

**CITY OF
WEATHERFORD**

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED
SEPTEMBER 30, 2011**

CITY OF WEATHERFORD, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2011

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INTRODUCTORY SECTION

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March 23, 2012

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, 2011, 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, 2011, 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, 2011, 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 the 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 25,300. 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 non-major special revenue governmental funds are found on pages 75 – 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 continue to be impacted by the 2009 recession and economic downturn that hit the nation. A slow recovery has been occurring through all of 2011. 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 and international silicone rubber products, automotive fuel additives, natural gas drilling and production, PVC plastic pipe, and regional lower-tier subcontractors to Metroplex aerospace companies. Regional retail shopping, healthcare/physician recruitment, and service businesses are the current 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 Fortune 500 corporate employers in the Fort Worth/Dallas metropolitan area. The local unemployment rate of 6.7% (November 2011), while still higher than in 2008, continues to improve and 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 and commercial construction permits (number and values) and others – have all “bottomed-out” and continue to recover from Recession lows of each. In fact three indicators did not decline through 2009 and 2011 – the number of new business prospects (retail, commercial/service and industrial), population growth, and the number of commercial construction permits (dollar values declined in 2010 but have recovered nicely in 2011) maintained in 2009 and increased through 2010 and 2011. In 2011 local sales tax collections increased significantly from the prior fiscal year, and by December 2011 has had 13 months of increases, the last several by double-digits. In fact, through December 2011 the total sales tax collections surpassed the historic high of 2008. Another probable sign of the economic times is the fact that new construction permits issued are up 55% for fiscal year 2011 over last fiscal year. This was the first year for increased building permits after having experienced two consecutive years of decreases.

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. The Policy Statements are updated annually after the May elections and were updated in 2011 to include Governmental Accounting Standards Board (GASB) Statement Number 54 “Fund Balance Reporting and Governmental Fund Type Definition” which this document is in conformity with the new statement requirements.

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 construct 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.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Weatherford for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2010. This was the 23rd 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 must satisfy 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,

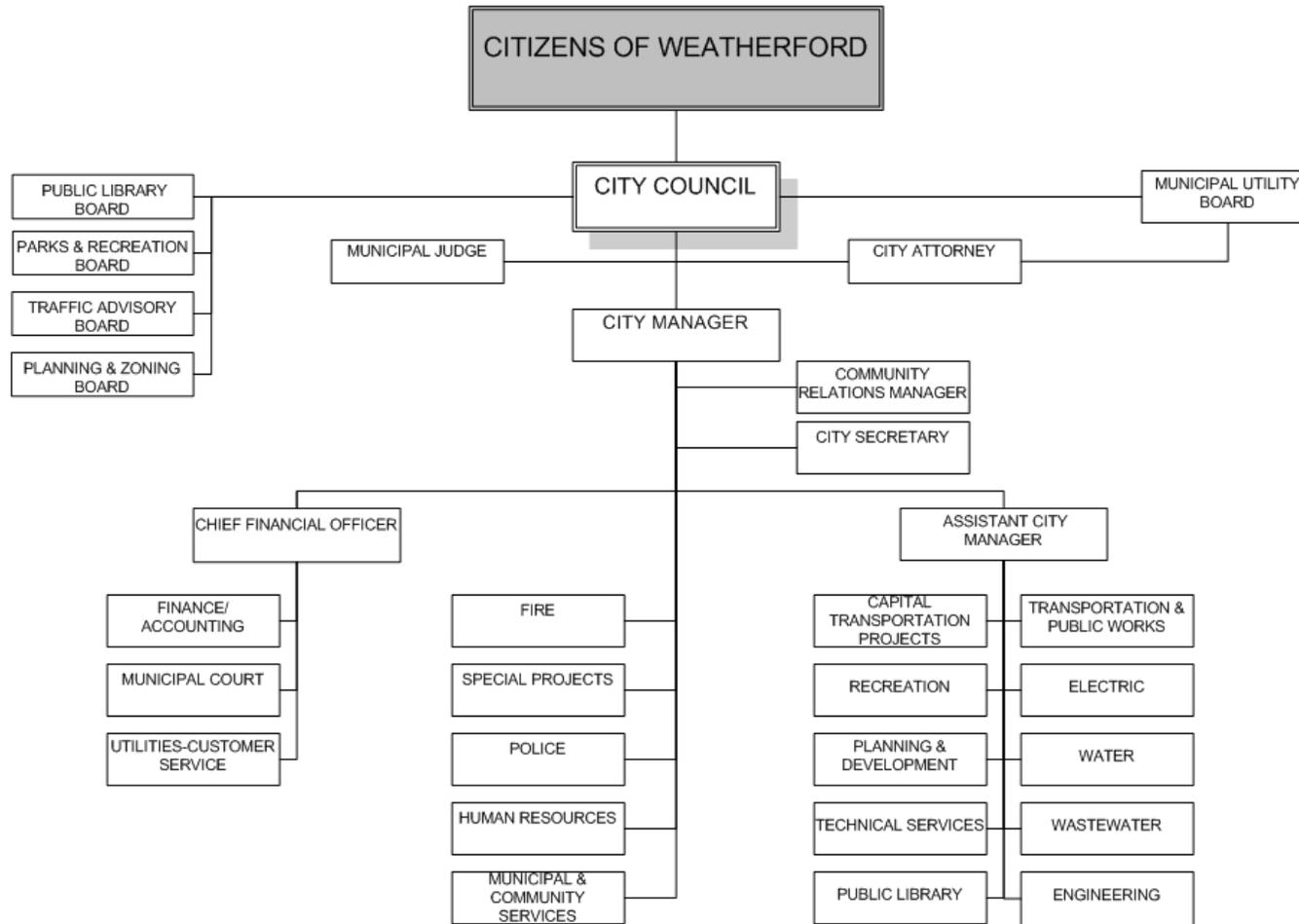


Jerry Blaisdell
City Manager



Janina Jewell
Chief Financial Officer

CITY OF WEATHERFORD, TEXAS ORGANIZATION CHART



**THE CITY OF
WEATHERFORD, TEXAS**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**YEAR ENDED
SEPTEMBER 30, 2011**

**ELECTED
CITY COUNCIL**

Dennis Hooks – Mayor

Waymon Hamilton – Mayor Pro Tem
Council Member

Jeff Robinson – Council Member

Craig Swancy – Council Member

Heidi Wilder – Council Member

**APPOINTED/DESIGNATED
MUNICIPAL UTILITY BOARD**

Dennis Hooks – Mayor – Chairman

Waymon Hamilton – Designated Council Member

Craig Swancy – Designated Council Member

Ken Davis – Appointed Public Member

James Dickason – Appointed Public Member

Therylene Helm – Appointed Public Member

Howard McClurkin – Appointed Public Member

SENIOR STAFF

Jerry Blaisdell – City Manager

Sharon Hayes – Assistant City Manager

Malinda Nowell – City Secretary Ed Zellers – City Attorney

Steve Bates – Municipal & Community Services

Danielle Felts – Recreation Director/Community Relations Manager

Dale Fleeger – Library Director

Terry Hughes – Capital Transportation Projects Director

Chad Janicek – Transportation & Public Works Director

Janina Jewell – Chief Financial Officer

Mike Manning – Police Chief

Paul Rust – Fire Chief

Tammy Sinclair – Human Resources Director

Brent Smith – Special Projects Director

Don Stephens – Planning & Development Director

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, 2010

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.



Linda C. Dandison

President

Jeffrey R. Egan

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, 2011, 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, 2011, 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 23, 2012, 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 64 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 nonmajor 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 nonmajor 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 23, 2012

**MANAGEMENT'S
DISCUSSION AND ANALYSIS**

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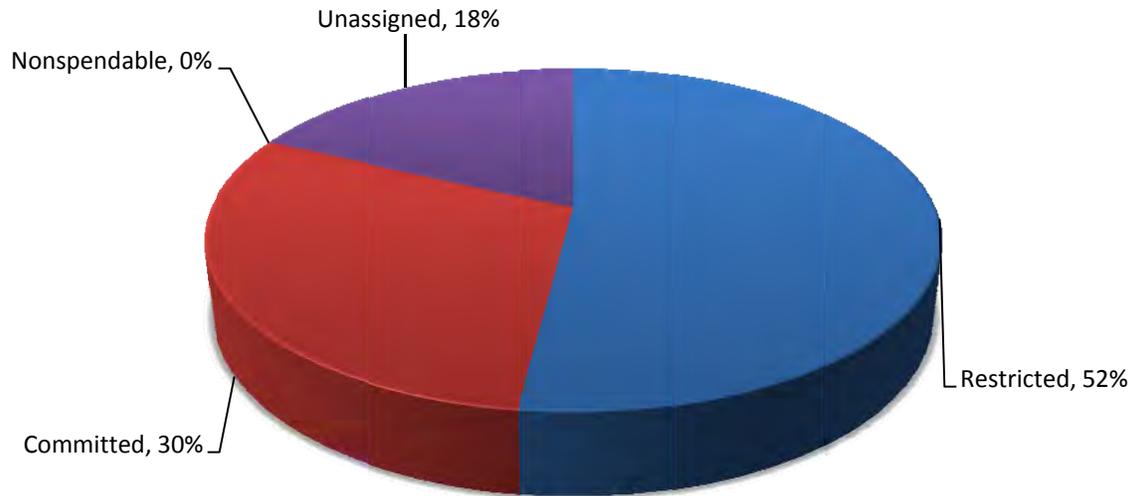
Management's Discussion and Analysis

As management of the City of Weatherford, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City of Weatherford for the fiscal year ended September 30, 2011. 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 in the introductory section 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 \$134,783,188 (net assets). Of this amount, \$35,257,418 (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 \$4,798,552. Positive operating results along with capital contributions from developers in the utility and solid waste systems resulted in an increase in net assets related to business-type activities of \$5,365,815. Net assets related to governmental activities decreased by \$567,263, as a result of a combination of multiple increases and decreases with the most significant decrease being the \$3,790,310 for contractual relinquishment of a single asset during the fiscal year to the State of Texas. This asset was a TxDOT road project for Highway 171/51 South of Interstate 20 which is part of the overall agreement with TxDOT that the City construct the assets, once completed the assets go to the possession of the State, and then the State pays the City back over time for a portion of the assets.
- As of the close of the current fiscal year, the City of Weatherford's governmental funds reported combined ending fund balances of \$36,553,831, an increase of \$3,102,449 in comparison with the prior year. One and one-half million dollars of this increase is directly attributable to one-time transfers from the solid waste business-type activity from landfill royalty revenues received through the last few years. This transfer to governmental funds was planned for the one-time use in First Monday Trade Day Grounds, road construction projects, and other one-time needs. Transfers were also increased, by \$409,112, from the utility system for both the electric usage and water consumption due to the extreme heat and drought condition that affected the City.
- At the end of the current fiscal year, fund balance for all governmental funds totaled \$36,553,831. Approximately 17.8% of that total, \$6,517,546, is unassigned, all of which is in the General Fund. This is about 30% of total General Fund expenditures.

Government Funds Fund Balance by Type



- The City of Weatherford's total debt increased by \$6,233,085 (5.6%) during the current fiscal year as a result of the issuance of \$25,130,000 2010 General Obligation Refunding Bonds to refund Series 2000 General Obligation Bonds, 2001 Surplus Revenue Certificates of Obligation and a portion of the 2007 Tax and Revenue Certificates of Obligation; \$8,345,000 2011 Certificates of Obligation for transportation improvements; and additional Capital Lease Obligations for the computer replacement program offset by normal principal retirement.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City of Weatherford'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 of Weatherford's finances, in a manner similar to 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 government'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 spendable resources, as well as on balances of spendable 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 22 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, Series 2007 C.O. Fund, and General Debt Service Fund which are considered to be major funds. Data from the other 19 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 City adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided in this report to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 20 – 22 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 government. Fiduciary funds are not reflected in the government-wide financial statement 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 concerning the City of Weatherford's General Fund Schedule of Revenues, Expenditures and Changes in Fund Balance with a comparative display of budget to actual. Required supplementary information 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 \$134,783,539 at the close of the most recent fiscal year.

CITY OF WEATHERFORD'S NET ASSETS

	Governmental Activities		Business-type Activities		Totals	
	2011	2010	2011	2010	2011	2010
Current and other assets	\$ 40,784,264	\$ 38,803,207	\$ 38,786,354	\$ 35,114,585	\$ 79,570,618	\$ 73,917,792
Capital assets	77,659,848	73,136,454	112,408,155	111,423,622	190,068,003	184,560,076
Total assets	<u>118,444,112</u>	<u>111,939,661</u>	<u>151,194,509</u>	<u>146,538,207</u>	<u>269,638,621</u>	<u>258,477,868</u>
Long-term liabilities						
outstanding	81,481,500	72,770,768	44,047,488	46,425,822	125,528,988	119,196,590
Other liabilities	2,851,109	4,490,127	6,475,336	4,806,515	9,326,445	9,296,642
Total liabilities	<u>84,332,609</u>	<u>77,260,895</u>	<u>50,522,824</u>	<u>51,232,337</u>	<u>134,855,433</u>	<u>128,493,232</u>
Net assets:						
Invested in capital assets, net of related debt	17,759,659	19,852,401	70,468,654	67,232,594	88,228,313	87,084,995
Restricted	2,933,914	6,101,207	8,363,543	13,003,448	11,297,457	19,104,655
Unrestricted	<u>13,417,930</u>	<u>8,725,158</u>	<u>21,839,488</u>	<u>15,069,828</u>	<u>35,257,418</u>	<u>23,794,986</u>
Total net assets	<u>\$ 34,111,503</u>	<u>\$ 34,678,766</u>	<u>\$ 100,671,685</u>	<u>\$ 95,305,870</u>	<u>\$ 134,783,188</u>	<u>\$ 129,984,636</u>

By far the largest portion of the City of Weatherford's net assets (65.5%) 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 of Weatherford's net assets (8.4%) 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 \$35,257,418 (26.2%) 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 \$4,798,552 during the current fiscal year. Net assets related to business-type activities increased by \$5,365,815. This increase is largely attributable to positive operating results as well as capital grants and contributions from developers. Net assets related to governmental activities decreased by \$567,263, as a result of a combination of multiple increases and decreases with the most significant decrease being the \$3,790,310 for the contractual relinquishment of a road asset during the fiscal year to the State of Texas.

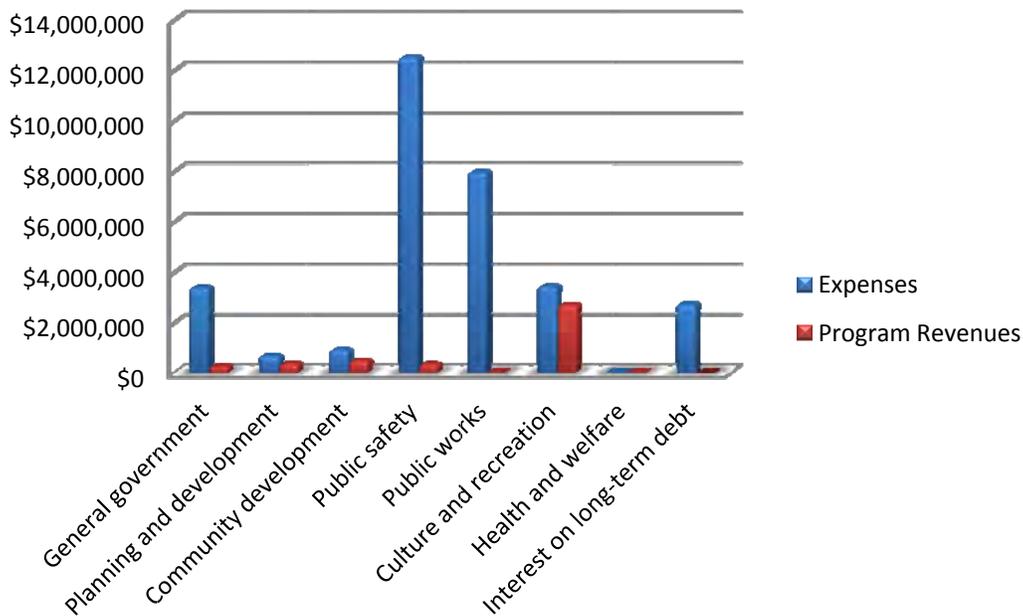
CITY OF WEATHERFORD'S CHANGES IN NET ASSETS

	Governmental Activities		Business-type Activities		Totals	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program revenues:						
Charges for services	\$ 2,912,010	\$ 2,750,248	\$ 52,120,233	\$ 48,229,196	\$ 55,032,243	\$ 50,979,444
Operating grants and contributions	218,060	234,710	-	-	218,060	234,710
Capital grants and contributions	2,244,834	1,191,580	485,997	1,068,437	2,730,831	2,260,017
General revenues:						
Sales taxes	8,832,088	8,236,286	-	-	8,832,088	8,236,286
Property taxes	8,095,074	8,108,727	-	-	8,095,074	8,108,727
Other taxes	1,265,870	1,113,995	-	-	1,265,870	1,113,995
Other	529,044	1,393,401	264,611	242,492	793,655	1,635,893
Total revenues	<u>24,096,980</u>	<u>23,028,947</u>	<u>52,870,841</u>	<u>49,540,125</u>	<u>76,967,821</u>	<u>72,569,072</u>
Expenses:						
General government	3,398,442	3,160,927	-	-	3,398,442	3,160,927
Planning and development	698,162	677,682	-	-	698,162	677,682
Community development	926,855	1,314,302	-	-	926,855	1,314,302
Public safety	12,532,399	11,877,757	-	-	12,532,399	11,877,757
Public works	7,985,977	2,997,970	-	-	7,985,977	2,997,970
Culture and recreational	3,442,335	4,088,694	-	-	3,442,335	4,088,694
Health and welfare	46,764	45,000	-	-	46,764	45,000
Interest on long-term debt	2,758,163	2,996,869	-	-	2,758,163	2,996,869
Electric	-	-	28,530,839	30,670,906	28,530,839	30,670,906
Water	-	-	7,404,975	6,433,439	7,404,975	6,433,439
Wastewater	-	-	2,994,124	3,281,199	2,994,124	3,281,199
Solid waste	-	-	1,450,234	1,434,931	1,450,234	1,434,931
Total expenses	<u>31,789,097</u>	<u>27,159,201</u>	<u>40,380,172</u>	<u>41,820,475</u>	<u>72,169,269</u>	<u>68,979,676</u>
Increase (decrease) in net assets before transfers	(7,692,117)	(4,130,254)	12,490,669	7,719,650	4,798,552	3,589,396
Transfers	<u>7,124,854</u>	<u>5,241,931</u>	(7,124,854)	(5,241,931)	-	-
Increase (decrease) in net assets	(567,263)	1,111,677	5,365,815	2,477,719	4,798,552	3,589,396
Net assets, beginning	<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>
Net assets, ending	<u>\$ 34,111,503</u>	<u>\$ 34,678,766</u>	<u>\$ 100,671,685</u>	<u>\$ 95,305,870</u>	<u>\$ 134,783,188</u>	<u>\$ 129,984,636</u>

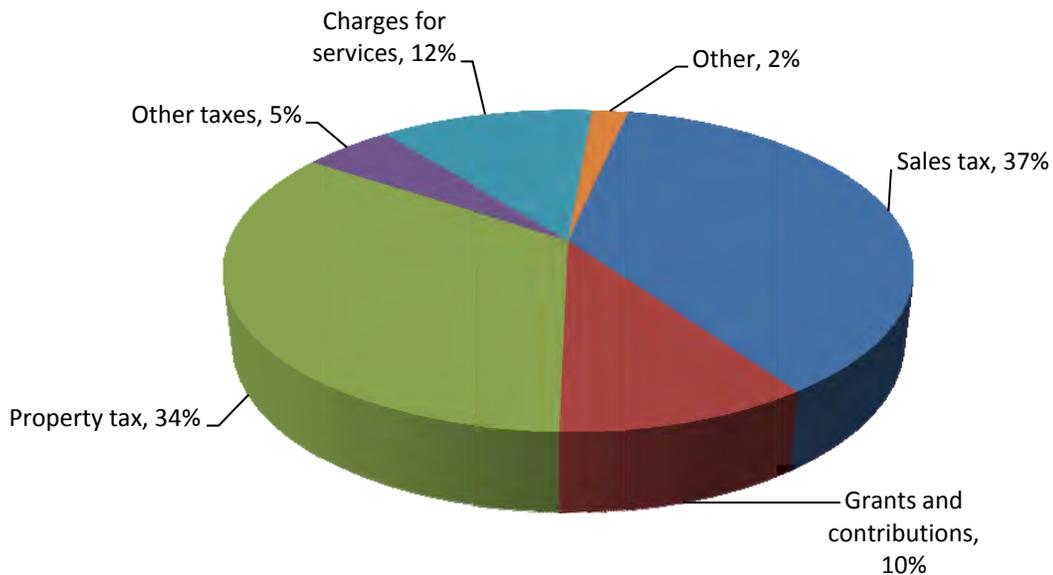
Governmental Activities. The City of Weatherford’s total net assets related to governmental activities decreased by \$567,263. Key elements of this decrease are as follows:

- Revenues increased primarily due to the slowly rebounding economy. An increase in sales tax revenues of \$595,802 (7.2%) as well as building permit revenue increases of \$139,388 (57.5%) offset reductions from various amount normally received by the school district for public safety services and grant funds for public safety. Other increases came from the City receiving grant proceeds from the State for Town Creek Trail construction in the amount of \$1,473,239, additional gas well royalties over the prior year of \$209,723 and \$1,500,000 in additional transfers from the solid waste fund from landfill royalty collections for use in road projects, First Monday Trade Day Grounds, and other one-time uses.
- Expenses were also increased by \$4,629,896. Again the most significant portion of this was the \$3,790,310 for the contractual relinquishment of a road asset during the fiscal year to the State of Texas. Some other increases were associated with slowly reestablishing normal service level to the community after the recession related reductions.

