

**CITY OF
WEATHERFORD**

TEXAS

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED
SEPTEMBER 30, 2015**

**Created by:
Finance Office**

CITY OF WEATHERFORD, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2015

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INTRODUCTORY SECTION

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March 16, 2016

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, 2015, 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, 2015, 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 unmodified opinion that the City of Weatherford's financial statements for the fiscal year ended September 30, 2015, 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 27,769 as of July 1, 2014 (U.S. Census Bureau). 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 policies, ordinances, adopting the budget, appointing boards and committees, and hiring the City Manager. The Municipal Court Judge, City Secretary 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 three-year staggered terms. 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 page 65 – 66 of this report. Budget-to-actual comparisons for each of the non-major special revenue governmental funds are found on pages 81 – 92.

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. In 2015, the City of Weatherford continued thriving in its economic recovery, as revenues to the city outmatched the previous record highs, set in 2014. The State and more so the North Texas Metroplex/MSA, that includes Weatherford, continues to stay ahead of the nation in job creation (recovery) and new growth. Regional retail shopping, manufacturing and other business to business sales led Weatherford's strong sales tax figures for FY15. Cutting-horse and cattle ranching, and agricultural crop production are still significant economic contributors to the area. Other economic indicators that showed improvement throughout the year are Texas' consumer confidence index as well as the unemployment rate, which continues to fall in both the state and in Weatherford. In addition, 45 to 50 percent of local residents make the short commute east into the Fort Worth/Dallas metropolitan area for jobs at major Fortune 500 companies, such as Lockheed-Martin, Bell Helicopter/Textron, Alliance Airport, the Federal Currency Center, and many other major Fortune 500/regional employers.

Fiscal year 2015 was the historic high in sales tax revenue collections for the City of Weatherford. The 2015 City sales tax was about 6.7 percent above the 2014 \$10.59 million, at \$11.3 million.

Local manufacturing includes many local shops and suppliers; national and international silicone rubber products (automotive, medical and aerospace, etc.); automotive fuel additives; natural gas drilling, service, production and training; PVC plastic pipe; regional lower-tier subcontractors to Metroplex aerospace companies; and international animal supplements. All experienced output declines and some job reductions from the Great Recession, but have continued to see growth in output and recovery in jobs through 2014. The natural gas drilling rig count has declined significantly, to about 25 percent of the peak, and will continue to decline as the Barnett Shale play matures.

The City continues to develop as a major regional retail center at the IH-20 and S. Main node, with over 905,000 square feet of retail construction completed since 2005. The Weatherford Marketplace Center at the south east intersection of IH-20 and S. Main St. (State Highways 51/171) has been fully leased. Some vacancies are common but they tend to rotate occupancy.

The local unemployment rate has declined and fluctuated monthly for two years. The rate as of April of 2015 was 3.5%, not seasonally adjusted. The City high was 8.5% in July 2009. The long-term unemployed workforce moderates this improvement in the local rate. The city routinely has the lowest unemployment rate of the County, the Fort Worth-Dallas MSA and the State, and much lower than national levels.

Due in part to a stable local service area economy, Standard & Poor's Rating Services assigned and affirmed its "AA-" rating and stable outlook to the City of Weatherford's series 2014 general obligation refunding bonds and series 2014 tax notes.

Long-term Financial Planning and Major Initiatives. 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 December 2012 to include the addition of the new storm water utility fund, a suggestion by City auditors to include a reference to revenue segregation for fund balance clarification for Governmental Accounting Standards Board 54 purposes, and a Utility Board Member's request to have all City delinquent or uncollectable procedures documented.

This policy statement sets a desired fund balance reserve in the committed funds of the general and utility fund at 90 days of operations. At fiscal year end both funds had met this requirement of the policy statement as well as had a healthy unassigned fund balance, which was a desire of the City Council.

The City Council also recently reviewed the City of Weatherford's strategic plan. Council decided to develop an entirely new strategic plan which incorporates strong financial planning. This was adopted during February of 2013 and revised in the spring of 2015. The new vision statement of the City states "Weatherford, Texas is a service oriented, yet still "small town" community that upgrades its infrastructure, celebrates and shares its rich history, and fosters quality economic growth – in a fiscally responsible, even revenue-generating fashion." Actual planning steps include a focus on service, fiscal well-being of the City, and fostering a healthy economic environment.

