,320
Maximum daily capacity of plant (thousands of gallons)	8,000	8,000	8,000	8,000	8,000	14,000	14,000	14,000	14,000	14,000
Total water storage capacity (thousands of gallons)	7,100	7,100	7,100	7,100	7,100	7,100	7,100	7,100	7,600	7,600
Wastewater										
Miles of sanitary sewers	161	168	171	171	180	180	182	187	192	195
Permitted daily capacity of plant (thousands of gallons)	2,700	2,700	2,700	2,700	4,500	4,500	4,500	4,500	4,500	4,500