Expenses and Program Revenues – Governmental Activities



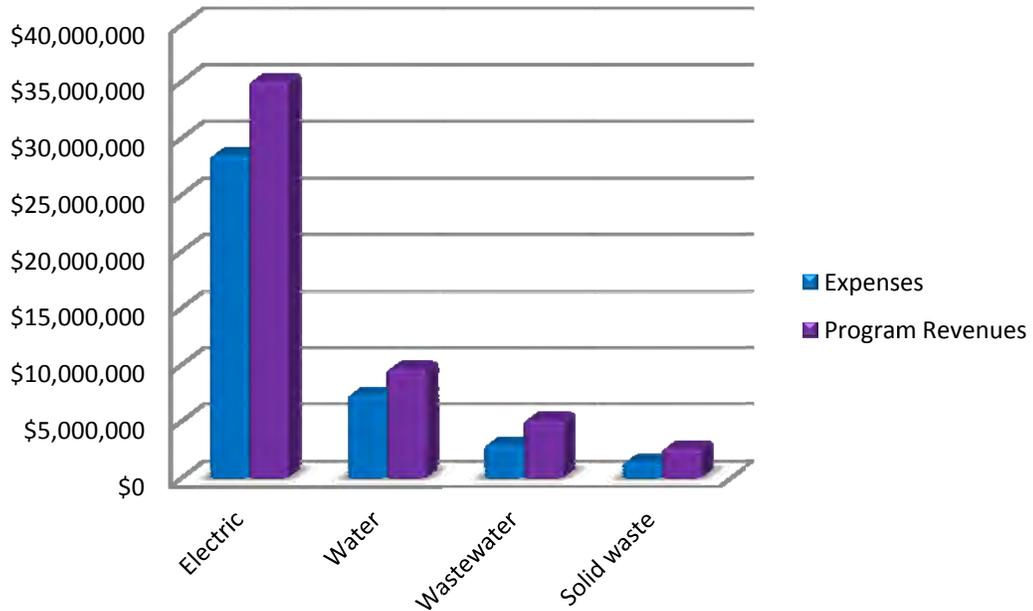
Revenues by Source – Governmental Activities



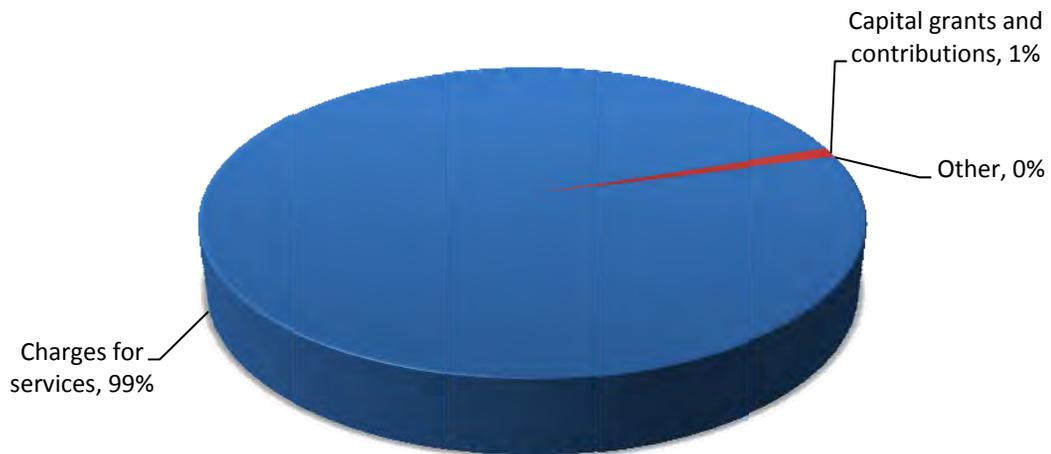
Business-Type Activities. Business-type activities increased the City of Weatherford's net assets by \$5,365,815. Key elements of this increase are as follows:

- Revenues increased \$3,891,037 or 8.1% over prior year revenues. This is primarily due to the implementation of a three year phase-in rate structure. The rate structure primarily increased water and wastewater rates over a three year period. No changes were made to solid waste rates and electric rates were only shifted to the appropriate class of rate payer and the change was not to effect bottom line revenues of the City. The City also faced a record setting hot summer and drought conditions therefore increasing the kWh sold by 4.4% and water consumption by 26.4% compared to prior year sales. Contributions of utility system assets decreased \$582,440 (-54.5%) from prior year. Contributions have decreased \$1,334,407 or 73.3% in the past two fiscal years.
- Overall expenses decreased \$1,440,303 (-3.4%) compared to prior year for the business-type activities. The cost of power was reduced by \$2,260,253 (-9.7%) from the prior year due to continued reduced rates and the risk management plan of the City.

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 \$36,553,831, an increase of \$3,102,449 in comparison with the prior year. This increase is primarily attributable to the issuance of \$8,345,000 worth of certificates of obligation, the transfer in of \$1,500,000 from the transfer of funds from landfill royalties, and additional gas royalties and transfers from utilities offset by \$6,838,426 of previously issued c.o.'s for developing capital assets for the TxDOT project. Approximately 47.4% (\$17,314,458) constitutes either committed or unassigned fund balance, of which is available for spending at the government's discretion. Of that amount \$6,517,546 (17.8%) of the total is unassigned. Of the committed funds \$1,250,884 is designated for net OPEB obligation costs to date as detailed in Note IV, \$3,385,727 is committed to capital projects, \$192,486 is for Parks development, \$98,418 is for culture and recreation, \$131,008 is for community development and \$5,738,389 is the desired stabilization fund of 90 days' worth of General Fund operation the Council retains for emergencies or unforeseen situations. The other \$19,239,373 (52.6%) of the fund balances are either nonspendable or restricted in use by an outside authority or covenant.

The General Fund is the chief operating fund of the City of Weatherford. At the end of the current fiscal year, spendable and unrestricted fund balance of the General Fund was \$13,506,819, while total fund balance was \$13,638,931. As a measure of the General Fund's liquidity, it is useful to compare spendable, unrestricted fund balance to total fund expenditures. Spendable, unrestricted fund balance represents 62.5%, or approximately 228 days of total General Fund expenditures.

The fund balance of the City's General Fund increased overall by \$2,436,601 during the current fiscal year. 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 increased values of taxable property, the maintenance and operation portion of property tax collections was reduced \$7,389 for this fiscal year. This was primarily due to the proper allocation of collection variation between the General Fund and the Debt Service Fund.
- The slowly rebounding economy is believed to be the main reason for the increase of \$595,802 in retail sales tax collections.
- The slowly rebounding economy is also believed to be a significant cause in planning and development increased revenues of \$139,388. This is the first year of increase after two years of declining planning and development revenues.
- Other financing sources did increase this year by \$1,441,621. The most significant reasons was the one time transfer from the Solid Waste Fund of \$1,000,000 of landfill royalty funds for First Monday Trade Days and one-time expenses as well as an additional \$409,112 from utility transfers based on electricity and water sales due to the very hot and dry year. Transfer out to the Debt Service Fund was not made due to proper collection allocations as mentioned above.

- While the economy is rebounding very slowly, staff and City Council continued to be conservative this year in holding budget appropriations to operate within resources. Actual expenses at year-end were \$1,755,343 or 8.8% higher than the previous year but still lower than two fiscal years ago. The biggest increased expenses were to First Monday Trade Day Grounds for the one-time improvements as well as a one-time salary supplemental package to employees.
- No sweeping changes this year were made to ongoing personnel services. This included no raise packages and no increases in employee health care expenses.
- The City started the fiscal year with twenty and-a-half positions on hold.

The Debt Service Fund has a total fund balance of \$2,032,597, 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 \$635,033. This increase was mainly due to the increases from the refunding in 2010 and the associated other financing sources. This refunding was both for a restructuring purpose of some bonds as well as a better rate refunding of other bonds. Funds also continued to be transferred from capital interest income to cover for the delay in increasing taxes from previous years. The interest and sinking portion of the tax rate remained at \$0.1716 per \$100 valuation.

At the end of the fiscal year, the City's 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 \$1,255,772, compared to prior year balances of \$1,187,400.

The seven active Capital Projects Funds (General Capital, Park Development, Series 2006 C.O., Series 2007 G.O. Bond, Series 2007 C.O., Series 2008 C.O., and Series 2011 C.O.) had combined ending fund balances of \$19,576,366 compared to prior year balances of \$18,796,150, all of which is restricted for transportation, building, and park improvement projects. While there was a significant reduction in fund balance due to the continued construction, the City also issued \$8,345,000 in certificates of obligation to keep the development going.

The Doss Permanent Library Fund had an ending fund balance of \$50,165, compared to the prior year balance of \$50,557.

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 \$20,405,148, compared to the prior year balance of \$12,751,275. The total growth in net assets for the Municipal Utility Fund was \$6,170,808. Unrestricted net assets of the Solid Waste Fund amounted to \$1,434,340 compared to \$2,318,553 in the prior year.

General Fund Budgetary Highlights.

Increasing amendments to the original 2010-11 General Fund annual expenditure appropriations netted to \$50,614, or less than one quarter of a percent of the original budget. The majority of the budget amendments were to shift funds to the appropriate area. For example, the largest shift was from non-departmental where the original lump sum budget allocation was for the one-time employee supplemental and First Monday Trade Day Grounds improvements and that, once approved, funds were shifted to the appropriate functional areas.

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, 2011 amounts to \$190,068,003 (net of accumulated depreciation) compared to \$184,560,076 in the prior year. Investment in capital assets related to governmental activities (\$77,659,848) 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 (\$112,408,155) 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 \$2,547,310 from the general Capital Projects Fund was for street construction improvements that completed Washington Drive from Texas to Holland Lake Road and various other street repairs and purchases for Town Creek Trail and the public works facility.
- \$6,683,977 was expended from the Series 2007 C.O. Fund for continued design, easement acquisition, and construction of the TxDOT transportation projects.
- The expenditure of \$908,114 from the series 2007 general obligation bonds was for finishing construction of BB Fielder Road West improvement projects.
- The expenditure of \$16,804 from park development fee revenue was for Holland Lake sprinkler aeration system and dock improvements at Love Street Park.
- Various system extensions and improvements to the City's water, wastewater, and electric distribution system totaled \$3,740,489, of which \$485,997 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	
	2011	2010	2011	2010	2011	2010
Land	\$ 4,365,536	\$ 4,047,947	\$ 2,224,486	\$ 2,223,092	\$ 6,590,022	\$ 6,271,039
Buildings and systems	8,551,243	8,510,059	10,847,300	11,081,840	19,398,543	19,591,899
Improvements other than buildings	24,462,370	23,914,879	95,872,309	95,212,203	120,334,679	119,127,082
Machinery and equipment	2,085,774	2,287,856	2,064,046	1,947,251	4,149,820	4,235,107
Infrastructure	551,796	5,923,927	-	-	-	5,923,927
Construction in progress	<u>32,676,956</u>	<u>28,451,786</u>	<u>1,400,014</u>	<u>959,236</u>	<u>34,076,970</u>	<u>29,411,022</u>
Total capital assets	<u>\$ 77,659,848</u>	<u>\$ 73,136,454</u>	<u>\$ 112,408,155</u>	<u>\$ 111,423,622</u>	<u>\$ 190,068,003</u>	<u>\$ 184,560,076</u>

Additional information on the City of Weatherford's capital assets can be found in Note III of this report.

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 \$117,670,846. Of this amount, \$34,465,000 comprises general obligation debt secured by property tax collections and backed by the full faith and credit of the City, \$42,225,000 represents combination tax and revenue certificates of obligation debt, \$40,140,000 represents bonds secured solely by revenue from the City’s combined electric, water and wastewater utility system, \$768,931 in notes payable to be paid from utility revenues, and a new \$71,915 lease payable for computers over the next three years.

CITY OF WEATHERFORD’S OUTSTANDING DEBT AT YEAR-END
 General Obligation Bonds, Certificates of Obligation, Revenue Bonds, and Other Long-term Payables

	Governmental Activities		Business-type Activities		Totals	
	2011	2010	2011	2010	2011	2010
General obligation bonds	\$ 34,465,000	\$ 10,215,000	\$ -	\$ -	\$ 34,465,000	\$ 10,215,000
Certificates of obligation	42,225,000	57,500,000	-	-	42,225,000	57,500,000
Revenue bonds	-	-	40,140,000	42,755,000	40,140,000	42,755,000
Notes payable	-	-	768,931	926,667	768,931	926,667
Lease obligations	-	-	71,915	41,094	71,915	41,094
	<u>\$ 76,690,000</u>	<u>\$ 67,715,000</u>	<u>\$ 40,980,846</u>	<u>\$ 43,722,761</u>	<u>\$ 117,670,846</u>	<u>\$ 111,437,761</u>

The City of Weatherford’s total debt increased by \$6,233,085 (5.6%) during the current fiscal year as a result of the issuance of \$25,130,000 2010 General Obligation Refunding Bonds to refund Series 2000 General Obligation Bonds, 2001 Surplus Revenue Certificates of Obligation and a portion of the 2007 Tax and Revenue Certificates of Obligation; \$8,345,000 2011 Certificates of Obligation for transportation improvements; and additional Capital Lease Obligations for the computer replacement program offset by normal principal retirement.

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, 2011. 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, 2011.

State statutes limit the total property tax rate to \$2.50 per \$100 assessed valuation. The City’s total property tax rate for 2010-11 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, 2011 were 3.34 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 Note III of this report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the City of Weatherford as of the fiscal year-end was 7.1%, up slightly from 7.0% in the prior year. As of the printing of this document rates were down to 6.8% for Weatherford. This continues to compare favorably to national average unemployment rates.
- Sales tax collections for 2010-11 were up 7.2% from the prior year. Every month during the fiscal year had increased retail sales receipt compared to the prior year. No rebates for economic development were eligible, therefore allowing the City to retain all revenues. The better rates have been holding steady and/or improving into fiscal year 2011-12 where the City has only seen double digit percentage increases from fiscal year 2010-2011.
- New construction building permits issued increased to 186 permits for 2010-11, after two years of decline.
- The final total taxable assessed value of property within the City for the 2011 tax year increased by 0.3% from the 2010 assessed values, from \$1.8 billion to almost \$1.805 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 2011-12 fiscal year. The property tax rate remained the same at \$0.4636 per \$100 of assessed value. Sales tax collections, accounting for approximately 35.4% of General Fund revenues and other financing sources, were preliminary projected to be slightly higher than fiscal year 2010-11 as economic development incentive agreements are expected to be funded therefore reducing some of the expected increases. One-time approved expenditures in the General Fund total \$3,941,811. Seven positions have been taken off hold from the previous year's original budget from the governmental funds. There is a planned draw down of fund balance of \$2,606,076, which in part covers these mentioned one-time expenses. This still leaves the City with over 130 days of new-year operations which well exceeds our target of 90 days of General Fund expenditures.

This will be the second year of the three-year phased in increased water and wastewater rates.

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 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, 2011

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investment:	\$ 36,862,821	\$ 24,222,321	\$ 61,085,142
Receivables (net of allowance for uncollectibles)			
Taxes	406,280	-	406,280
Accounts	574,378	5,967,853	6,542,231
Other	-	72,557	72,557
Due from other government:	1,705,590	-	1,705,590
Prepays	62,422	35,182	97,604
Inventories	69,690	3,189,217	3,258,907
Restricted assets			
Cash and investment:	-	4,881,514	4,881,514
Accrued interest	-	3,168	3,168
Deferred debt issuance cos	1,103,083	414,542	1,517,625
Capital assets:			
Land	4,365,536	2,224,486	6,590,022
Buildings	13,083,891	19,128,588	32,212,479
Improvements other than building	27,420,489	140,236,881	167,657,370
Infrastructure	13,115,520	-	13,115,520
Machinery and equipmen	7,659,405	7,156,658	14,816,063
Construction in progres:	32,676,956	1,400,014	34,076,970
Less: accumulated depreciation	<u>(20,661,949)</u>	<u>(57,738,472)</u>	<u>(78,400,421)</u>
Total capital assets	<u>77,659,848</u>	<u>112,408,155</u>	<u>190,068,003</u>
Total assets	<u>118,444,112</u>	<u>151,194,509</u>	<u>269,638,621</u>
LIABILITIES			
Accounts payable	742,850	2,498,136	3,240,986
Accrued liabilities:	399,067	150,810	549,877
Retainage payable	1,293,687	10,985	1,304,672
Accrued interest:	275,961	11,688	287,649
Due to other government:	84,772	-	84,772
Customer deposits and escrow	50,397	1,102,368	1,152,765
Unearned revenue	4,375	2,313,595	2,317,970
Payable from restricted assets			
Accrued interes:	-	160,671	160,671
Revenue bonds payable	-	227,083	227,083
Noncurrent liabilities:			
Due within one year	1,554,501	2,898,357	4,452,858
Due in more than one year	<u>79,926,999</u>	<u>41,149,131</u>	<u>121,076,130</u>
Total liabilities	<u>84,332,609</u>	<u>50,522,824</u>	<u>134,855,433</u>
NET ASSETS			
Invested in capital assets, net of related det	17,759,659	70,468,654	88,228,313
Restricted for			
Construction	-	3,866,615	3,866,615
Debt service	1,857,403	4,496,928	6,354,331
Culture and recreation	50,165	-	50,165
Public safety	503,182	-	503,182
Community development	523,164	-	523,164
Unrestricted	<u>13,417,930</u>	<u>21,839,488</u>	<u>35,257,418</u>
Total net assets	<u>\$ 34,111,503</u>	<u>\$ 100,671,685</u>	<u>\$ 134,783,188</u>

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

CITY OF WEATHERFORD, TEXAS

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2011

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 3,398,442	\$ 275,022	\$ -	\$ -
Public safety	12,532,399	1,008,551	156,059	100,000
Public works	7,985,977	21,278	-	164,889
Planning and development	698,162	385,256	-	-
Community development	926,855	496,987	-	-
Health and welfare	46,764	49,660	-	-
Cultural and recreation	3,442,335	675,256	62,001	1,979,945
Interest on long-term debt	2,758,163	-	-	-
Total governmental activities	<u>31,789,097</u>	<u>2,912,010</u>	<u>218,060</u>	<u>2,244,834</u>
Business-type activities:				
Electric	28,530,839	35,024,442	-	72,718
Water	7,404,975	9,427,936	-	255,022
Wastewater	2,994,124	5,031,535	-	158,257
Sanitation	1,450,234	2,636,320	-	-
Total business-type activities	<u>40,380,172</u>	<u>52,120,233</u>	<u>-</u>	<u>485,997</u>
Total primary government	<u>\$ 72,169,269</u>	<u>\$ 55,032,243</u>	<u>\$ 218,060</u>	<u>\$ 2,730,831</u>
General revenues:				
Taxes:				
Property				
Sales				
Other				
Grants and contributions not restricted to specific programs				
Investment earnings				
Royalties				
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