A focus of the City Council, as stated in the vision statement, is up-to-date infrastructure. The City made some great improvements and enhancements to the City over the last several years with a huge emphasis on implementing the 2006 Capital Committee's recommendations as well as a massive Pass-Through Toll Agreement with TxDOT that will provide approximately \$60 million in new or improved transportation infrastructure. However, this is no time to slow the progress of meeting the needs of the community. The streets department underwent a pavement condition survey in 2013 to determine where funds and efforts need to be focused and plan for them in the budget. The results of the survey suggested that the City was underfunding its annual street repairs by several hundred thousand dollars, and City management has determined that adequate street funding will be a priority in the future. As of fiscal year 2016, the City has met annual street maintenance funding target. With the new municipal storm water fee having been adopted in early 2013, the City has made several strides in updating its drainage infrastructure in the past three years, and has also issued revenue bonds backed by this revenue stream for further improvements. Bonds were also issued for water/wastewater and electric improvements, helping to capitalize on the recent rate adjustments, which started in FY15.

An additional focus for the City is to start a vehicle rotation fund for major rolling assets in the General Fund. FY16 is the first year of this new rotation, with approximately 20 vehicles provided for with recurring funds. The goal is to add more vehicles onto this rotation as revenues provide.

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, 2014. This was the twenty-fourth 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; Finance Analyst, Tomara Holloway; Budget and Strategic Planning Manager, Kyle Lester; and Accounting Clerks Jacob Tadlock and Kerri Sanderson. 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.