<u>Primary Government</u>		
<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$(3,123,420)	\$ -	\$(3,123,420)
(11,267,789)	-	(11,267,789)
(7,799,810)	-	(7,799,810)
(312,906)	-	(312,906)
(429,868)	-	(429,868)
2,896	-	2,896
(725,133)	-	(725,133)
(2,758,163)	-	(2,758,163)
<u>(26,414,193)</u>	<u>-</u>	<u>(26,414,193)</u>
-	6,566,321	6,566,321
-	2,277,983	2,277,983
-	2,195,668	2,195,668
-	1,186,086	1,186,086
<u>-</u>	<u>12,226,058</u>	<u>12,226,058</u>
<u>(26,414,193)</u>	<u>12,226,058</u>	<u>(14,188,135)</u>
8,095,074	-	8,095,074
8,832,088	-	8,832,088
1,265,870	-	1,265,870
1,944	-	1,944
72,783	43,834	116,617
364,489	-	364,489
89,828	220,777	310,605
<u>7,124,854</u>	<u>(7,124,854)</u>	<u>-</u>
<u>25,846,930</u>	<u>(6,860,243)</u>	<u>18,986,687</u>
(567,263)	5,365,815	4,798,552
<u>34,678,766</u>	<u>95,305,870</u>	<u>129,984,636</u>
<u>\$ 34,111,503</u>	<u>\$ 100,671,685</u>	<u>\$ 134,783,188</u>

CITY OF WEATHERFORD, TEXAS

BALANCE SHEET

GOVERNMENTAL FUNDS

SEPTEMBER 30, 2011

	<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	\$ 12,795,753	\$ 6,373,801	\$ 1,818,733	\$ 15,874,534	\$ 36,862,821
Receivables (net of allowance for uncollectibles of \$630,283):					
Taxes	305,513	-	100,767	-	406,280
Accounts	380,240	-	-	194,138	574,378
Due from other governments	1,617,712	-	-	87,878	1,705,590
Prepays	62,422	-	-	-	62,422
Due from other funds	-	-	214,164	-	214,164
Inventories	69,690	-	-	-	69,690
	<u>15,231,330</u>	<u>6,373,801</u>	<u>2,133,664</u>	<u>16,156,550</u>	<u>39,895,345</u>
Total assets	\$ <u>15,231,330</u>	\$ <u>6,373,801</u>	\$ <u>2,133,664</u>	\$ <u>16,156,550</u>	\$ <u>39,895,345</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	429,518	301,299	300	11,733	742,850
Retainage payable	-	1,171,147	-	122,540	1,293,687
Accrued liabilities	377,113	2,775	-	19,179	399,067
Deposits and escrows	33,897	-	-	16,500	50,397
Due to other governments	84,772	-	-	-	84,772
Due to other funds	214,164	-	-	-	214,164
Deferred revenue	452,935	-	100,767	2,875	556,577
Total liabilities	<u>1,592,399</u>	<u>1,475,221</u>	<u>101,067</u>	<u>172,827</u>	<u>3,341,514</u>
Fund balances:					
Nonspendable					
Doss library	-	-	-	50,000	50,000
Prepays	62,422	-	-	-	62,422
Inventory	69,690	-	-	-	69,690
Restricted for:					
Capital projects	-	4,898,580	-	11,099,573	15,998,153
Debt service	-	-	2,032,597	-	2,032,597
Culture and recreation	-	-	-	165	165
Public safety	-	-	-	503,182	503,182
Community development	-	-	-	523,164	523,164
Committed:					
Other post employee benefits	1,250,884	-	-	-	1,250,884
Stabilization arrangement	5,738,389	-	-	-	5,738,389
Capital projects	-	-	-	3,385,727	3,385,727
Park development	-	-	-	192,486	192,486
Culture and recreation	-	-	-	98,418	98,418
Community development	-	-	-	131,008	131,008
Unassigned	6,517,546	-	-	-	6,517,546
Total fund balances	<u>13,638,931</u>	<u>4,898,580</u>	<u>2,032,597</u>	<u>15,983,723</u>	<u>36,553,831</u>
Total liabilities and fund balances	\$ <u>15,231,330</u>	\$ <u>6,373,801</u>	\$ <u>2,133,664</u>	\$ <u>16,156,550</u>	\$ <u>39,895,345</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, 2011

Total fund balances - governmental funds balance sheet	\$ 36,553,831
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.	77,659,848
Other long-term assets are not available to pay for current period expenditures, and, therefore are deferred in the funds.	552,202
Some liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(80,654,378)</u>
Net assets of governmental activities - statement of net assets	\$ <u>34,111,503</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, 2011

	General	Series 2007 C. O. Fund	Debt Service	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 14,626,070	\$ -	\$ 3,008,682	\$ 588,225	\$ 18,222,977
Licenses and permits	560,150	-	-	-	560,150
Intergovernmental	431,444	-	745,514	1,473,238	2,650,196
Charges for services	996,199	-	-	118,557	1,114,756
Fines and forfeitures	715,401	-	-	202,146	917,547
Contributions	-	-	-	22,344	22,344
Royalties and rental	1,750	-	-	400,732	402,482
Investment earnings	13,275	13,275	30,482	15,751	72,783
Miscellaneous	75,943	12,276	2,054	122,403	212,676
Total revenues	<u>17,420,232</u>	<u>25,551</u>	<u>3,786,732</u>	<u>2,943,396</u>	<u>24,175,911</u>
EXPENDITURES					
Current:					
General government	3,024,073	-	-	150,799	3,174,872
Public safety	11,373,608	-	-	57,815	11,431,423
Public works	2,307,763	261,752	-	-	2,569,515
Planning and development	660,440	-	-	-	660,440
Community development	840,286	-	-	8,964	849,250
Health and welfare	45,000	-	-	-	45,000
Cultural and recreation	2,395,602	-	-	447,354	2,842,956
Capital outlay	963,501	6,602,225	-	3,564,478	11,130,204
Debt service:					
Principal retirement	-	-	1,175,000	-	1,175,000
Interest and fiscal charges	-	-	3,076,292	185,524	3,261,816
Total expenditures	<u>21,610,273</u>	<u>6,863,977</u>	<u>4,251,292</u>	<u>4,414,934</u>	<u>37,140,476</u>
EXCESS (DEFICIENCY) OF REVENUES					
OVER (UNDER) EXPENDITURES	<u>(4,190,041)</u>	<u>(6,838,426)</u>	<u>(464,560)</u>	<u>(1,471,538)</u>	<u>(12,964,565)</u>
OTHER FINANCING SOURCES (USES)					
Issuance of long term debt	-	-	25,130,000	8,345,000	33,475,000
Premium from issuance of debt	-	-	109,852	145,842	255,694
Sale of capital assets	1,788	-	-	3,609	5,397
Transfers in	6,624,854	-	653,672	604,362	7,882,888
Transfers out	-	(505,442)	-	(252,592)	(758,034)
Payment to escrow agent	-	-	(24,793,931)	-	(24,793,931)
Total other financing sources and uses	<u>6,626,642</u>	<u>(505,442)</u>	<u>1,099,593</u>	<u>8,846,221</u>	<u>16,067,014</u>
NET CHANGE IN FUND BALANCES	2,436,601	(7,343,868)	635,033	7,374,683	3,102,449
FUND BALANCES, BEGINNING	<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>
FUND BALANCES, ENDING	<u>\$ 13,638,931</u>	<u>\$ 4,898,580</u>	<u>\$ 2,032,597</u>	<u>\$ 15,983,723</u>	<u>\$ 36,553,831</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, 2011

Net change in fund balances - total governmental funds:	\$	3,102,449
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 and accumulated depreciation 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.		8,591,449
Governmental funds report expenditures for costs of assets under construction that will be contributed on completion to another entity. However, in the statement of activities, the cost and accumulated depreciation of those assets will be expensed when the completed asset is transferred.	(3,784,912)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net assets.		634,281
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	(29,945)
Court fines	(23,361)
Grant - TX Dot	(<u>665,303</u>)
	(718,609)
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 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. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(7,258,110)
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.	(<u>1,133,811</u>)
Change in net assets of governmental activities	\$	<u><u>(567,263)</u></u>

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

CITY OF WEATHERFORD, TEXAS

STATEMENT OF NET ASSETS

ENTERPRISE FUNDS

SEPTEMBER 30, 2011

	Business-type Activities - Enterprise Funds		
	Municipal Utility System	Solid Waste Fund	Total
ASSETS			
Current assets			
Unrestricted assets			
Cash and cash equivalents	\$ 22,049,959	\$ 1,636,677	\$ 23,686,636
Investments	535,685	-	535,685
Receivables:			
Accounts, net of allowances for uncollectible accounts of \$2,441,297	3,512,112	1,235	3,513,347
Earned but unbilled customer accounts	2,360,338	94,168	2,454,506
Other	72,557	-	72,557
Prepays	35,182	-	35,182
Inventory	3,178,485	10,732	3,189,217
Restricted assets			
Cash and cash equivalents	1,368,599	-	1,368,599
Investments	3,512,915	-	3,512,915
Accrued interest	3,168	-	3,168
Total current assets	36,629,000	1,742,812	38,371,812
Noncurrent assets			
Deferred charges	414,542	-	414,542
Capital assets			
Land	2,224,486	-	2,224,486
Construction in progress	1,394,837	5,177	1,400,014
Buildings and improvements	18,936,156	192,432	19,128,588
Other improvements	140,226,304	10,577	140,236,881
Machinery and equipment	6,305,294	851,364	7,156,658
Less: accumulated depreciation	(57,077,574)	(660,898)	(57,738,472)
Total noncurrent assets	112,424,045	398,652	112,822,697
Total assets	149,053,045	2,141,464	151,194,509

(continued)

CITY OF WEATHERFORD, TEXAS

STATEMENT OF NET ASSETS

ENTERPRISE FUNDS

(Continued)

SEPTEMBER 30, 2011

	Business-type Activities - Enterprise Funds		
	Municipal Utility System	Solid Waste Fund	Total
LIABILITIES			
Current liabilities (payable from current assets):			
Accounts payable	\$ 2,457,787	\$ 40,349	\$ 2,498,136
Accrued wages	130,422	20,388	150,810
Retainage payable	10,985	-	10,985
Accrued interest	11,688	-	11,688
Unearned revenue	2,313,595	-	2,313,595
Customer deposits	1,102,368	-	1,102,368
Notes payable	165,163	-	165,163
Capital lease payable	45,790	-	45,790
Revenue bonds payable	2,514,138	-	2,514,138
Compensated absences	155,745	17,521	173,266
Current liabilities (payable from restricted assets):			
Accrued interest	160,671	-	160,671
Revenue bonds payable	227,083	-	227,083
Total current liabilities	9,295,435	78,258	9,373,693
Noncurrent liabilities			
Notes payable	603,768	-	603,768
Capital lease payable	26,125	-	26,125
Revenue bonds payable	38,357,434	-	38,357,434
Compensated absences	973,821	91,347	1,065,168
Net pension obligation	462,322	50,543	512,865
Net OPEB obligation	495,447	88,324	583,771
Total noncurrent liabilities	40,918,917	230,214	41,149,131
Total liabilities	50,214,352	308,472	50,522,824
NET ASSETS			
Invested in capital assets, net of related debt	70,070,002	398,652	70,468,654
Restricted for:			
Construction	3,866,615	-	3,866,615
Debt service	4,496,928	-	4,496,928
Unrestricted	20,405,148	1,434,340	21,839,488
Total net assets	\$ 98,838,693	\$ 1,832,992	\$ 100,671,685

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, 2011

	Business-type Activities - Enterprise Funds		
	Municipal Utility System	Solid Waste Fund	Total
OPERATING REVENUES			
Electric sales	\$ 34,541,361	\$ -	\$ 34,541,361
Electric services	576,896	-	576,896
Water sales	8,209,795	-	8,209,795
Water services	33,795	-	33,795
Wastewater services	4,740,718	-	4,740,718
Sanitation services	-	2,124,542	2,124,542
Total operating revenues	48,102,565	2,124,542	50,227,107
OPERATING EXPENSES			
Personal services	6,130,780	896,601	7,027,381
Contractual services	3,527,526	189,089	3,716,615
Purchased power	20,985,190	-	20,985,190
Materials and supplies	2,012,500	243,800	2,256,300
Depreciation	4,225,227	120,744	4,345,971
Total operating expenses	36,881,223	1,450,234	38,331,457
OPERATING INCOME	11,221,342	674,308	11,895,650
NONOPERATING REVENUES (EXPENSES)			
Investment earnings	40,698	3,136	43,834
Miscellaneous	46,572	-	46,572
Rentals	919,027	-	919,027
Royalties	-	511,778	511,778
Interest and fiscal charges	(2,048,715)	-	(2,048,715)
Total nonoperating revenues (expenses)	(1,042,418)	514,914	(527,504)
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	10,178,924	1,189,222	11,368,146
Capital contributions	1,122,523	-	1,122,523
Transfers in	37,832	-	37,832
Transfers out	(5,168,471)	(1,994,215)	(7,162,686)
CHANGE IN NET ASSETS	6,170,808	(804,993)	5,365,815
NET ASSETS, BEGINNING	92,667,885	2,637,985	95,305,870
NET ASSETS, ENDING	\$ 98,838,693	\$ 1,832,992	\$ 100,671,685

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, 2011

	Business-type Activities - Enterprise Funds		
	Municipal Utility System	Solid Waste Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 46,610,577	\$ 2,126,292	\$ 48,736,869
Cash paid to suppliers	(5,778,204)	(523,441)	(6,301,645)
Cash paid to employees	(26,019,131)	(830,541)	(26,849,672)
Net cash provided by operating activities	<u>14,813,242</u>	<u>772,310</u>	<u>15,585,552</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Cash received from rentals	919,027	-	919,027
Cash received from royalties	-	511,778	511,778
Cash received for miscellaneous items	46,572	-	46,572
Transfers from other funds	37,832	-	37,832
Transfers to other funds	(5,168,471)	(1,994,215)	(7,162,686)
Net cash used by noncapital financing activities	<u>(4,165,040)</u>	<u>(1,482,437)</u>	<u>(5,647,477)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from developers for contributions in aid of construction	636,526	-	636,526
Principal payments on long-term debt	(2,820,398)	-	(2,820,398)
Acquisition and construction of capital assets	(4,675,205)	(199,964)	(4,875,169)
Interest and fiscal charges on debt	(2,022,336)	-	(2,022,336)
Net cash used by capital and related financing activities	<u>(8,881,413)</u>	<u>(199,964)</u>	<u>(9,081,377)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	49,479	3,136	52,615
Purchase of investments	(4,060,549)	-	(4,060,549)
Net cash provided (used) by investing activities	<u>(4,011,070)</u>	<u>3,136</u>	<u>(4,007,934)</u>
NET DECREASE IN CASH	(2,244,281)	(906,955)	(3,151,236)
CASH AND CASH EQUIVALENTS, BEGINNING	<u>25,662,839</u>	<u>2,543,632</u>	<u>28,206,471</u>
CASH AND CASH EQUIVALENTS, ENDING	<u>\$ 23,418,558</u>	<u>\$ 1,636,677</u>	<u>\$ 25,055,235</u>
RECONCILIATION OF TOTAL CASH AND CASH EQUIVALENTS			
Current assets - cash and cash equivalents	\$ 22,049,959	\$ 1,636,677	\$ 23,686,636
Restricted assets - cash and cash equivalents	<u>1,368,599</u>	<u>-</u>	<u>1,368,599</u>
Total cash and cash equivalents	<u>\$ 23,418,558</u>	<u>\$ 1,636,677</u>	<u>\$ 25,055,235</u>

(continued)

CITY OF WEATHERFORD, TEXAS
STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
(Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	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	\$ 11,221,342	\$ 674,308	\$ 11,895,650
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	4,225,227	120,744	4,345,971
(Increase) decrease in accounts receivable	(1,019,520)	1,750	(1,017,770)
(Increase) decrease in unbilled accounts	(455,346)	(94,168)	(549,514)
(Increase) decrease in due from other governments	65,837	-	65,837
(Increase) decrease in inventory	421,160	6,836	427,996
(Increase) decrease in prepaids	14,813	-	14,813
Increase (decrease) in accounts payable	4,275	(3,220)	1,055
Increase (decrease) in accrued wages payable	15,229	4,855	20,084
Increase (decrease) in unearned revenue	(98,056)	-	(98,056)
Increase (decrease) in customer deposits	80,934	-	80,934
Increase (decrease) in compensated absences	13,750	11,968	25,718
Increase (decrease) in net pension obligation	162,197	19,251	181,448
Increase (decrease) in net OPEB obligation	<u>161,400</u>	<u>29,986</u>	<u>191,386</u>
Net cash provided by operating activities	<u>\$ 14,813,242</u>	<u>\$ 772,310</u>	<u>\$ 15,585,552</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES			
Capital lease	\$ 78,485	\$ -	\$ 78,485
Capital contributions from developers	485,997	-	485,997
Change in fair value of investments	11,949	-	11,949

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

CITY OF WEATHERFORD, TEXAS

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2011

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 private sector standards of accounting and financial reporting 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, 2011, was \$.4636 per \$100 of assessed valuation. The assessed value upon which the completed fiscal 2010 levy was based was approximately \$1,805,661,548.

(continued)

I. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

3. Restricted assets

Certain resources set aside for repayment of bonds 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.

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 Balance

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- **Nonspendable:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. Nonspendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- **Restricted:** This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
 - City Special Revenue Funds that fall in this category shall maintain a positive restricted fund balance and those same funds that pay any personnel services shall maintain a 20% of operating budget in restricted fund balance. This 20% fund balance should only be used in emergency situations where mid-year unanticipated budgetary shortfalls in excess of 10% of fund revenues arise. Should the use reduce the balance below the appropriate level, recommendations will be made to restore the fund balance to its appropriate level within one fiscal year.

(continued)

I. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

10. Fund Balance (Continued)

- **Committed:** This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by board resolution of the City Council, the City's highest level of decision making authority. These amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.
 - **Other Post Employee Benefit – Committed Fund Balance:** This amount is annually and formally set aside by the amount appropriated through the budget ordinance for each fund applicable for use to pay current and/or future other post employment benefits.
 - **Stabilization Arrangement for General Fund:** It is the goal of the City to achieve and maintain a minimum of committed fund balance for that fiscal year. This amount is annually and formally set aside for use in emergency situations where mid-year unanticipated budgetary shortfalls in excess of 10% of fund revenues arise or an unforeseen event occurs that costs the City more than 5% of budget appropriations. Should the use reduce the balance below the appropriate level of committed funds the balance must be restored within one fiscal year.
- **Assigned:** This classification includes amounts that are constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. This classification includes amounts that are constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the City Council or City Manager.
- **Unassigned:** This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

(continued)

I. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 \$80,654,378 difference are as follows:

(continued)

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

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

Bonds payable	\$(76,690,000)
Deferred charge for issuance costs (to be amortized over life of debt)	1,103,083
Deferred loss on refunding	1,327,348
Issuance premium (to be amortized as interest expense)	(603,068)
Accrued interest payable	(275,961)
Compensated absences	(3,004,896)
Net pension obligation	(1,243,971)
Net OPEB obligation	<u>(1,266,913)</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	\$(<u>80,654,378</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 \$8,591,449 difference are as follows:

Capital outlay	\$ 11,237,424
Depreciation expense	<u>(2,645,975)</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>8,591,449</u>

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 \$634,281 difference are as follows:

(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)

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	\$ 639,678
Sale of capital assets	<u>(5,397)</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>\$ 634,281</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 \$7,258,110 difference are as follows:

Principal repayments	\$ 1,175,000
Issuance of bonds	(33,475,000)
Payment to escrow agent for refunding	24,793,931
Bond issuance costs	631,044
Premium on bond issuance	(255,694)
Accrued interest	(34,417)
Amortization of issuance costs	(67,581)
Amortization of deferred loss on refunding	(67,378)
Amortization of bond premium	<u>41,985</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>\$(7,258,110)</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 \$1,133,811 difference are as follows:

Compensated absences	\$(282,899)
Pension cost	(437,269)
OPEB cost	<u>(413,643)</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>\$(1,133,811)</u>

III. 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 09/30/11	% of Total	Weighted Average Maturity (Days)
Local Government Investment				
Pools (2a-7 like pools):				
TexPool	10/01/11	\$ 28,649,985	46.41%	44
TexStar	10/01/11	27,988,275	45.35%	40
U. S. Government Securities:				
Federal Home Loan	09/27/13	1,071,370	1.74%	728
Federal National Mortgage Association	09/26/13	500,000	0.81%	727
U. S. Treasury Note	02/29/12	1,505,025	2.44%	152
U. S. Treasury Note	07/31/12	2,007,890	3.25%	305
Total		<u>5,084,285</u>	<u>8.24%</u>	
Total all investments		<u>\$ 61,722,545</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.

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, 2011, the City’s investment in TexPool and TexStar were rated AAAM by Standard & Poor’s and the U. S. Government Securities were rated AAA by Moody.

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. Government Securities and authorized pools.

(continued)

III. DETAILED NOTES ON ALL FUNDS (Continued)

A. Deposits and Investments (Continued)

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.

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)

III. DETAILED NOTES ON ALL FUNDS (Continued)

A. Deposits and Investments (Continued)

As of September 30, 2011, the City held restricted cash and investments of \$4,881,514 for the following purposes:

Business-type activities:	
Revenue bond debt service	\$ 836,562
Revenue bond reserve	<u>4,044,952</u>
 Total restricted cash and investments	 <u>\$ 4,881,514</u>

B. Interfund Receivables, Payables and Transfers

The composition of interfund balances as of September 30, 2011, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Debt service	General	\$ 214,164

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	\$ 5,168,471	\$ -	\$ -	\$ -	\$ 5,168,471
Solid waste	1,456,383	-	500,000	37,832	1,994,215
Series 2007 C.O. fund	-	505,442	-	-	505,442
Nonmajor governmental	<u>-</u>	<u>148,230</u>	<u>104,362</u>	<u>-</u>	<u>252,592</u>
 Total Transfers	 <u>\$ 6,624,854</u>	 <u>\$ 653,672</u>	 <u>\$ 604,362</u>	 <u>\$ 37,832</u>	 <u>\$ 7,920,720</u>

(continued)

III. 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, 2011, was as follows:

	Beginning Balance	Additions	Transfers/ Retirements	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 4,047,947	\$ 317,589	\$ -	\$ 4,365,536
Construction in progress	28,451,786	9,494,350	(5,269,180)	32,676,956
Total assets not being depreciated	<u>32,499,733</u>	<u>9,811,939</u>	<u>(5,269,180)</u>	<u>37,042,492</u>
Capital assets, being depreciated:				
Buildings and improvements	12,713,076	370,815	-	13,083,891
Infrastructure	13,001,726	113,794	-	13,115,520
Other improvements	25,846,933	292,167	1,281,389	27,420,489
Machinery and equipment	7,341,956	370,963	(53,514)	7,659,405
Total capital assets being depreciated	<u>58,903,691</u>	<u>1,147,739</u>	<u>1,227,875</u>	<u>61,279,305</u>
Less accumulated depreciation:				
Buildings and improvements	(4,203,017)	(329,631)	-	(4,532,648)
Infrastructure	(7,077,799)	(519,752)	-	(7,597,551)
Other improvements	(1,932,054)	(1,223,547)	197,482	(2,958,119)
Machinery and equipment	(5,054,100)	(573,045)	53,514	(5,573,631)
Total accumulated depreciation	<u>(18,266,970)</u>	<u>(2,645,975)</u>	<u>250,996</u>	<u>(20,661,949)</u>
Total capital assets being depreciated, net	<u>40,636,721</u>	<u>(1,498,236)</u>	<u>1,478,871</u>	<u>40,617,356</u>
Governmental activities capital assets, net	<u>\$ 73,136,454</u>	<u>\$ 8,313,703</u>	<u>\$ (3,790,309)</u>	<u>\$ 77,659,848</u>

In fiscal year 2011, the City donated completed road projects to the State of Texas with cost of \$3,987,791 and related accumulated depreciation of \$197,482.

(continued)

III. DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital Assets (Continued)

	Beginning Balance	Additions	Transfers/ Retirements	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 2,223,092	\$ 1,394	\$ -	\$ 2,224,486
Construction in progress	959,236	1,388,660	(947,882)	1,400,014
Total assets not being depreciated	<u>3,182,328</u>	<u>1,390,054</u>	<u>(947,882)</u>	<u>3,624,500</u>
Capital assets, being depreciated:				
Buildings and improvements	18,926,187	202,401	-	19,128,588
Other improvements	136,151,579	3,137,420	947,882	140,236,881
Machinery and equipment	<u>6,600,555</u>	<u>600,632</u>	<u>(44,529)</u>	<u>7,156,658</u>
Total capital assets being depreciated	<u>161,678,321</u>	<u>3,940,453</u>	<u>903,353</u>	<u>166,522,127</u>
Less accumulated depreciation:				
Buildings and improvements	(7,844,347)	(436,941)	-	(8,281,288)
Other improvements	(40,939,376)	(3,425,196)	-	(44,364,572)
Machinery and equipment	<u>(4,653,304)</u>	<u>(483,834)</u>	<u>44,526</u>	<u>(5,092,612)</u>
Total accumulated depreciation	<u>(53,437,027)</u>	<u>(4,345,971)</u>	<u>44,526</u>	<u>(57,738,472)</u>
Total capital assets being depreciated, net	<u>108,241,294</u>	<u>(405,518)</u>	<u>947,879</u>	<u>108,783,655</u>
Business-type activities capital assets, net	<u>\$ 111,423,622</u>	<u>\$ 984,536</u>	<u>\$ (3)</u>	<u>\$ 112,408,155</u>

The City capitalized interest expense of \$34,890 on various construction projects in progress during the year. For the year ended September 30, 2011, the Municipal Utility System's total amount of interest expense was \$2,048,715.

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

Governmental activities:	
General government	\$ 193,758
Public safety	415,416
Public works	8,019
Planning and development	30,822
Community development	464,588
Cultural and recreational	<u>1,533,372</u>
Total depreciation expense - governmental activities	<u>\$ 2,645,975</u>
Business-type activities:	
Electric	\$ 1,989,970
Water	2,227,676
Wastewater	7,581
Sanitation	<u>120,744</u>
Total depreciation expense - business-type activities	<u>\$ 4,345,971</u>

(continued)

III. 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	\$ 187,099	\$ -
Court fines	264,336	-
Miscellaneous	-	1,500
Total general fund	<u>451,435</u>	<u>1,500</u>
Debt service fund		
Delinquent property taxes receivable	<u>100,767</u>	-
Total debt service fund	<u>100,767</u>	-
Nonmajor governmental		
Grant	-	1,864
Miscellaneous	-	1,011
Total nonmajor government funds	<u>-</u>	<u>2,875</u>
Total governmental funds	<u>\$ 552,202</u>	<u>\$ 4,375</u>

(continued)

III. DETAILED NOTES ON ALL FUNDS (Continued)

E. Bonds and Certificates of Obligation Payable

Bonds and certificates of obligation payable at September 30, 2011, consist of the following individual issues:

Governmental activities

\$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%.	\$ 1,215,000
\$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%.	2,635,000
\$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%.	3,585,000
\$46,490,000 Certificates of Obligation, for street construction and improvements, due in annual installments through March 1, 2022, 4.00% - 5.00%.	23,755,000
\$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%.	9,490,000
\$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%.	2,690,000
\$25,130,000 2010 General Obligation Refunding Bonds, to refund and restructure the City's General Obligation Bonds, Series 2000, Tax and Utility System Surplus Revenue Certificates of Obligation, Series 2001, and a portion of the Tax and Utility System Revenue Certificates of Obligation, Series 2007, due in annual installments through March 1, 2028, 2.00% - 4.35%.	24,975,000
\$8,345,000 2011 Combination Tax & Revenue Certificates of Obligation, for acquiring, constructing and improving roads, streets, and highways within the City due in annual installments through March 1, 2034, 3.00 - 4.50%.	<u>8,345,000</u>
Total governmental activities	<u>\$ 76,690,000</u>

(continued)

III. DETAILED NOTES ON ALL FUNDS (Continued)

E. Bonds and Certificates of Obligation Payable (Continued)

Business-type activities

\$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% .	\$ 16,305,000
\$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%.	19,390,000
\$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>4,445,000</u>
Total business-type activities	<u>\$ 40,140,000</u>

The annual debt payment requirements for bonds payable as of September 30, 2011, are as follows:

Governmental Activities

Fiscal Year	General Obligation		Certificates of Obligation		Total
	Principal	Interest	Principal	Interest	
2012	\$ 570,000	\$ 1,407,315	\$ 570,000	\$ 2,056,475	\$ 4,603,790
2013	590,000	1,382,965	1,745,000	1,782,887	5,500,852
2014	615,000	1,357,490	2,805,000	1,686,892	6,464,382
2015	640,000	1,330,571	2,955,000	1,563,088	6,488,659
2016	590,000	1,305,487	3,305,000	1,428,972	6,629,459
2017-2021	2,855,000	6,191,939	20,345,000	4,634,276	34,026,215
2022-2026	24,200,000	3,694,247	6,260,000	1,520,528	35,674,775
2027-2031	4,405,000	185,409	2,825,000	611,743	8,027,152
2032-2034	-	-	1,415,000	84,488	1,499,488
	<u>\$ 34,465,000</u>	<u>\$ 16,855,423</u>	<u>\$ 42,225,000</u>	<u>\$ 15,369,349</u>	<u>\$ 108,914,772</u>

Business-type Activities

Fiscal Year	Revenue Bonds		Total
	Principal	Interest	
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	3,255,000	1,372,909	4,627,909
2017-2021	14,110,000	4,743,158	18,853,158
2022-2026	<u>11,120,000</u>	<u>1,667,602</u>	<u>12,787,602</u>
	<u>\$ 40,140,000</u>	<u>\$ 14,657,548</u>	<u>\$ 54,797,548</u>

(continued)

III. DETAILED NOTES ON ALL FUNDS (Continued)

E. Bonds and Certificates of Obligation Payable (Continued)

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, 2011.

	<u>Required</u>	<u>Actual</u>
Reserve fund	\$ <u>3,987,280</u>	\$ <u>4,048,120</u>
Total, September 30, 2011	\$ <u>3,987,280</u>	\$ <u>4,048,120</u>
Bond fund	\$ <u>445,254</u>	\$ <u>836,562</u>
Total, September 30, 2011	\$ <u>445,254</u>	\$ <u>836,562</u>

Bond Refunding

The City issued \$25,130,000 of general obligation refunding bonds to advance refund and defease certain maturities of its existing outstanding bond issuances. The advance refunding allowed the City to restructure future debt payments in order to extend their maturities. The refunding resulted in an increase in total debt service payments in the next 17 years by \$9,117,585 which equates to a \$753,175 economic loss. The refunding provided resources to purchase direct obligations of the U.S. Government that were placed in a separate irrevocable trust for the purpose of generating resources for all future debt service payments of the debt being refunded. As a result, the bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net assets in the government-wide financial statements. The difference between the reacquisition price and the net carrying amount of the old debt (deferred amount on refunding of \$1,394,726) will be amortized over the remaining life of the original debt issued.

Defeased Debt Outstanding

In prior years, the City defeased certain bonds by placing the proceeds of new bonds in an irrevocable trust to provide all future debt service payments on the old bonds. Accordingly, the trust accounts and the defeased bonds are not included in the City's financial statements. At September 30, 2011, \$46,240,000 of bonds was considered defeased.

(continued)

III. DETAILED NOTES ON ALL FUNDS (Continued)

F. Notes Payable

Notes payable at September 30, 2011, 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% \$ 415,000

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% 45,320

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. 265,175

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. 43,436

\$ 768,931

The annual debt payment requirements for notes payable as of September 30, 2011, are as follows:

Business-type Activities

Fiscal Year	Notes Payable		Totals
	Principal	Interest	
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	33,647	5,413	39,060
2017-2019	<u>108,810</u>	<u>8,372</u>	<u>117,182</u>
	<u>\$ 768,931</u>	<u>\$ 84,029</u>	<u>\$ 852,960</u>

(continued)

III. 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>
2012	\$ 50,788
2013	<u>27,870</u>
Total minimum lease payments	78,658
Less: amount representing interest	<u>(6,743)</u>
 Present value of minimum lease payments	 <u>\$ 71,915</u>

H. Long-term Liability Activity

Long-term liability activity for the year ended September 30, 2011, 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	\$ 10,215,000	\$ 25,130,000	\$ 880,000	\$ 34,465,000	\$ 570,000
Certificates of obligation	57,500,000	8,345,000	23,620,000	42,225,000	570,000
Issuance premium	673,799	255,694	326,425	603,068	44,621
Deferred amount on refunding	<u>-</u>	<u>(1,394,726)</u>	<u>(67,378)</u>	<u>(1,327,348)</u>	<u>(80,854)</u>
Total bonds payable	68,388,799	32,335,968	24,759,047	75,965,720	1,103,767
OPEB obligation	853,270	610,630	196,987	1,266,913	-
Pension obligation	806,702	2,342,495	1,905,226	1,243,971	-
Compensated absences	<u>2,721,997</u>	<u>1,524,996</u>	<u>1,242,097</u>	<u>3,004,896</u>	<u>450,734</u>
Governmental activities long-term liabilities	<u>\$ 72,770,768</u>	<u>\$ 36,814,089</u>	<u>\$ 28,103,357</u>	<u>\$ 81,481,500</u>	<u>\$ 1,554,501</u>

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

(continued)

III. DETAILED NOTES ON ALL FUNDS (Continued)

H. Long-term Liability Activity(Continued)

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities:					
Bonds payable:					
Revenue bonds	\$ 42,755,000	\$ -	\$ 2,615,000	\$ 40,140,000	\$ 2,715,000
Issuance premium/discount	1,325,582	-	123,304	1,202,278	123,304
Less: deferred amount on refunding	(340,706)	-	(97,083)	(243,623)	(97,083)
Total bonds payable	43,739,876	-	2,641,221	41,098,655	2,741,221
Tax note	510,000	-	95,000	415,000	100,000
State infrastructure loans	416,667	-	62,736	353,931	65,163
Capital lease obligation	41,094	78,485	47,664	71,915	45,790
OPEB obligation	392,385	289,879	98,493	583,771	-
Pension obligation	331,417	1,134,061	952,613	512,865	-
Compensated absences	1,212,716	423,029	397,311	1,238,434	173,266
Business-type activities long-term liabilities	<u>\$ 46,644,155</u>	<u>\$ 1,925,454</u>	<u>\$ 4,295,038</u>	<u>\$ 44,274,571</u>	<u>\$ 3,125,440</u>

IV. 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)

IV. OTHER INFORMATION (Continued)

A. Retirement Plan (Continued)

Plan Description (Continued)

	<u>Plan Year 2010</u>	<u>Plan Year 2011</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) are as follows:

Annual required contribution (ARC)	\$ 3,461,822
Interest on net pension obligation	85,359
Adjustment to ARC	<u>(70,625)</u>
Annual pension cost	3,476,556
Contributions made	<u>(2,857,839)</u>
Change in net pension obligation	618,717
Net pension obligation, beginning of year	<u>1,138,119</u>
Net pension obligation, end of year	<u>\$ 1,756,836</u>
Percentage of APC contributed	82%

(continued)

IV. 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
09/30/2009	\$ 2,931,096	\$ 2,441,974	83%	\$ 489,122
09/30/2010	3,315,328	2,666,331	80%	1,138,119
09/30/2011	3,476,369	2,857,839	82%	1,756,836

The required contribution rates for fiscal year 2011 were determined as part of the December 31, 2008 and 2009 actuarial valuations. Additional information as of the latest actuarial valuation, December 31, 2010, also follows:

Actuarial Valuation Date	12/31/08	12/31/09	12/31/10- Prior to Restructuring	12/31/10- Restructured
Actuarial cost method	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
Amortization method	Level percent of payroll	Level percent of payroll	Level percent of payroll	Level percent of payroll
GASB 25 equivalent single amortization period	29 years; closed period	28.1 years; closed period	27.1 years; closed period	27.2 years; closed period
Amortization period for new gains/losses	30 years	30 years	30 years	30 years
Asset valuation method	Amortized cost	10-year smoothed market	10-year smoothed market	10-year smoothed market
Actuarial Assumptions:				
Investment rate of return*	7.5%	7.5%	7.5%	7.0%
Projected salary increases*	varies by age and service	varies by age and service	varies by age and service	varies by age and service
*Includes inflation at	3.0%	3.0%	3.0%	3.0%
Cost-of-living adjustments	2.1%	2.1%	2.1%	2.1%

Funded Status and Funding Progress

In June 2011, SB 350 was enacted by the Texas Legislature, resulting in a restructure of the TMRS funds. This legislation provided for the actuarial valuation to be completed, as if restructuring had occurred on December 31, 2010. In addition, the actuarial assumptions were updated for the new fund structure, based on an actuarial experience study that was adopted by the TMRS Board at their May 2011 meeting (the review compared actual to expected experience for the four-year period of January 1, 2006 through December 31, 2009). For a complete description of the combined impact of the legislation and new actuarial assumptions, including the effects on TMRS city rates and funding ratios, please see the December 31, 2010 TMRS Comprehensive Annual Financial Report (CAFR).

(continued)

IV. OTHER INFORMATION (Continued)

A. Retirement Plan (Continued)

Funded Status and Funding Progress (Continued)

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)
12/31/08	\$ 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%	17,752,717	128.1%
12/31/10 ⁽¹⁾	37,510,953	60,412,653	22,901,700	62.1%	18,077,202	126.7%
12/31/10 ⁽²⁾	59,110,509	78,326,714	19,216,205	75.5%	18,077,202	106.3%

⁽¹⁾ Actuarial valuation performed under the original fund structure.

⁽²⁾ Actuarial valuation performed under the new fund structure.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

Actuarial calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each valuation, and reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. 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 of benefits. The funded status as of December 31, 2010, is the most recent actuarial valuation.

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.

(continued)

IV. OTHER INFORMATION (Continued)

B. Other Postemployment Benefits (OPEB) (Continued)

Retiree Health Plan (Continued)

Plan Description (Continued)

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.

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, 2011, is as follows:

(continued)

IV. OTHER INFORMATION (Continued)

B. Other Postemployment Benefits (OPEB) (Continued)

Retiree Health Plan (Continued)

Funding Policy (Continued)

Annual required contribution	\$ 896,389
Interest on OPEB obligation	56,054
Adjustment to ARC	<u>(51,934)</u>
Annual OPEB cost	900,509
Net estimated employer contributions	<u>(295,480)</u>
Increase in net OPEB obligation	605,029
Net OPEB obligation, beginning of year	<u>1,245,655</u>
 Net OPEB obligation, end of year	 <u>\$ 1,850,684</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>
9/30/2009	\$ 920,094	\$ 302,796	32.9%	\$ 617,298
9/30/2010	949,739	321,382	33.8%	1,245,655
9/30/2011	900,509	295,480	32.8%	1,850,684

Funded 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	- %	\$ 16,311,246	63.39%
12/31/10	-	10,420,335	10,420,335	- %	15,499,288	67.23%

(continued)

IV. OTHER INFORMATION (Continued)

B. Other Postemployment Benefits (OPEB) (Continued)

Retiree Health Plan (Continued)

Funded Status and Funding Progress (Continued)

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 2010 actuarial valuation is the most recent actuarial valuation available, and the 2008 and 2010 actuarial valuations are the only one's performed.

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.

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	12/31/10
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.

(continued)

IV. OTHER INFORMATION (Continued)

B. Other Postemployment Benefits (OPEB) (Continued)

Retiree Health Plan (Continued)

Actuarial Methods and Assumptions (Continued)

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.

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>
2009	0.03%	0.03%	100.0%
2010	0.04%	0.04%	100.0%
2011	0.04%	0.04%	100.0%

(continued)

IV. OTHER INFORMATION (Continued)

C. Deferred Compensation Plan

The City offers its employees a tax-deferred compensation plan meeting the requirements of Internal Revenue Code Section 457. The plan was established by City ordinance that appointed ICMA Retirement Corporation as plan administrator. The City's fiduciary responsibility is to remit employee deferred compensation to the administrator on a regular basis. The deferred compensation is not available to employees until termination, retirement, death, or emergency.

D. 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.

(continued)

IV. OTHER INFORMATION (Continued)

E. Contingencies

The City is defendant in several pending lawsuits. City management estimates, based on the advice of legal counsel, that the potential claims against the City, in excess of insurance coverage, would not materially affect the basic financial statements of the City. The City participates in a number of federal and state grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Any programs are subject to program compliance audits by the grantors of their representatives. Any liability that may arise as the result of these audits is not believed to be estimatable or probable.

F. 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. As of September 30, 2011, work completed and billed totaled \$23,583,896.

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. As of September 30, 2011, work completed and billed totaled \$2,289,839.

On October 28, 2010, the City Council approved a contract with Williams Paint and Sandblasting in the amount of \$233,695 for recoating of the Trident Filtration Tanks at the Water Purification Plant. This project is being funded with utility funds. As of September 30, 2011, work completed and billed totaled \$109,848.

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. 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 protect the City from price changes for the purchase of power, the City fixed certain rates included in the purchase price of the AEP contract. As of September 30, 2011, the rates were fixed for the months of December 2011, January 2012 and February 2012. This normal purchase contract is reported at historical prices when an exchange occurs.

(continued)

IV. OTHER INFORMATION (Continued)

F. Commitments (Continued)

During the year ended September 30, 2011, 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>399,961,886</u>	<u>\$ 20,968,990</u>	<u>\$ 0.0524</u>

G. Subsequent Events

On December 15, 2011, the City entered into a TXDOT State Infrastructure Bank (SIB) Loan Agreement for \$650,000 with a 2.45% interest rate. This debt will provide funding for utility relocation improvements.

On November 15, 2011, the City entered into a capital lease with Suntrust Equipment Finance & Leasing Corp. for \$1,581,419 with a 2.58% interest rate. This capital lease will provide funding for equipment.

H. Change in Accounting Principles

For fiscal year 2011, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." GASB Statement No. 54 enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This statement 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 governmental funds. The implementation of this statement resulted in the City reclassifying fund balances of its governmental funds.

**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, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 15,728,894	\$ 14,733,435	\$ 14,626,070	\$(107,365)
Licenses and permits	468,300	567,271	560,150	(7,121)
Intergovernmental	248,623	406,226	431,444	25,218
Charges for services	936,621	977,670	996,199	18,529
Fines and forfeitures	721,852	748,467	715,401	(33,066)
Investment earnings	25,000	20,000	13,275	(6,725)
Royalties and rental	-	-	1,750	1,750
Miscellaneous	52,000	50,021	75,943	25,922
Total revenues	<u>18,181,290</u>	<u>17,503,090</u>	<u>17,420,232</u>	<u>(82,858)</u>
EXPENDITURES				
Current:				
General government				
City council	74,365	50,590	44,403	6,187
Administration	668,266	614,438	586,551	27,887
Economic development	181,168	184,275	181,262	3,013
Human resources	313,992	326,422	312,468	13,954
Finance	464,641	483,549	471,398	12,151
Facilities maintenance	610,467	595,098	462,024	133,074
City attorney	136,610	136,490	94,419	42,071
Municipal court	308,804	316,944	300,235	16,709
Non-departmental	2,514,273	1,046,408	575,018	471,390
Total general government	<u>5,272,586</u>	<u>3,754,214</u>	<u>3,027,778</u>	<u>726,436</u>
Public safety				
Police services	6,832,332	7,035,629	6,743,970	291,659
Fire	4,463,107	4,864,242	4,805,007	59,235
Total public safety	<u>11,295,439</u>	<u>11,899,871</u>	<u>11,548,977</u>	<u>350,894</u>
Public works				
Transportation and public works	331,480	354,874	337,347	17,527
Field operations/inspections	113,846	117,935	115,876	2,059
Traffic control	161,820	163,062	160,304	2,758
Street maintenance	1,849,763	1,787,722	1,550,021	237,701
Vehicle/equipment maintenance	166,277	168,280	159,055	9,225
Total public works	<u>2,623,186</u>	<u>2,591,873</u>	<u>2,322,603</u>	<u>269,270</u>
Planning and development	693,548	717,370	660,440	56,930

(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, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES (Continued)				
Current: (Continued)				
Community development				
GIS/mapping	\$ -	\$ -	\$ 11,593	\$(11,593)
Animal control	604,929	660,395	647,319	13,076
Code/Health enforcement	163,039	216,333	181,374	34,959
Total community development	<u>767,968</u>	<u>876,728</u>	<u>840,286</u>	<u>36,442</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	780,337	801,237	801,059	178
Recreation	344,713	329,705	310,055	19,650
Municipal and community services	141,342	143,741	135,106	8,635
Library	1,090,213	1,098,313	1,089,001	9,312
First Monday	106,129	953,865	828,240	125,625
Public market	3,350	2,508	1,728	780
Total cultural and recreation	<u>2,466,084</u>	<u>3,329,369</u>	<u>3,165,189</u>	<u>164,180</u>
Total expenditures	<u>23,163,811</u>	<u>23,214,425</u>	<u>21,610,273</u>	<u>1,604,152</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(4,982,521)</u>	<u>(5,711,335)</u>	<u>(4,190,041)</u>	<u>1,521,294</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	11,000	513	1,788	1,275
Transfers in	4,023,502	6,359,401	6,624,854	265,453
Transfers out	<u>(64,564)</u>	<u>(64,564)</u>	<u>-</u>	<u>64,564</u>
Total other financing sources and uses	<u>3,969,938</u>	<u>6,295,350</u>	<u>6,626,642</u>	<u>331,292</u>
NET CHANGE IN FUND BALANCE	<u>(1,012,583)</u>	<u>584,015</u>	<u>2,436,601</u>	<u>1,852,586</u>
FUND BALANCE, BEGINNING	<u>11,202,330</u>	<u>11,202,330</u>	<u>11,202,330</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 10,189,747</u>	<u>\$ 11,786,345</u>	<u>\$ 13,638,931</u>	<u>\$ 1,852,586</u>

CITY OF WEATHERFORD, TEXAS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

SEPTEMBER 30, 2011

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 for the General. The legal level of adopted budget for all other governmental funds is the fund. Appropriations lapse at year-end.
- 4) Annual budgets are legally adopted for all funds, except for the General Capital Projects, Parks Development, Series 2006 C.O., Series 2007 C.O., Series 2007 G.O., Series 2008 C.O. and Series 2011 C.O. Funds, which adopt project-length budgets. The budgets presented are adopted on a basis consistent with generally accepted accounting principles (GAAP).

Excess of Expenditures Over Appropriations

During the year ended September 30, 2011, the City incurred expenditures in excess of appropriations within the following funds:

General fund:	
GIS/mapping	\$ 11,593
Special revenue funds:	
Court technology fund	247
Library fund	273
Juvenile case manager fund	8,271

**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 federal agencies or 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 committed 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 committed 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. Due to the restrictions placed on these funds during the 2011 Texas Legislative Session, the City terminated this revenue source and will just deplete funds as allowed by law.

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 committed funds by City Council, grants and committed royalties.

Park Development Fund – This fund is used to account for funds committed by 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.

Series 2011 C.O. Bond Fund – This fund is used to account for proceeds from the issuance of \$8,345,000 of certificates of obligation issued to acquire, construct and improve roads, streets and highways.

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, 2011

	Special Revenue Funds		
	State Forfeiture	Federal Forfeiture	Weatherford Beautification
ASSETS			
Cash and investments	\$ 49,622	\$ 423,970	\$ 2,394
Accounts receivable	-	-	-
Due from other governments	-	-	-
Total assets	\$ 49,622	\$ 423,970	\$ 2,394
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 530	\$ -	\$ -
Retainage payable	-	-	-
Accrued liabilities	-	-	-
Deposits and escrows	-	-	-
Deferred revenue	-	-	-
Total liabilities	530	-	-
Fund balances:			
Nonspendable- Doss library	-	-	-
Restricted:			
Capital projects	-	-	-
Culture and recreation	-	-	-
Public safety	49,092	423,970	-
Community development	-	-	2,394
Committed:			
Capital projects	-	-	-
Park development	-	-	-
Culture and recreation	-	-	-
Community development	-	-	-
Total fund balances	49,092	423,970	2,394
Total liabilities and fund balances	\$ 49,622	\$ 423,970	\$ 2,394

Special Revenue Funds

Hotel/Motel Tax	Chandor Gardens	SFX Grant	Weatherford Aerospace Grant	Court Technology	Court Security
\$ 363,506	\$ 165,934	\$ -	\$ -	\$ 11,043	\$ 18,528
163,970	-	3,728	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 527,476</u>	<u>\$ 165,934</u>	<u>\$ 3,728</u>	<u>\$ -</u>	<u>\$ 11,043</u>	<u>\$ 18,528</u>
\$ 197	\$ 9,072	\$ -	\$ -	\$ 119	\$ -
-	-	-	-	-	-
8,373	9,354	-	-	-	-
-	16,500	-	-	-	-
-	-	1,864	-	-	-
<u>8,570</u>	<u>34,926</u>	<u>1,864</u>	<u>-</u>	<u>119</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	10,924	18,528
518,906	-	1,864	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	131,008	-	-	-	-
<u>518,906</u>	<u>131,008</u>	<u>1,864</u>	<u>-</u>	<u>10,924</u>	<u>18,528</u>
<u>\$ 527,476</u>	<u>\$ 165,934</u>	<u>\$ 3,728</u>	<u>\$ -</u>	<u>\$ 11,043</u>	<u>\$ 18,528</u>

(continued)

CITY OF WEATHERFORD, TEXAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

(Continued)

SEPTEMBER 30, 2011

	Special Revenue Funds		
	Library	Animal Shelter	Juvenile Case Manager
ASSETS			
Cash and investments	\$ 82,608	\$ 16,808	\$ 668
Accounts receivable	-	-	-
Due from other governments	-	-	-
Total assets	\$ 82,608	\$ 16,808	\$ 668
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 998	\$ -	\$ -
Retainage payable	-	-	-
Accrued liabilities	-	-	-
Deposits and escrows	-	-	-
Deferred revenue	-	-	-
Total liabilities	998	-	-
Fund balances:			
Nonspendable- Doss library	-	-	-
Restricted:			
Capital projects	-	-	-
Culture and recreation	-	-	-
Public safety	-	-	668
Community development	-	-	-
Committed:			
Capital projects	-	-	-
Park development	-	-	-
Culture and recreation	81,610	16,808	-
Community development	-	-	-
Total fund balances	81,610	16,808	668
Total liabilities and fund balances	\$ 82,608	\$ 16,808	\$ 668

Capital Projects Funds

General Capital Projects	Park Development	Series 2006 C. O.	Series 2007 G. O.	Series 2008 C. O.	Series 2011 C. O.
\$ 3,397,256	\$ 192,486	\$ 353,630	\$ 1,616,423	\$ 818,442	\$ 8,311,051
26,413	-	-	-	-	27
<u>87,878</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 3,511,547</u>	<u>\$ 192,486</u>	<u>\$ 353,630</u>	<u>\$ 1,616,423</u>	<u>\$ 818,442</u>	<u>\$ 8,311,078</u>
\$ 817	\$ -	\$ -	\$ -	\$ -	\$ -
122,540	-	-	-	-	-
1,452	-	-	-	-	-
-	-	-	-	-	-
1,011	-	-	-	-	-
<u>125,820</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	353,630	1,616,423	818,442	8,311,078
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
3,385,727	-	-	-	-	-
-	192,486	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>3,385,727</u>	<u>192,486</u>	<u>353,630</u>	<u>1,616,423</u>	<u>818,442</u>	<u>8,311,078</u>
<u>\$ 3,511,547</u>	<u>\$ 192,486</u>	<u>\$ 353,630</u>	<u>\$ 1,616,423</u>	<u>\$ 818,442</u>	<u>\$ 8,311,078</u>

(continued)

CITY OF WEATHERFORD, TEXAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

(Continued)

SEPTEMBER 30, 2011

	<u>Permanent</u>	Total
	Doss	Nonmajor
	<u>Library</u>	<u>Governmental</u>
		<u>Funds</u>
ASSETS		
Cash and investments	\$ 50,165	\$ 15,874,534
Accounts receivable	-	194,138
Due from other governments	<u>-</u>	<u>87,878</u>
 Total assets	 <u>\$ 50,165</u>	 <u>\$ 16,156,550</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable	\$ -	\$ 11,733
Retainage payable	-	122,540
Accrued liabilities	-	19,179
Deposits and escrows	-	16,500
Deferred revenue	<u>-</u>	<u>2,875</u>
Total liabilities	<u>-</u>	<u>172,827</u>
Fund balances:		
Nonspendable- Doss library	50,000	50,000
Restricted:		
Capital projects	-	11,099,573
Culture and recreation	165	165
Public safety	-	503,182
Community development	-	523,164
Committed:		
Capital projects	-	3,385,727
Park development	-	192,486
Culture and recreation	-	98,418
Community development	<u>-</u>	<u>131,008</u>
Total fund balances	<u>50,165</u>	<u>15,983,723</u>
 Total liabilities and fund balances	 <u>\$ 50,165</u>	 <u>\$ 16,156,550</u>

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CITY OF WEATHERFORD, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Special Revenue Funds		
	State Forfeiture	Federal Forfeiture	Weatherford Beautification
REVENUES			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Charges for services	-	-	-
Fines and forfeitures	4,658	142,205	-
Contributions	-	-	-
Royalties and rental	-	-	-
Investment earnings	65	529	3
Miscellaneous	-	-	-
Total revenues	4,723	142,734	3
EXPENDITURES			
Current:			
General government	-	-	-
Public safety	7,152	50,663	-
Community development	-	-	-
Cultural and recreational	-	-	-
Capital outlay	-	15,815	-
Debt service:			
Interest and other charges	-	-	-
Total expenditures	7,152	66,478	-
EXCESS (DEFICIENCY OF REVENUES OVER (UNDER) EXPENDITURES	(2,429)	76,256	3
OTHER FINANCING SOURCES (USES)			
Issuance of long-term debt	-	-	-
Premium from issuance of debt	-	-	-
Sale of capital assets	3,609	-	-
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	3,609	-	-
NET CHANGE IN FUND BALANCES	1,180	76,256	3
FUND BALANCES, BEGINNING	47,912	347,714	2,391
FUND BALANCES, ENDING	\$ 49,092	\$ 423,970	\$ 2,394

Special Revenue Funds

Hotel/Motel Tax	Chandor Gardens	SFX Grant	Weatherford Aerospace Grant	Court Technology	Court Security
\$ 588,225	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	107,814	-	-	-	-
-	-	-	-	19,348	14,254
-	320	-	-	-	-
-	-	22,368	13,875	-	-
430	258	-	-	30	45
-	1	-	-	-	-
<u>588,655</u>	<u>108,393</u>	<u>22,368</u>	<u>13,875</u>	<u>19,378</u>	<u>14,299</u>
92,772	-	20,504	13,875	1,975	655
-	-	-	-	-	-
-	-	-	-	-	-
184,400	252,681	-	-	-	-
-	5,306	-	-	26,664	28,913
-	-	-	-	-	-
<u>277,172</u>	<u>257,987</u>	<u>20,504</u>	<u>13,875</u>	<u>28,639</u>	<u>29,568</u>
<u>311,483</u>	<u>(149,594)</u>	<u>1,864</u>	<u>-</u>	<u>(9,261)</u>	<u>(15,269)</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	103,905	-	-	-	-
(252,135)	-	-	-	-	-
<u>(252,135)</u>	<u>103,905</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
59,348	(45,689)	1,864	-	(9,261)	(15,269)
<u>459,558</u>	<u>176,697</u>	<u>-</u>	<u>-</u>	<u>20,185</u>	<u>33,797</u>
<u>\$ 518,906</u>	<u>\$ 131,008</u>	<u>\$ 1,864</u>	<u>\$ -</u>	<u>\$ 10,924</u>	<u>\$ 18,528</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, 2011

	Special Revenue Funds		
	Library	Animal Shelter	Juvenile Case Manager
REVENUES			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Charges for services	10,743	-	-
Fines and forfeitures	-	-	21,681
Contributions	1,287	20,737	-
Royalties and rental	-	-	-
Investment earnings	106	33	5
Miscellaneous	-	698	-
Total revenues	<u>12,136</u>	<u>21,468</u>	<u>21,686</u>
EXPENDITURES			
Current:			
General government	-	-	21,018
Public safety	-	-	-
Community development	-	8,964	-
Cultural and recreational	10,273	-	-
Capital outlay	-	15,552	-
Debt service:			
Interest and other charges	-	-	-
Total expenditures	<u>10,273</u>	<u>24,516</u>	<u>21,018</u>
EXCESS (DEFICIENCY OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,863</u>	<u>(3,048)</u>	<u>668</u>
OTHER FINANCING SOURCES (USES)			
Issuance of long-term debt	-	-	-
Premium from issuance of debt	-	-	-
Sale of capital assets	-	-	-
Transfers in	457	-	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>457</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	2,320	(3,048)	668
FUND BALANCES, BEGINNING	<u>79,290</u>	<u>19,856</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ 81,610</u>	<u>\$ 16,808</u>	<u>\$ 668</u>

Capital Projects Funds

General Capital Projects	Park Development	Series 2006 C. O.	Series 2007 G. O.	Series 2008 C. O.	Series 2011 C. O.
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1,473,238	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
364,489	-	-	-	-	-
3,949	183	949	2,280	1,061	5,760
-	121,704	-	-	-	-
<u>1,841,676</u>	<u>121,887</u>	<u>949</u>	<u>2,280</u>	<u>1,061</u>	<u>5,760</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,547,310	16,804	-	908,114	-	-
-	-	-	-	-	185,524
<u>2,547,310</u>	<u>16,804</u>	<u>-</u>	<u>908,114</u>	<u>-</u>	<u>185,524</u>
(705,634)	105,083	949	(905,834)	1,061	(179,764)
-	-	-	-	-	8,345,000
-	-	-	-	-	145,842
-	-	-	-	-	-
500,000	-	-	-	-	-
-	-	-	-	-	-
<u>500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,490,842</u>
(205,634)	105,083	949	(905,834)	1,061	8,311,078
<u>3,591,361</u>	<u>87,403</u>	<u>352,681</u>	<u>2,522,257</u>	<u>817,381</u>	<u>-</u>
<u>\$ 3,385,727</u>	<u>\$ 192,486</u>	<u>\$ 353,630</u>	<u>\$ 1,616,423</u>	<u>\$ 818,442</u>	<u>\$ 8,311,078</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, 2011

	Permanent	Total Nonmajor Governmental Funds
	Doss Library	
REVENUES		
Taxes	\$ -	\$ 588,225
Intergovernmental	-	1,473,238
Charges for services	-	118,557
Fines and forfeitures	-	202,146
Contributions	-	22,344
Royalties and rental	-	400,732
Investment earnings	65	15,751
Miscellaneous	-	122,403
Total revenues	65	2,943,396
EXPENDITURES		
Current:		
General government	-	150,799
Public safety	-	57,815
Community development	-	8,964
Cultural and recreational	-	447,354
Capital outlay	-	3,564,478
Debt service:		
Interest and other charges	-	185,524
Total expenditures	-	4,414,934
EXCESS (DEFICIENCY OF REVENUES OVER (UNDER) EXPENDITURES	65	(1,471,538)
OTHER FINANCING SOURCES (USES)		
Issuance of long-term debt	-	8,345,000
Premium from issuance of debt	-	145,842
Sale of capital assets	-	3,609
Transfers in	-	604,362
Transfers out	(457)	(252,592)
Total other financing sources (uses)	(457)	8,846,221
NET CHANGE IN FUND BALANCES	(392)	7,374,683
FUND BALANCES, BEGINNING	50,557	8,609,040
FUND BALANCES, ENDING	\$ 50,165	\$ 15,983,723

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, 2011

	Budgeted Amounts			Variance With Final Budget - Positive (Negative)
	Original	Final	Actual	(Negative)
REVENUES				
Fines and forfeitures	\$ 5,000	\$ 2,500	\$ 4,658	\$ 2,158
Investment earnings	<u>50</u>	<u>70</u>	<u>65</u>	<u>(5)</u>
Total revenues	<u>5,050</u>	<u>2,570</u>	<u>4,723</u>	<u>2,153</u>
EXPENDITURES				
Current:				
Public safety	<u>15,000</u>	<u>15,000</u>	<u>7,152</u>	<u>7,848</u>
Total expenditures	<u>15,000</u>	<u>15,000</u>	<u>7,152</u>	<u>7,848</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(9,950)</u>	<u>(12,430)</u>	<u>(2,429)</u>	<u>10,001</u>
OTHER FINANCING SOURCES				
Sale of capital assets	<u>-</u>	<u>2,239</u>	<u>3,609</u>	<u>1,370</u>
Total other financing sources	<u>-</u>	<u>2,239</u>	<u>3,609</u>	<u>1,370</u>
NET CHANGE IN FUND BALANCE	<u>(9,950)</u>	<u>(10,191)</u>	<u>1,180</u>	<u>11,371</u>
FUND BALANCE, BEGINNING	<u>47,912</u>	<u>47,912</u>	<u>47,912</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 37,962</u>	<u>\$ 37,721</u>	<u>\$ 49,092</u>	<u>\$ 11,371</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, 2011

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Fines and forfeitures	\$ 30,000	\$ 142,205	\$ 142,205	\$ -
Investment earnings	<u>500</u>	<u>545</u>	<u>529</u>	<u>(16)</u>
Total revenues	<u>30,500</u>	<u>142,750</u>	<u>142,734</u>	<u>(16)</u>
EXPENDITURES				
Current:				
Public safety	-	28,765	50,663	(21,898)
Capital outlay	<u>251,000</u>	<u>222,235</u>	<u>15,815</u>	<u>206,420</u>
Total expenditures	<u>251,000</u>	<u>251,000</u>	<u>66,478</u>	<u>184,522</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(220,500)	(108,250)	76,256	184,506
FUND BALANCE, BEGINNING	<u>347,714</u>	<u>347,714</u>	<u>347,714</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 127,214</u>	<u>\$ 239,464</u>	<u>\$ 423,970</u>	<u>\$ 184,506</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, 2011

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings	\$ 5	\$ 4	\$ 3	\$(1)
Total revenues	5	4	3	(1)
EXPENDITURES				
Current:				
Community development	2,396	-	-	-
Total expenditures	2,396	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,391)	4	3	(1)
FUND BALANCE, BEGINNING	2,391	2,391	2,391	-
FUND BALANCE, ENDING	\$ -	\$ 2,395	\$ 2,394	\$(1)

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, 2011

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 450,000	\$ 452,402	\$ 588,225	\$ 135,823
Investment earnings	<u>500</u>	<u>412</u>	<u>430</u>	<u>18</u>
Total revenues	<u>450,500</u>	<u>452,814</u>	<u>588,655</u>	<u>135,841</u>
EXPENDITURES				
Current:				
General government	94,315	96,886	92,772	4,114
Cultural and recreational:				
Tourism program	121,400	121,400	121,400	-
Doss Historic and Cultural Center	<u>74,000</u>	<u>74,000</u>	<u>63,000</u>	<u>11,000</u>
Total expenditures	<u>289,715</u>	<u>292,286</u>	<u>277,172</u>	<u>15,114</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>160,785</u>	<u>160,528</u>	<u>311,483</u>	<u>150,955</u>
OTHER FINANCING USES				
Transfers out	(252,135)	(252,135)	(252,135)	-
Total other financing uses	<u>(252,135)</u>	<u>(252,135)</u>	<u>(252,135)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(91,350)	(91,607)	59,348	150,955
FUND BALANCE, BEGINNING	<u>459,558</u>	<u>459,558</u>	<u>459,558</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 368,208</u>	<u>\$ 367,951</u>	<u>\$ 518,906</u>	<u>\$ 150,955</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, 2011

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 168,500	\$ 147,686	\$ 107,814	\$ (39,872)
Contributions	-	320	320	-
Interest earnings	400	283	258	(25)
Miscellaneous	-	-	1	1
Total revenues	<u>168,900</u>	<u>148,289</u>	<u>108,393</u>	<u>(39,896)</u>
EXPENDITURES				
Current:				
Cultural and recreational	284,085	279,236	252,681	26,555
Capital outlay	-	-	5,306	(5,306)
Total expenditures	<u>284,085</u>	<u>279,236</u>	<u>257,987</u>	<u>21,249</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(115,185)</u>	<u>(130,947)</u>	<u>(149,594)</u>	<u>(18,647)</u>
OTHER FINANCING SOURCES				
Transfers in	<u>103,905</u>	<u>103,905</u>	<u>103,905</u>	-
Total other financing sources	<u>103,905</u>	<u>103,905</u>	<u>103,905</u>	-
NET CHANGE IN FUND BALANCE	<u>(11,280)</u>	<u>(27,042)</u>	<u>(45,689)</u>	<u>(18,647)</u>
FUND BALANCE, BEGINNING	<u>176,697</u>	<u>176,697</u>	<u>176,697</u>	-
FUND BALANCE, ENDING	<u>\$ 165,417</u>	<u>\$ 149,655</u>	<u>\$ 131,008</u>	<u>\$ (18,647)</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, 2011

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Rental	\$ 22,368	\$ 22,368	\$ 22,368	\$ -
Total revenues	22,368	22,368	22,368	-
EXPENDITURES				
Current:				
General government	22,368	22,368	20,504	1,864
Total expenditures	22,368	22,368	20,504	1,864
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	1,864	1,864
FUND BALANCE, BEGINNING	-	-	-	-
FUND BALANCE, ENDING	\$ -	\$ -	\$ 1,864	\$ 1,864

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, 2011

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Rental	\$ 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, 2011

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Fines and forfeitures	\$ 22,126	\$ 19,117	\$ 19,348	\$ 231
Investment earnings	<u>20</u>	<u>35</u>	<u>30</u>	(<u>5</u>)
Total revenues	<u>22,146</u>	<u>19,152</u>	<u>19,378</u>	<u>226</u>
EXPENDITURES				
Current:				
General government	9,539	14,931	1,975	12,956
Capital outlay	<u>13,461</u>	<u>13,461</u>	<u>26,664</u>	(<u>13,203</u>)
Total expenditures	<u>23,000</u>	<u>28,392</u>	<u>28,639</u>	(<u>247</u>)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(854)	(9,240)	(9,261)	(21)
FUND BALANCE, BEGINNING	<u>20,185</u>	<u>20,185</u>	<u>20,185</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 19,331</u>	<u>\$ 10,945</u>	<u>\$ 10,924</u>	<u>\$(21)</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, 2011

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Fines and forfeitures	\$ 16,595	\$ 14,320	\$ 14,254	\$ (66)
Investment earnings	<u>50</u>	<u>50</u>	<u>45</u>	<u>(5)</u>
Total revenues	<u>16,645</u>	<u>14,370</u>	<u>14,299</u>	<u>(71)</u>
EXPENDITURES				
Current:				
General government	30,413	30,413	655	29,758
Capital outlay	<u>-</u>	<u>-</u>	<u>28,913</u>	<u>(28,913)</u>
Total expenditures	<u>30,413</u>	<u>30,413</u>	<u>29,568</u>	<u>845</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(13,768)	(16,043)	(15,269)	774
FUND BALANCE, BEGINNING	<u>33,797</u>	<u>33,797</u>	<u>33,797</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 20,029</u>	<u>\$ 17,754</u>	<u>\$ 18,528</u>	<u>\$ 774</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, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 10,048	\$ 12,000	\$ 10,743	\$(1,257)
Contributions	1,000	541	1,287	746
Investment earnings	<u>150</u>	<u>115</u>	<u>106</u>	<u>(9)</u>
Total revenues	<u>11,198</u>	<u>12,656</u>	<u>12,136</u>	<u>(520)</u>
EXPENDITURES				
Current:				
Cultural and recreational	-	6,171	10,273	(4,102)
Capital outlay	<u>10,000</u>	<u>3,829</u>	<u>-</u>	<u>3,829</u>
Total expenditures	<u>10,000</u>	<u>10,000</u>	<u>10,273</u>	<u>(273)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES				
	<u>1,198</u>	<u>2,656</u>	<u>1,863</u>	<u>(793)</u>
OTHER FINANCING SOURCES				
Transfers in	<u>457</u>	<u>457</u>	<u>457</u>	<u>-</u>
Total other financing sources	<u>457</u>	<u>457</u>	<u>457</u>	<u>-</u>
NET CHANGE IN FUND BALANCE				
	1,655	3,113	2,320	(793)
FUND BALANCE, BEGINNING				
	<u>79,290</u>	<u>79,290</u>	<u>79,290</u>	<u>-</u>
FUND BALANCE, ENDING				
	<u>\$ 80,945</u>	<u>\$ 82,403</u>	<u>\$ 81,610</u>	<u>\$(793)</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, 2011

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Contributions	\$ 5,018	\$ 17,578	\$ 20,737	\$ 3,159
Investment earnings	50	48	33	(15)
Miscellaneous	<u>-</u>	<u>-</u>	<u>698</u>	<u>698</u>
Total revenues	<u>5,068</u>	<u>17,626</u>	<u>21,468</u>	<u>3,842</u>
EXPENDITURES				
Current:				
Community development	-	-	8,964	(8,964)
Capital outlay	<u>10,000</u>	<u>30,000</u>	<u>15,552</u>	<u>14,448</u>
Total expenditures	<u>10,000</u>	<u>30,000</u>	<u>24,516</u>	<u>5,484</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(4,932)	(12,374)	(3,048)	9,326
FUND BALANCE, BEGINNING	<u>19,856</u>	<u>19,856</u>	<u>19,856</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 14,924</u>	<u>\$ 7,482</u>	<u>\$ 16,808</u>	<u>\$ 9,326</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, 2011

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Fines and forfeitures	\$ 17,700	\$ 22,678	\$ 21,681	\$ (997)
Investment earnings	<u>20</u>	<u>6</u>	<u>5</u>	<u>(1)</u>
Total revenues	<u>17,720</u>	<u>22,684</u>	<u>21,686</u>	<u>(998)</u>
EXPENDITURES				
Current:				
General government	<u>17,105</u>	<u>12,747</u>	<u>21,018</u>	<u>(8,271)</u>
Total expenditures	<u>17,105</u>	<u>12,747</u>	<u>21,018</u>	<u>(8,271)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	615	9,937	668	(9,269)
FUND BALANCE, BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 615</u>	<u>\$ 9,937</u>	<u>\$ 668</u>	<u>\$ (9,269)</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, 2011

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings	\$ 100	\$ 72	\$ 65	\$(7)
Total revenues	<u>100</u>	<u>72</u>	<u>65</u>	<u>(7)</u>
EXPENDITURES	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>100</u>	<u>72</u>	<u>65</u>	<u>(7)</u>
OTHER FINANCING USES				
Transfers out	(457)	(457)	(457)	-
Total other financing uses	<u>(457)</u>	<u>(457)</u>	<u>(457)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(357)	(385)	(392)	(7)
FUND BALANCE, BEGINNING	<u>50,557</u>	<u>50,557</u>	<u>50,557</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 50,200</u>	<u>\$ 50,172</u>	<u>\$ 50,165</u>	<u>\$(7)</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, 2011

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 2,654,990	\$ 2,724,325	\$ 3,008,682	\$ 284,357
Intergovernmental	450,000	745,514	745,514	-
Investment earnings	4,000	111,742	30,482	(81,260)
Miscellaneous	-	-	2,054	2,054
Total revenues	<u>3,108,990</u>	<u>3,581,581</u>	<u>3,786,732</u>	<u>205,151</u>
EXPENDITURES				
Debt service:				
Principal retirement	1,200,000	1,115,000	1,175,000	(60,000)
Interest and fiscal charges	<u>3,007,303</u>	<u>3,187,284</u>	<u>3,076,292</u>	<u>110,992</u>
Total expenditures	<u>4,207,303</u>	<u>4,302,284</u>	<u>4,251,292</u>	<u>50,992</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,098,313)</u>	<u>(720,703)</u>	<u>(464,560)</u>	<u>256,143</u>
OTHER FINANCING SOURCES (USES)				
Issuance of long term debt	-	-	25,130,000	25,130,000
Premium from issuance of debt	-	-	109,852	109,852
Transfers in	718,236	718,236	653,672	(64,564)
Payment to escrow agent	<u>-</u>	<u>-</u>	<u>(24,793,931)</u>	<u>(24,793,931)</u>
Total other financing sources (uses)	<u>718,236</u>	<u>718,236</u>	<u>1,099,593</u>	<u>381,357</u>
NET CHANGE IN FUND BALANCE	<u>(380,077)</u>	<u>(2,467)</u>	<u>635,033</u>	<u>637,500</u>
FUND BALANCE, BEGINNING	<u>1,397,564</u>	<u>1,397,564</u>	<u>1,397,564</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 1,017,487</u>	<u>\$ 1,395,097</u>	<u>\$ 2,032,597</u>	<u>\$ 637,500</u>

CAPITAL ASSET SCHEDULES

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CITY OF WEATHERFORD, TEXAS

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

COMPARATIVE SCHEDULES BY SOURCE

SEPTEMBER 30, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
GOVERNMENTAL FUNDS CAPITAL ASSETS		
Land	\$ 4,365,536	\$ 4,047,946
Buildings and improvements	13,083,891	12,713,077
Infrastructure	13,115,520	13,001,726
Other improvements	27,420,489	25,846,933
Machinery and equipment	7,659,405	7,341,956
Construction in progress	<u>32,676,956</u>	<u>28,451,786</u>
Total governmental funds capital assets	\$ <u>98,321,797</u>	\$ <u>91,403,424</u>
INVESTMENTS IN GOVERNMENTAL FUNDS CAPITAL ASSETS BY SOURCE		
General fund revenues	\$ 21,774,630	\$ 18,179,213
Special revenue fund revenues	81,804	81,804
Capital projects fund general obligation bonds	66,577,492	63,914,298
Contributions	7,099,891	6,562,688
Grants	<u>2,787,980</u>	<u>2,665,421</u>
Total governmental funds capital assets	\$ <u>98,321,797</u>	\$ <u>91,403,424</u>

CITY OF WEATHERFORD, TEXAS

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

SCHEDULE BY FUNCTION AND ACTIVITY

SEPTEMBER 30, 2011

<u>Function and Activity</u>	<u>Total</u>	<u>Land</u>	<u>Buildings and Improvements</u>	<u>Infrastructure and Other Improvements</u>	<u>Machinery and Equipment</u>	<u>Construction in Progress</u>
General government						
City Council	\$ 5,181,317	\$ 174,673	\$ 4,606,702	\$ 25,448	\$ 374,494	\$ -
Finance	93,662	-	-	-	93,662	-
Facilities maintenance	55,053	-	-	-	55,053	-
Municipal court	21,536	-	-	-	21,536	-
Total	<u>5,351,568</u>	<u>174,673</u>	<u>4,606,702</u>	<u>25,448</u>	<u>544,745</u>	<u>-</u>
Public works						
Administration	1,623,842	-	1,406,378	14,840	202,624	-
Street maintenance	66,103,809	2,352,765	6,076	32,635,390	1,874,354	29,235,224
Vehicle/equipment maintenance	118,218	-	50,833	23,007	44,378	-
Total	<u>67,845,869</u>	<u>2,352,765</u>	<u>1,463,287</u>	<u>32,673,237</u>	<u>2,121,356</u>	<u>29,235,224</u>
Planning and development	<u>74,484</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>74,484</u>	<u>-</u>
Community development	<u>980,159</u>	<u>-</u>	<u>847,873</u>	<u>15,552</u>	<u>116,734</u>	<u>-</u>
Police	<u>2,946,392</u>	<u>16,619</u>	<u>1,295,696</u>	<u>-</u>	<u>1,634,077</u>	<u>-</u>
Fire	<u>5,656,386</u>	<u>467,885</u>	<u>2,657,748</u>	<u>2,721</u>	<u>2,528,032</u>	<u>-</u>
Parks and recreation						
First Monday	1,021,405	361,415	134,057	22,692	-	503,241
Public market	24,792	-	-	24,792	-	-
Parks and properties	13,325,881	984,329	1,177,974	7,748,092	476,995	2,938,491
Recreation	40,620	-	-	-	40,620	-
Total	<u>14,412,698</u>	<u>1,345,744</u>	<u>1,312,031</u>	<u>7,795,576</u>	<u>517,615</u>	<u>3,441,732</u>
Library	<u>1,054,241</u>	<u>7,850</u>	<u>900,554</u>	<u>23,475</u>	<u>122,362</u>	<u>-</u>
Total governmental funds capital assets	<u>\$ 98,321,797</u>	<u>\$ 4,365,536</u>	<u>\$ 13,083,891</u>	<u>\$ 40,536,009</u>	<u>\$ 7,659,405</u>	<u>\$ 32,676,956</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, 2011

<u>Function and Activity</u>	<u>Balance 09/30/2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 09/30/2011</u>
General government				
City Council	\$ 5,131,315	\$ 50,002	\$ -	\$ 5,181,317
Finance	93,662	-	-	93,662
Facilities maintenance	51,348	3,705	-	55,053
Municipal court	21,536	-	-	21,536
Total	<u>5,297,861</u>	<u>53,707</u>	<u>-</u>	<u>5,351,568</u>
Public works				
Administration	1,462,876	210,966	(50,000)	1,623,842
Street maintenance	62,778,331	7,313,271	(3,987,793)	66,103,809
Vehicle/equipment maintenance	118,218	-	-	118,218
Total	<u>64,359,425</u>	<u>7,524,237</u>	<u>(4,037,793)</u>	<u>67,845,869</u>
Planning and development	<u>74,484</u>	<u>-</u>	<u>-</u>	<u>74,484</u>
Community development	<u>1,155,728</u>	<u>15,552</u>	<u>(191,121)</u>	<u>980,159</u>
Police	<u>2,841,105</u>	<u>158,801</u>	<u>(53,514)</u>	<u>2,946,392</u>
Fire	<u>5,479,434</u>	<u>176,952</u>	<u>-</u>	<u>5,656,386</u>
Parks and recreation				
First Monday	295,891	725,514	-	1,021,405
Public market	24,792	-	-	24,792
Parks and properties	10,789,820	2,536,061	-	13,325,881
Recreation	40,620	-	-	40,620
Total	<u>11,151,123</u>	<u>3,261,575</u>	<u>-</u>	<u>14,412,698</u>
Library	<u>1,044,264</u>	<u>9,977</u>	<u>-</u>	<u>1,054,241</u>
Total governmental funds capital assets	<u>\$ 91,403,424</u>	<u>\$ 11,200,801</u>	<u>\$(4,282,428)</u>	<u>\$ 98,321,797</u>

CITY OF WEATHERFORD, TEXAS

MUNICIPAL UTILITY SYSTEM

SCHEDULES OF CAPITAL ASSETS

SEPTEMBER 30, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
Land	\$ 2,224,486	\$ 2,223,092
Buildings and improvements	18,936,156	18,926,187
Other improvements	140,226,304	136,141,002
Machinery and equipment	6,305,294	5,756,723
Construction in progress	<u>1,394,837</u>	<u>954,059</u>
	169,087,077	164,001,063
Less accumulated depreciation	<u>(57,077,574)</u>	<u>(52,896,873)</u>
	<u>\$ 112,009,503</u>	<u>\$ 111,104,190</u>

CITY OF WEATHERFORD, TEXAS
MUNICIPAL UTILITY SYSTEM
SCHEDULE OF CHANGES IN CAPITAL ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

<u>Function and Activity</u>	<u>Balance 09/30/2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 09/30/2011</u>
Administration	\$ 5,127,104	\$ 136,808	\$(79,415)	\$ 5,184,497
Water production	25,364,291	285,630	(11,860)	25,638,061
Water distribution	51,072,661	1,333,456	-	52,406,117
Wastewater	35,201,826	1,209,490	(19,619)	36,391,697
Electric production	1,192,893	-	-	1,192,893
Electric distribution	<u>46,042,288</u>	<u>2,284,408</u>	<u>(52,884)</u>	<u>48,273,812</u>
Total municipal utility capital assets	<u>\$ 164,001,063</u>	<u>\$ 5,249,792</u>	<u>\$(163,778)</u>	<u>\$ 169,087,077</u>

CITY OF WEATHERFORD, TEXAS

MUNICIPAL UTILITY SYSTEM

SCHEDULE OF CAPITAL ASSETS BY FUNCTION AND ACTIVITY

SEPTEMBER 30, 2011

<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	\$ 5,184,497	\$ 326,764	\$ 2,777,292	\$ 1,052,970	\$ 1,027,471	\$ -
Water production	25,638,061	1,055,502	12,534,984	11,455,950	591,625	-
Water distribution	52,406,117	662,302	55,619	50,244,007	564,315	879,874
Wastewater	36,391,697	136,810	3,231,643	30,872,321	1,635,960	514,963
Electric production	1,192,893	11,334	336,618	13,203	831,738	-
Electric distribution	<u>48,273,812</u>	<u>31,774</u>	<u>-</u>	<u>46,587,853</u>	<u>1,654,185</u>	<u>-</u>
Total Municipal Utility System capital assets	<u>\$ 169,087,077</u>	<u>\$ 2,224,486</u>	<u>\$ 18,936,156</u>	<u>\$ 140,226,304</u>	<u>\$ 6,305,294</u>	<u>\$ 1,394,837</u>

STATISTICAL SECTION

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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 – 104
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.	105 – 117
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.	118 – 122
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.	123 – 124
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.	125 – 128

CITY OF WEATHERFORD, TEXAS

NET ASSETS BY COMPONENT

LAST NINE FISCAL YEARS

	Fiscal Year		
	<u>2003</u>	<u>2004</u>	<u>2005</u>
Governmental activities:			
Invested in capital assets, net of related debt	\$ 11,895,401	\$ 11,125,732	\$ 11,681,836
Restricted	2,565,820	2,547,731	2,502,827
Unrestricted	<u>2,770,928</u>	<u>2,972,594</u>	<u>4,040,021</u>
Total governmental activities net assets	<u>\$ 17,232,149</u>	<u>\$ 16,646,057</u>	<u>\$ 18,224,684</u>
Business-type activities:			
Invested in capital assets, net of related debt	\$ 50,327,398	\$ 52,257,166	\$ 55,677,157
Restricted	5,430,600	5,752,573	5,480,674
Unrestricted	<u>13,920,676</u>	<u>14,502,848</u>	<u>17,183,561</u>
Total business-type activities net assets	<u>\$ 69,678,674</u>	<u>\$ 72,512,587</u>	<u>\$ 78,341,392</u>
Primary government:			
Invested in capital assets, net of related debt	\$ 62,222,799	\$ 63,382,898	\$ 67,358,993
Restricted	7,996,420	8,300,304	7,983,501
Unrestricted	<u>16,691,604</u>	<u>17,475,442</u>	<u>21,223,582</u>
Total primary government net assets	<u>\$ 86,910,823</u>	<u>\$ 89,158,644</u>	<u>\$ 96,566,076</u>

Note:

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

TABLE 1

Fiscal Year					
2006	2007	2008	2009	2010	2011
\$ 12,874,433	\$ 15,219,107	\$ 18,027,712	\$ 21,410,012	\$ 19,852,401	\$ 17,759,659
9,520,793	10,318,427	9,041,116	6,381,977	6,101,207	2,933,914
<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>	<u>13,417,930</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>	<u>\$ 34,111,503</u>
\$ 59,676,685	\$ 61,396,213	\$ 64,453,828	\$ 68,649,354	\$ 67,232,594	\$ 70,468,654
6,221,761	7,291,875	7,563,464	7,628,531	13,003,448	8,363,543
<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>	<u>21,839,488</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>	<u>\$ 100,671,685</u>
\$ 72,551,118	\$ 76,615,320	\$ 82,481,540	\$ 90,059,366	\$ 87,084,995	\$ 88,228,313
15,742,554	17,610,302	16,604,580	14,010,508	19,104,655	11,297,457
<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>	<u>35,257,418</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>	<u>\$ 134,783,188</u>

CITY OF WEATHERFORD, TEXAS

CHANGES IN NET ASSETS

LAST NINE 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
Planning and development	546,498	614,529	776,426
Community development	528,749	508,310	530,473
Health and welfare	48,000	48,000	35,000
Cultural and recreation	2,765,978	3,000,985	2,981,119
Interest on long-term debt	352,025	416,381	422,013
Total governmental activities expenses	15,374,249	17,192,766	18,409,318
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	32,225,107	32,891,889	38,396,557
Total primary government program expenses	\$ 47,599,356	\$ 50,084,655	\$ 56,805,875
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	2,867,907	3,110,898	3,221,504
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	38,519,936	38,096,271	46,755,371
Total primary government program revenues	\$ 41,387,843	\$ 41,207,169	\$ 49,976,875

TABLE 2

		Fiscal Year									
		2006	2007	2008	2009	2010	2011				
\$	2,320,569	\$	2,466,022	\$	2,866,557	\$	2,928,150	\$	3,160,927	\$	3,398,442
	9,340,908		10,602,348		11,179,288		12,081,348		11,877,757		12,532,399
	2,743,092		2,790,615		2,973,277		2,920,416		2,997,970		7,985,977
	616,598		973,236		1,094,289		825,967		677,682		698,162
	773,029		698,315		798,054		1,627,371		1,314,302		926,855
	35,000		40,000		40,000		45,000		45,000		46,764
	3,193,738		3,626,826		4,490,038		3,681,961		4,088,694		3,442,335
	346,758		600,668		3,749,754		3,109,094		2,996,869		2,758,163
	<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>		<u>31,789,097</u>
	35,636,539		33,712,309		45,275,598		41,197,102		30,670,906		28,530,839
	5,737,688		6,947,460		6,969,907		7,899,776		6,433,439		7,404,975
	2,816,465		2,887,183		2,998,193		2,888,556		3,281,199		2,994,124
	1,019,713		1,094,631		1,443,132		1,464,621		1,434,931		1,450,234
	<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>40,380,172</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>	\$	<u>72,169,269</u>
\$	1,712,909	\$	234,430	\$	240,282	\$	247,258	\$	260,293	\$	275,022
	861,969		1,208,676		1,316,499		1,269,329		1,112,838		1,008,551
	-		-		-		-		25,603		21,278
	623,468		642,624		652,314		395,846		256,563		385,256
	-		-		-		-		427,224		496,987
	-		-		-		-		31,607		49,660
	652,519		689,070		725,635		636,811		636,120		675,256
	488,795		292,214		546,231		401,357		234,710		218,060
	308,755		298,032		150,087		707,935		1,191,580		2,244,834
	<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>		<u>5,374,904</u>
	38,781,055		36,441,699		49,463,235		44,153,842		35,217,275		35,024,442
	7,698,682		6,553,467		7,313,082		8,078,376		6,592,204		9,427,936
	3,845,422		3,926,120		4,168,752		4,035,449		3,858,895		5,031,535
	1,765,007		1,824,906		1,930,313		2,189,772		2,560,822		2,636,320
	-		477,013		-		-		-		-
	1,610,619		788,632		930,081		1,820,404		1,068,437		485,997
	<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>52,606,230</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>	\$	<u>57,981,134</u>

(continued)

CITY OF WEATHERFORD, TEXAS

**CHANGES IN NET ASSETS
(Continued)
LAST NINE 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	2011
\$(14,721,277)	\$(18,432,984)	\$(23,560,209)	\$(23,560,771)	\$(22,982,663)	\$(26,414,193)
<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>12,226,058</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>	<u>(14,188,135)</u>
4,351,788	4,749,712	6,977,107	7,371,902	8,108,727	8,095,074
7,628,658	8,097,754	9,166,195	8,641,879	8,236,286	8,832,088
2,254,202	2,272,898	2,439,677	2,403,704	581,566	620,052
570,854	684,782	707,136	452,312	474,607	588,225
39,803	43,571	45,662	53,505	57,822	57,593
17,963	9,021	10,226	3,373	155,092	1,944
704,988	2,299,115	2,575,000	1,463,358	763,500	72,783
399,656	6,650	76,548	-	-	-
68,384	110,674	199,107	438,500	474,809	454,317
-	-	-	-	-	-
<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>7,124,854</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>	<u>25,846,930</u>
1,102,832	1,810,807	1,140,045	228,337	64,432	43,834
149,293	182,892	146,535	200,945	178,060	220,777
-	-	-	-	-	-
<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>(7,124,854)</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>(6,860,243)</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>	<u>18,986,687</u>
9,726,233	3,344,640	2,296,186	(24,654)	1,111,677	(567,263)
<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>5,365,815</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>	<u>\$ 4,798,552</u>

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CITY OF WEATHERFORD, TEXAS

FUND BALANCES
GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General fund:										
Reserved	\$ 36,886	\$ 55,702	\$ 47,929	\$ 44,393	\$ 51,821	\$ 71,041	\$ 60,372	\$ 30,975	\$ 39,512	\$ -
Unreserved	3,451,337	3,852,326	4,490,806	5,590,721	7,237,347	7,674,409	8,637,632	9,067,892	11,162,818	-
Nonspendable	-	-	-	-	-	-	-	-	-	132,112
Committed	-	-	-	-	-	-	-	-	-	6,989,273
Unassigned	-	-	-	-	-	-	-	-	-	6,517,546
Total general fund	<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>	<u>\$ 13,638,931</u>
All other governmental funds										
Reserved	\$ 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	555,746	509,085	456,382	701,240	1,086,524	1,351,075	1,129,821	1,089,249	1,187,400	-
Nonspendable	-	-	-	-	-	-	-	-	-	50,000
Restricted	-	-	-	-	-	-	-	-	-	19,057,261
Committed	-	-	-	-	-	-	-	-	-	3,807,639
Total all other governmental funds	<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>	<u>\$ 22,914,900</u>

CITY OF WEATHERFORD, TEXAS

CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
REVENUES										
Taxes	\$ 10,225,212	\$ 10,931,364	\$ 11,734,586	\$ 13,256,164	\$ 14,829,390	\$ 15,840,133	\$ 19,299,272	\$ 18,924,734	\$ 588,225	\$ 18,222,977
Licenses and permits	452,953	567,419	566,880	554,940	631,400	637,735	663,464	431,330	-	560,150
Intergovernmental	374,311	344,281	593,895	567,188	394,449	266,261	362,008	331,035	1,473,238	2,650,196
Charges for services	589,329	603,070	672,813	847,331	870,669	917,528	931,540	962,567	118,557	1,114,756
Fines and forfeitures	319,304	499,568	434,764	435,458	491,957	729,794	857,715	676,973	202,146	917,547
Contributions	-	-	-	-	-	-	-	-	22,344	22,344
Investment earnings	212,834	190,174	123,200	261,843	704,988	2,302,034	2,576,899	1,463,815	15,751	72,783
Miscellaneous	126,322	309,762	638,662	586,169	2,097,305	639,122	972,491	1,006,388	122,403	615,158
Total revenues	<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>2,542,664</u>	<u>24,175,911</u>
EXPENDITURES										
General government	1,369,681	1,400,503	1,764,420	1,967,561	2,163,428	2,370,333	2,947,667	2,749,341	150,799	3,174,872
Public safety	6,890,055	7,403,954	7,968,188	9,191,013	9,177,082	10,389,397	10,888,448	11,067,251	57,815	11,431,423
Public works	1,612,953	1,631,665	1,829,989	1,725,247	2,601,040	2,402,659	2,510,164	2,175,270	-	2,569,515
Planning and developmen	502,233	537,984	612,498	742,634	762,914	990,770	1,099,526	818,460	-	660,440
Community development	536,093	559,829	478,954	495,353	610,699	670,973	766,573	1,519,717	8,964	849,250
Health and welfare	48,000	48,000	48,000	35,000	35,000	40,000	40,000	45,000	-	45,000
Cultural and recreational	2,537,972	2,640,362	2,955,251	2,877,673	3,104,893	3,517,497	4,360,890	4,133,489	447,354	2,842,956
Debt service										
Principal	304,182	436,481	427,628	384,074	438,428	967,696	3,940,724	3,116,578	-	1,175,000
Interest	800,619	836,986	751,707	818,084	898,809	689,381	923,458	1,030,242	185,524	3,261,816
Capital outlay	<u>2,071,201</u>	<u>954,517</u>	<u>651,201</u>	<u>1,357,026</u>	<u>1,784,982</u>	<u>3,535,335</u>	<u>8,108,038</u>	<u>25,212,325</u>	<u>3,564,478</u>	<u>11,130,204</u>
Total expenditures	<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>4,414,934</u>	<u>37,140,476</u>

(continued)

CITY OF WEATHERFORD, TEXAS

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

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
EXCESS OF REVENUES OVER (UNDER)										
EXPENDITURES	<u>\$ (4,372,724)</u>	<u>\$ (3,004,643)</u>	<u>\$ (2,723,036)</u>	<u>\$ (3,084,572)</u>	<u>\$ (1,557,117)</u>	<u>\$ (4,241,434)</u>	<u>\$ (9,922,099)</u>	<u>\$ (28,070,831)</u>	<u>\$ (1,872,270)</u>	<u>\$ (12,964,565)</u>
OTHER FINANCING SOURCES (USES)										
Issuance of debt	1,800,000	3,500,000	-	-	4,000,000	57,290,000	3,000,000	-	-	33,475,000
Premium on debt issuance	-	7,515	-	-	34,543	827,448	-	-	-	255,694
Payment to escrow agent	-	-	-	-	-	-	-	-	-	(24,793,931)
Lease purchase proceed	81,489	177,173	99,724	246,000	570,867	-	-	-	-	-
Sale of assets	-	-	-	-	-	-	-	-	3,609	5,397
Transfers in	3,268,924	3,127,775	3,443,072	3,740,638	9,041,701	5,293,472	6,115,459	5,850,469	604,362	7,882,888
Transfers out	(935,392)	(590,645)	(517,805)	(594,385)	(630,487)	(1,790,025)	(2,455,722)	(3,142,885)	(252,592)	(758,034)
Total other financing sources (uses)	<u>4,215,021</u>	<u>6,221,818</u>	<u>3,024,991</u>	<u>3,392,253</u>	<u>13,016,624</u>	<u>61,620,895</u>	<u>6,659,737</u>	<u>2,707,584</u>	<u>355,379</u>	<u>16,067,014</u>
NET CHANGE IN FUND BALANCES	<u>\$ (157,703)</u>	<u>\$ 3,217,175</u>	<u>\$ 301,955</u>	<u>\$ 307,681</u>	<u>\$ 11,459,507</u>	<u>\$ 57,379,461</u>	<u>\$ (3,262,362)</u>	<u>\$ (25,363,247)</u>	<u>\$ (1,516,891)</u>	<u>\$ 3,102,449</u>
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	<u>7.69%</u>	<u>8.39%</u>	<u>7.17%</u>	<u>6.74%</u>	<u>7.02%</u>	<u>7.74%</u>	<u>18.18%</u>	<u>15.90%</u>	<u>4.20%</u>	<u>17.13%</u>

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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	Totals
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
2011	8,125,019	8,832,088	620,052	588,225	57,593	18,222,977

(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		
	2002	2003	2004
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	4.25	4.25
Per KWH (May - October)	0.0750	0.0750	0.0750
Per KWH (November - April)	0.5500	0.0690	0.0690
Small General Service (Demand does not exceed 20 KW)			
Base rate	16.00	16.00	16.00
Per KWH	0.0765	0.0765	0.0765
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	0.0520 (1)	0.0520 (1)	0.0520 (1)
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	12.25	12.25
Per KWH	0.0600	0.0665	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	10.00	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.

(2) As of 11/01/2010, large general service, 3 rates have a set rate per KWH and KVA.

(3) As of 11/01/2010, municipal governments, schools, and churches will follow their respective commercial rates based on demand.

TABLE 6

		Fiscal Year						
		2005	2006	2007	2008	2009	2010	2011
\$	4.25	\$ 4.25	\$ 4.25	\$ 4.25	\$ 4.25	\$ 4.25	\$ 4.25	\$ 6.17
	0.0750	0.0750	0.0750	0.0750	0.0750	0.0750	0.0750	0.0481
	0.0690	0.0690	0.0690	0.0690	0.0690	0.0690	0.0690	0.0443
	4.25	4.25	4.25	4.25	4.25	4.25	4.25	6.17
	0.0750	0.0750	0.0750	0.0750	0.0750	0.0750	0.0750	0.0481
	0.0690	0.0690	0.0690	0.0690	0.0690	0.0690	0.0690	0.0443
	16.00	16.00	16.00	16.00	16.00	16.00	16.00	19.55
	0.0765	0.0765	0.0765	0.0765	0.0765	0.0765	0.0765	0.0490
	21.00	21.00	21.00	21.00	21.00	21.00	21.00	28.17
	0.0605	0.0605	0.0605	0.0605	0.0605	0.0605	0.0605	0.0322
	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.43
	22.25	22.25	22.25	22.25	22.25	22.25	22.25	48.17
	0.0565	0.0565	0.0565	0.0565	0.0565	0.0565	0.0565	0.0297
	0.0545	0.0545	0.0545	0.0545	0.0545	0.0545	0.0545	0.0297
	2.55	2.55	2.55	2.55	2.55	2.55	2.55	2.96
	22.25	22.25	22.25	22.25	22.25	22.25	22.25	79.83
	0.0860	0.0860	0.0860	0.0860	0.0860	0.0860	0.0860	0.0194 (2)
	0.0520 (1)	0.0520 (1)	0.0520 (1)	0.0520 (1)	0.0520 (1)	0.0520 (1)	0.0520 (1)	0.0194 (2)
	0.0260	0.0260	0.0260	0.0260	0.0260	0.0260	0.0260	0.0194 (2)
	8.10	8.10	8.10	8.10	8.10	8.10	8.10	6.62 (2)
	12.25	12.25	12.25	12.25	12.25	12.25	12.25	- (3)
	0.0665	0.0665	0.0665	0.0665	0.0665	0.0665	0.0665	- (3)
	16.00	16.00	16.00	16.00	16.00	16.00	16.00	- (3)
	0.0645	0.0645	0.0645	0.0645	0.0645	0.0645	0.0645	- (3)
	2.25	2.25	2.25	2.25	2.25	2.25	2.25	- (3)
	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00 (3)

TABLE 7

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

Fiscal Year	Residential	Commercial ⁽²⁾	Industrial	Other ⁽¹⁾	Total
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
2011	11,420	2,087	53	-	13,560

⁽¹⁾ Includes municipal governments, schools, and churches, prior to fiscal year 2011.

⁽²⁾ As of fiscal year 2011, includes municipal governments, schools, and churches.

TABLE 8

CITY OF WEATHERFORD, TEXAS

TEN LARGEST ELECTRIC CUSTOMERS

CURRENT YEAR AND NINE YEARS AGO

Customer	2011	
	Revenue	Percentage of Electric Revenue
Weatherford ISD	\$ 1,317,887	3.88%
Heritage Plastic	759,467	2.24%
Jamak, Inc.	606,409	1.79%
Weatherford Texas Hospital Corp.	489,099	1.44%
Wal-Mart	428,989	1.26%
Weatherford Aerospace	392,046	1.15%
Weatherford College	393,112	1.16%
Home Depot	212,311	0.63%
Lowe's	210,851	0.62%
Albertson's	199,559	0.59%
	<u>5,009,730</u>	<u>14.75%</u>
Revenue from other customers	<u>28,952,009</u>	<u>85.25%</u>
Total	<u>\$ 33,961,739</u>	<u>100.00%</u>

Customer	2002	
	Revenue	Percentage of Electric Revenue
Jamak, Inc.	\$ 607,592	2.86%
Weatherford ISD	558,233	2.63%
Heritage Plastic	531,677	2.50%
Wal-Mart	508,349	2.39%
Campbell Health System	389,729	1.84%
Weatherford College	229,039	1.08%
Parker County	209,848	0.99%
Home Depot	206,769	0.97%
Weatherford Aerospace	204,877	0.96%
Albertson's	167,909	0.79%
	<u>3,614,022</u>	<u>17.02%</u>
Total	<u>17,621,192</u>	<u>82.98%</u>
	<u>\$ 21,235,214</u>	<u>100.00%</u>

CITY OF WEATHERFORD, TEXAS

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY⁽¹⁾

LAST TEN FISCAL YEARS

Category	2002		2003	
	Actual Value	Percentage of Total	Actual Value	Percentage of Total
Real, residential, single family	\$ 448,254,190	52.11%	\$ 573,235,680	53.31%
Real, residential, multi-family	25,317,200	2.94%	30,423,790	2.83%
Real, vacant lots/tracts	15,147,090	1.76%	19,903,290	1.85%
Real, acreage (land only)	30,138,550	3.50%	47,895,100	4.45%
Real, farm and ranch improvements	15,845,170	1.84%	18,686,180	1.74%
Real, commercial	188,457,270	21.91%	238,291,820	22.16%
Real, industrial	7,080,730	0.82%	7,542,010	0.70%
Real, oil, gas and other minerals	16,450	0.00%	-	-
Total real property	<u>730,256,650</u>	84.90%	<u>935,977,870</u>	87.04%
Real and tangible personal, utilities	18,418,040	2.14%	20,382,350	1.90%
Tangible personal, commercial	85,437,400	9.93%	88,283,950	8.21%
Tangible personal, industrial	19,091,830	2.22%	23,000,330	2.14%
Tangible, personal, mobile homes	1,910,640	0.22%	1,785,570	0.17%
Intangible personal	-	-	-	-
Inventory	<u>5,060,660</u>	<u>0.59%</u>	<u>5,927,220</u>	<u>0.55%</u>
Total personal property	<u>129,918,570</u>	<u>15.10%</u>	<u>139,379,420</u>	<u>12.96%</u>
Total actual value	860,175,220	<u>100.00%</u>	1,075,357,290	<u>100.00%</u>
Less: exemptions/reductions	<u>70,699,941</u>		<u>119,668,828</u>	
Total	<u>\$ 789,475,279</u>		<u>\$ 955,688,462</u>	
Total direct rate ⁽²⁾	\$ 0.3600		\$ 0.3403	

Notes:

(1) Property is assessed at market value.

(2) Per \$100 of assessed value

Source: Parker County Appraisal District

TABLE 9

2004		2005		2006	
Actual Value	Percentage of Total	Actual Value	Percentage of Total	Actual Value	Percentage of Total
\$ 611,816,260	54.46%	\$ 650,194,940	54.19%	\$ 744,845,930	53.65%
31,268,020	2.78%	31,489,910	2.62%	38,787,970	2.79%
18,094,880	1.61%	19,016,140	1.58%	28,465,230	2.05%
48,892,850	4.35%	50,936,150	4.25%	61,611,030	4.44%
16,646,290	1.48%	16,761,180	1.40%	19,390,740	1.40%
247,264,810	22.01%	276,298,640	23.03%	328,022,860	23.63%
7,823,290	0.70%	7,823,290	0.65%	8,466,210	0.61%
-	- %	-	- %	-	- %
<u>981,806,400</u>	<u>87.39%</u>	<u>1,052,520,250</u>	<u>87.72%</u>	<u>1,229,589,970</u>	<u>88.56%</u>
18,129,460	1.61%	16,690,530	1.39%	17,714,320	1.28%
89,775,290	7.99%	94,586,120	7.88%	107,923,090	7.77%
22,977,010	2.05%	24,378,430	2.03%	22,895,960	1.65%
1,852,430	0.16%	1,948,360	0.16%	1,681,410	0.12%
28,580	- %	21,990	- %	-	- %
<u>8,896,290</u>	<u>0.79%</u>	<u>9,686,950</u>	<u>0.81%</u>	<u>8,601,290</u>	<u>0.62%</u>
<u>141,659,060</u>	<u>12.61%</u>	<u>147,312,380</u>	<u>12.28%</u>	<u>158,816,070</u>	<u>11.44%</u>
1,123,465,460	<u>100.00%</u>	1,199,832,630	<u>100.00%</u>	1,388,406,040	<u>100.00%</u>
<u>97,494,013</u>		<u>89,072,576</u>		<u>107,831,010</u>	
<u>\$ 1,025,971,447</u>		<u>\$ 1,110,760,054</u>		<u>\$ 1,280,575,030</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	2007		2008	
	Actual Value	Percentage of Total	Actual Value	Percentage of Total
Real, residential, single family	\$ 786,575,270	52.41%	\$ 884,837,500	52.16%
Real, residential, multi-family	50,422,550	3.36%	49,119,090	2.90%
Real, vacant lots/tracts	31,371,500	2.09%	28,945,620	1.71%
Real, acreage (land only)	66,543,860	4.43%	97,859,020	5.77%
Real, farm and ranch improvements	19,971,440	1.33%	19,102,150	1.13%
Real, commercial	355,833,000	23.71%	431,045,000	25.41%
Real, industrial	8,176,550	0.54%	5,685,760	0.34%
Real, oil, gas and other minerals	<u>665,540</u>	<u>0.04%</u>	<u>1,381,770</u>	<u>0.08%</u>
Total real property	1,319,559,710	87.93%	1,517,975,910	89.47%
Real and tangible personal, utilities	17,359,850	1.16%	18,661,510	1.10%
Tangible personal, commercial	122,749,210	8.18%	119,755,350	7.06%
Tangible personal, industrial	27,607,560	1.84%	32,721,880	1.93%
Tangible, personal, mobile homes	1,539,060	0.10%	1,563,200	0.09%
Intangible personal	-	- %	36,210	- %
Inventory	<u>11,868,130</u>	<u>0.79%</u>	<u>5,833,900</u>	<u>0.34%</u>
Total personal property	<u>181,123,810</u>	<u>12.07%</u>	<u>178,572,050</u>	<u>10.52%</u>
Total actual value	1,500,683,520	<u>100.00%</u>	1,696,547,960	<u>100.00%</u>
Less: exemptions/reductions	<u>102,744,790</u>		<u>131,475,380</u>	
Total	\$ <u>1,397,938,730</u>		\$ <u>1,565,072,580</u>	
Total direct rate ⁽²⁾	\$ 0.3403		\$ 0.4386	

Notes:

(1) Property is assessed at market value.

(2) Per \$100 of assessed value

Source: Parker County Appraisal District

TABLE 9

2009		2010		2011	
Actual Value	Percentage of Total	Actual Value	Percentage of Total	Actual Value	Percentage of Total
\$ 931,787,310	49.58%	\$ 966,262,300	49.35%	\$ 982,593,310	50.07%
63,259,650	3.37%	66,142,950	3.38%	60,050,380	3.06%
34,935,360	1.86%	32,079,260	1.64%	31,012,210	1.58%
114,848,250	6.11%	132,053,460	6.74%	127,192,770	6.48%
22,318,830	1.19%	21,383,540	1.09%	23,630,120	1.20%
504,549,930	26.85%	522,311,300	26.68%	525,936,480	26.80%
9,751,120	0.52%	10,348,560	0.53%	11,655,760	0.59%
785,960	0.04%	566,870	0.03%	7,210,230	0.37%
<u>1,682,236,410</u>	<u>89.51%</u>	<u>1,751,148,240</u>	<u>89.44%</u>	<u>1,769,281,260</u>	<u>90.15%</u>
17,684,650	0.94%	16,470,860	0.84%	16,699,920	0.85%
129,570,820	6.89%	139,204,420	7.11%	130,474,700	6.65%
34,733,290	1.85%	35,221,400	1.80%	32,101,270	1.64%
1,379,840	0.07%	1,469,130	0.08%	1,505,490	0.08%
37,620	- %	68,300	- %	45,610	- %
<u>13,786,420</u>	<u>0.73%</u>	<u>14,240,990</u>	<u>0.73%</u>	<u>12,406,480</u>	<u>0.63%</u>
<u>197,192,640</u>	<u>10.49%</u>	<u>206,675,100</u>	<u>10.55%</u>	<u>193,233,470</u>	<u>9.84%</u>
1,879,429,050	<u>100.00%</u>	1,957,823,340	<u>100.00%</u>	1,962,514,730	<u>100.00%</u>
<u>141,624,420</u>		<u>157,276,330</u>		<u>156,813,562</u>	
<u>\$ 1,737,804,630</u>		<u>\$ 1,800,547,010</u>		<u>\$ 1,805,701,168</u>	
\$ 0.4386		\$ 0.4636		\$ 0.4636	

CITY OF WEATHERFORD, TEXAS

DIRECT AND OVERLAPPING PROPERTY TAX RATES⁽¹⁾

LAST TEN FISCAL YEARS

Fiscal Year	City Direct Rates			Overlapping Rates ⁽²⁾				
	Operating	Debt Service	Total Direct	Parker County	Weatherford School District	Parker County Hospital District	Parker County Junior College	Peaster School District
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
2011	0.2920	0.1716	0.4636	0.3897	1.4000	0.1130	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	2011	
	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value
Parker County Hospital	\$ 42,553,300	2.47%
Weatherford Capital	20,695,900	1.14%
Weatherford I-20/Main St.	19,555,820	1.07%
Wal-Mart Stores, Inc.	18,280,380	1.00%
Power Service Products	13,624,370	0.75%
Lowes Home Centers	12,125,470	0.67%
Home Depot	11,302,690	0.62%
Holland Lake Partners	10,915,710	0.60%
Target Corporation	10,833,530	0.60%
JAMAK, Inc.	10,579,180	0.58%
Total	\$ <u>170,466,350</u>	<u>9.50%</u>
Taxpayer	2002	
	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value
Wal-Mart Stores, Inc.	\$ 16,590,030	1.74%
JAMAK, Inc.	13,149,190	1.38%
Home Depot	11,584,250	1.21%
Southwestern Bell	10,212,550	1.07%
Albertson's, Inc.	9,055,860	0.95%
Power Service Products	7,627,840	0.80%
C.D. Hartnett Company	7,094,160	0.74%
Southgate Glen Apartments	5,700,620	0.60%
Westward Way Estates	4,499,090	0.47%
Petro Psc Properties	4,020,560	0.42%
Total	\$ <u>89,534,150</u>	<u>9.38%</u>

Source: Parker County Appraisal District

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CITY OF WEATHERFORD, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS⁽¹⁾
LAST SEVEN 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	\$(37,966)	3,742,278	\$ 3,666,354	96.99%	\$ 67,553	\$ 3,733,907	99.78%
2006	4,315,877	(18,597)	4,297,280	4,215,124	97.67%	71,061	4,286,185	99.74%
2007	4,696,326	(18,751)	4,677,575	4,590,807	97.75%	75,536	4,666,343	99.76%
2008	6,919,281	(60,070)	6,859,211	6,759,210	97.69%	76,044	6,835,254	99.65%
2009	7,366,860	(32,168)	7,334,692	7,218,875	97.99%	87,418	7,306,293	99.61%
2010	8,016,933	(35,434)	7,981,499	7,837,978	97.77%	83,155	7,921,133	99.24%
2011	8,085,420	(32,754)	8,052,666	7,942,051	98.23%	-	7,942,051	98.63%

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 NINE FISCAL YEARS

	Fiscal Year		
	2003	2004	2005
Agriculture/Forestry/Fishing/Hunting	\$ -	\$ -	\$ -
Mining/Quarrying/Oil and Gas Extraction	1,011	-	515,558
Utilities	37,337	-	-
Construction	6,235,132	5,790,886	7,713,482
Manufacturing	7,941,216	8,480,151	11,417,424
Wholesale Trade	10,449,538	13,962,200	16,865,888
Retail Trade	207,853,192	221,607,207	259,551,137
Transportation/Warehousing	6,161	2,524	13,065
Information	895,350	1,281,883	1,782,692
Finance/Insurance	1,668,642	1,867,135	2,489,713
Real Estate/Rental/Leasing	1,600,597	2,368,939	2,906,602
Professional/Scientific/Technical Services	2,944,145	2,680,029	2,987,497
Admin/Support/Waste Mgmt/Remediation Services	2,639,015	3,310,849	3,467,818
Educational Services	213,875	320,362	238,871
Health Care/Social Assistance	334,969	307,035	323,278
Arts/Entertainment/Recreation	1,133,361	1,115,563	1,199,103
Accommodations/Food Services	40,027,467	46,480,604	53,593,119
Other Services (except Public Administration)	11,475,858	13,553,888	14,291,440
Public Administration	1,842,689	2,101,631	2,452,113
Other Services	820,282	232,274	47,085
Unclassified	8,694,981	8,925,327	10,542,942
Total	\$ 306,814,818	\$ 334,388,487	\$ 392,398,827
City direct sales tax rate	1.50%	1.50%	1.50%

Source: Texas Comptroller

TABLE 13

Fiscal Year					
2006	2007	2008	2009	2010	2011
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,350
2,347,140	1,244,207	1,252,092	14,326,698	88,530,759	2,708,174
-	-	-	-	-	1,564
8,813,942	7,275,865	6,957,885	4,357,116	4,005,474	4,473,269
12,266,814	10,892,575	11,006,653	8,052,901	9,179,698	10,344,074
19,404,659	20,932,822	22,472,139	18,984,569	17,613,952	20,606,904
274,468,277	307,054,524	319,784,449	306,397,750	296,338,740	318,942,141
114,637	299,029	298,219	-	-	-
2,269,814	1,902,312	2,056,382	2,168,761	3,007,895	5,614,520
2,643,196	2,744,766	2,173,493	1,238,663	1,007,196	884,706
5,988,307	12,909,665	10,905,094	5,856,372	3,398,093	3,083,776
3,435,823	2,492,222	3,351,088	3,173,971	2,525,977	2,248,780
3,184,939	2,974,145	3,855,420	3,966,809	4,142,197	4,641,626
369,212	339,063	331,207	388,591	2,053,012	1,569,743
331,275	53,634	53,933	4,169	189,402	55,855
1,689,930	1,423,230	1,202,157	1,199,394	1,333,491	1,278,258
59,244,910	63,045,572	67,976,752	69,513,396	66,627,927	72,763,277
13,628,435	14,648,835	19,215,998	18,010,209	17,911,085	20,237,260
9,624,417	3,019,642	3,228,818	16,587,342	13,610,308	12,573,279
22,410	19,874	18,261	-	-	-
5,869,106	12,328,558	16,359,816	2,696,208	1,163,476	9,584
<u>\$ 425,717,243</u>	<u>\$ 465,600,540</u>	<u>\$ 492,499,856</u>	<u>\$ 476,922,919</u>	<u>\$ 532,638,682</u>	<u>\$ 482,054,140</u>
1.50%	1.50%	1.50%	1.50%	1.50%	1.50%

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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			
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
2011	34,465,000	42,225,000	-	41,098,654	415,000	353,933	71,916	118,629,503	6.91%	2,667

⁽¹⁾ Personal income and population data located on Table 18.

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 Available	Net Bonded Debt
	General Obligation Bonds	Certificates of Obligation	Total		
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	2,032,597	66,251,204
2011	34,465,000	42,225,000	76,690,000	2,032,597	74,657,403

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

(1) Population data located on Table 18

TABLE 15

<u>Actual Taxable Value of Property</u>	<u>Percentage of Actual Taxable Value of Property</u>	<u>Per Capita⁽¹⁾</u>
\$ 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
1,805,701,168	3.58%	2,563

CITY OF WEATHERFORD, TEXAS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

AS OF SEPTEMBER 30, 2011

<u>Government Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Debt repaid with property taxes			
Parker County	\$ 78,959,980	19.780%	\$ 15,618,284
Weatherford Independent School District	84,320,004	45.730%	38,559,538
Parker County Junior College District	5,470,000	19.780%	1,081,966
Peaster Independent School District	15,540,135	2.730%	424,246
Other debt			
Parker County Junior College, note payable	3,534,708	19.780%	<u>699,165</u>
Subtotal overlapping debt			56,383,199
City of Weatherford direct debt	76,690,000	100.00%	<u>76,690,000</u>
Total direct and overlapping debt			<u>\$ 133,073,199</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					Coverage
	Gross Revenue ⁽¹⁾	Less: Operating Expenses ⁽²⁾	Net Available Revenue	Debt Service		
				Principal	Interest	
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%
2011	48,143,263	32,655,996	15,487,267	2,615,000	2,015,352	3.34%

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⁾
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%
2011	25,250	974,018,750	38,575	7,543	7.1%

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	2011		
	Employees	Rank	Percentage of Total City Employment
Weatherford Independent School District	945	1	7.86%
Weatherford Regional Medical Center	486	2	4.04%
Parker County	485	3	4.03%
Jerry's Transportation Center	420	4	3.49%
City of Weatherford	356	5	2.96%
Wal-Mart	350	6	2.91%
Weatherford College	298	7	2.48%
C. D. Hartnett	276	8	2.30%
JAMAK, Inc.	240	9	2.00%
Weatherford Aerospace	142	10	1.18%
Total	3,998		33.25%

Employer	2002		
	Employees	Rank	Percentage of Total City Employment
Weatherford ISD	850	1	9.34%
Texas Bank	460	2	5.06%
Weatherford College	450	3	4.95%
Campbell Health System	450	4	4.95%
Wal-Mart	447	5	4.91%
JAMAK, Inc.	400	6	4.40%
Parker County	334	7	3.67%
C. D. Hartnett	296	8	3.25%
City of Weatherford	260	9	2.86%
Home Depot	200	10	2.20%
Total	4,147		45.59%

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,									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General government	21	19	20	21	22	22	23	24	24	24
Public safety ⁽¹⁾	106	106	114	114	119	124	128	130	130	132
Public works	22	19	19	19	19	18	20	22	22	23
Planning and development	9	9	9	12	13	16	16	10	10	10
Community development	8	8	8	8	8	9	9	24	24	23
Cultural and recreational	47	48	48	48	48	52	55	50	51	52
Electric	45	46	48	49	49	54	55	54	54	55
Water	24	27	27	27	27	27	25	28	28	28
Wastewater	15	17	15	15	15	15	16	16	16	16
Sanitation	<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>	<u>19</u>
Total	<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>	<u>382</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			
	2002	2003	2004	2005
Public safety				
Police				
Police personnel and officers	66	71	71	71
Arrests	1,094	1,158	1,271	1,652
Violations other than parking	7,739	12,110	8,720	8,483
Parking violations	548	283	325	357
Fire				
Paid fire personnel and officers	35	36	42	42
Calls answered	2,614	2,589	2,773	3,169
Planning and development				
New construction permits issued	305	234	198	270
Cultural and recreation				
Library holdings	123,620	128,790	93,979	93,895
Electric				
Service connections	10,550	10,958	11,758	12,060
Total system peak demand (kW)	68,419	73,205	71,857	78,273
Annual kilo-watt hour sales (KWH)	273,997,234	289,085,021	289,880,920	315,001,959
Water				
Service connections	8,575	8,847	9,113	9,345
Daily average consumption (thousands of gallons)	2,687	2,858	2,695	3,141
Annual water sales (thousands of gallons)	980,843	1,043,353	983,680	1,146,612
Wastewater				
Service connections	7,923	8,149	8,342	8,503
Daily average consumption (thousands of gallons)	2,040	2,320	2,429	2,165
Sanitation				
Refuse collected (tons)	9,567	9,257	8,512	9,259
Brush pickups (tons)	595	635	841	2,396
Special pickups (tons)	2,045	2,216	1,076	2,732

(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

2006	2007	2008	2009	2010	2011
71	75	79	77	76	80
1,689	1,512	1,597	1,604	1,591	1,104
9,744	10,160	10,078	7,823	6,855	6,628
193	281	231	114	88	71
473	43	52	51	51	55
3,724	3,505	3,167	3,897	3,985	4,142
345	289	341	143	120	186
91,422	90,745	97,232	98,596	98,241	102,847
12,443	12,823	13,166	13,297	13,418	13,560
82,721	81,859	82,317	83,385	90,289	96,681
338,176,662	334,246,819	354,818,755	341,457,244	365,673,529	381,826,440
9,769	10,108	10,418	10,507	10,604	10,722
4,142	3,091	3,555	3,494	3,072	3,884
1,511,964	1,128,377	1,297,535	1,275,433	1,121,197	1,417,482
8,835	9,254	9,902	(2) 9,660	(2) 9,769	(2) 9,881
2,118	2,223	2,079	1,936	2,261	2,133
8,865	9,130	9,189	8,780	8,951	8,789
1,016	509	2,459	1,832	1,601	1,936
1,154	1,541	(1)	(1)	(1)	(1)

TABLE 22

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

Function/Program	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Public safety										
Police										
Police stations	1	1	1	1	1	1	1	1	1	1
Police patrol units	19	21	21	21	22	21	22	22	22	22
Fire										
Fire stations	3	3	3	3	3	3	4	4	4	4
Fire trucks	12	12	12	11	11	12	14	16	17	18
Cultural and recreation										
Parks and recreation										
Community centers	2	2	2	2	2	2	2	2	2	2
Parks	9	9	9	9	10	10	10	10	10	10
Park acreage	294	294	294	294	300	300	300	300	300	301
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	7	7	7	10	10	13	11
Multipurpose fields and courts	7	7	7	8	8	8	9	9	9	7
Electric										
Miles of distribution lines	257	267	272	283	288	302	304	313	316	326
Water										
Miles of water mains	196	200	200	236	236	236	241	249	254	266
Number of fire hydrants	871	884	884	993	1,123	1,170	1,213	1,244	1,320	1,342
Maximum daily capacity of plant (thousands of gallons)	8,000	8,000	8,000	8,000	14,000	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	7,600	7,600	7,600
Wastewater										
Miles of sanitary sewers	168	171	171	180	180	182	187	192	195	202
Permitted daily capacity of plant (thousands of gallons)	2,700	2,700	2,700	4,500	4,500	4,500	4,500	4,500	4,500	4,500