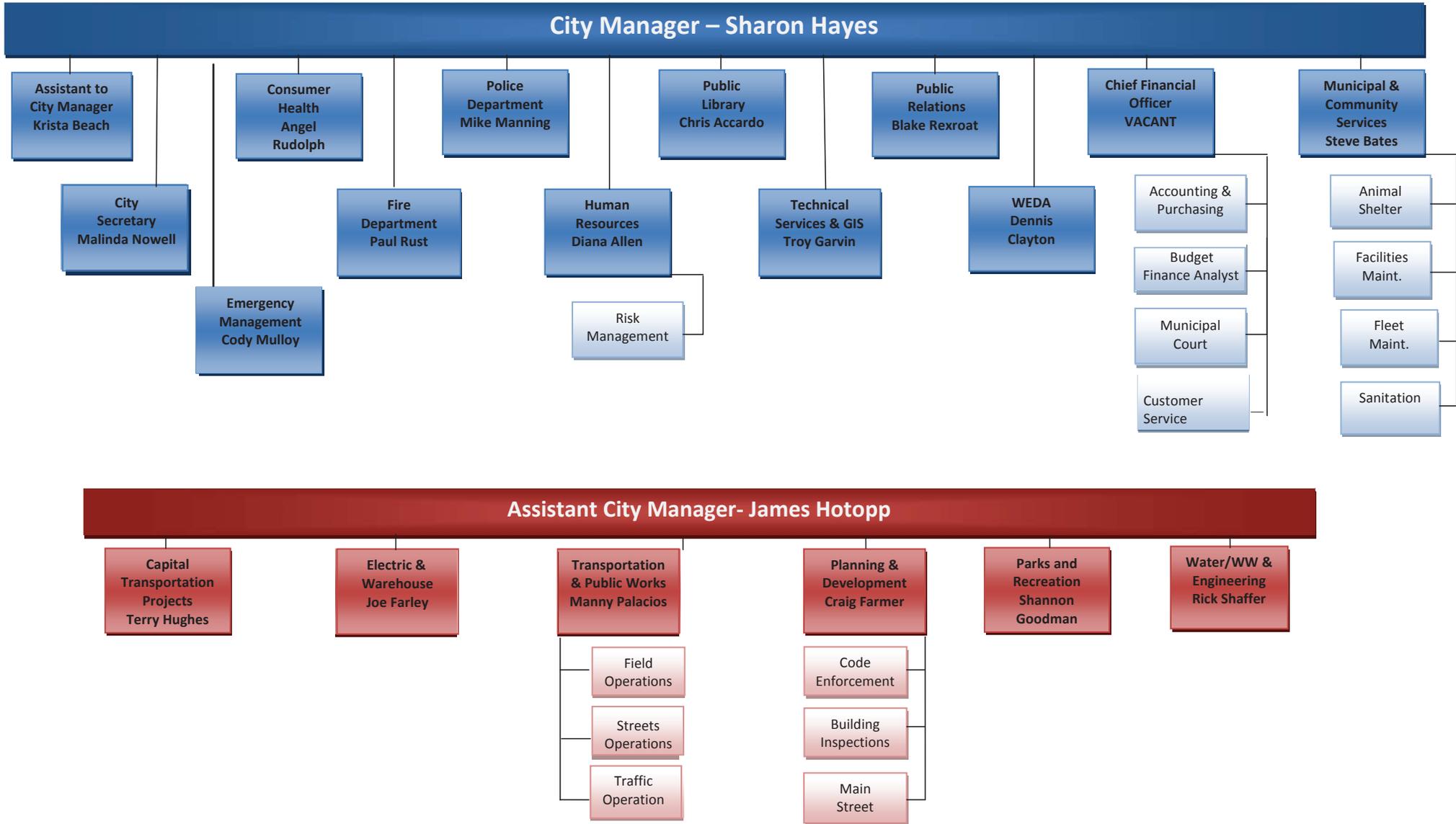
Respectfully submitted,



Sharon Hayes
City Manager



Sidney Kirk
Assistant Finance Director



City of Weatherford Organizational Structure

**THE CITY OF
WEATHERFORD, TEXAS**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**YEAR ENDED
SEPTEMBER 30, 2015**

**ELECTED
CITY COUNCIL**

Dennis Hooks – Mayor

Craig Swancy – Mayor Pro Tem/Council Member

Dale Fleegeer – Council Member

Jeff Robinson – Council Member

Heidi Wilder – Council Member

**APPOINTED/DESIGNATED
MUNICIPAL UTILITY BOARD**

Dennis Hooks – Mayor – Chair

Bob Glenn – Vice Chair

Craig Swancy – Designated Council Member

Heidi Wilder – Designated Council Member

Ken Davis – Appointed Public Member

James Dickason – Appointed Public Member

Howard McClurkin – Appointed Public Member



Government Finance Officers Association

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, 2014

Executive Director/CEO

FINANCIAL SECTION

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PATILLO, BROWN & HILL, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS ■ BUSINESS CONSULTANTS

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

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, 2015, and the related notes to the financial statements, which collectively comprise the City of Weatherford, Texas', basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Weatherford, Texas, as of September 30, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note I to the financial statements, in 2015 the City adopted new accounting guidance, Governmental Accounting Standards (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27* and Governmental Accounting Standards (GASB) Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension information and the schedule of funding progress on pages 4 through 15 and 65 through 70 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 16, 2016, on our consideration of the City of Weatherford, Texas', internal control over financial reporting and on 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Weatherford, Texas' internal control over financial reporting and compliance.

Patillo, Brown & Hill, L.L.P.

Waco, Texas
March 16, 2016

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**MANAGEMENT'S
DISCUSSION AND ANALYSIS**

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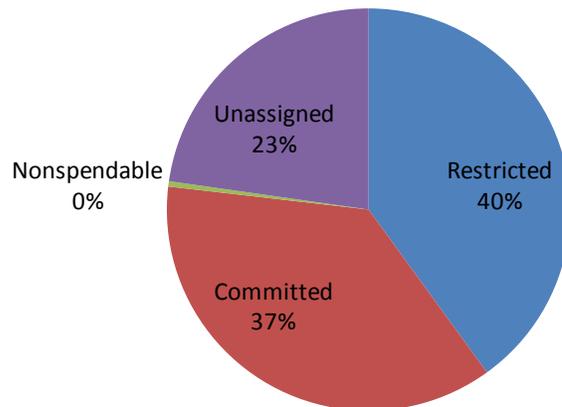
Management’s Discussion and Analysis

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, 2015. 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 and deferred outflows (a consumption of net assets by the City that is applicable to a future reporting period such as prepaid items and deferred charges) of resources of the City of Weatherford exceeded its liabilities and deferred inflows (an acquisition of net assets by the City that is applicable to a future reporting period such as deferred revenues and advance collections) at the close of the most recent fiscal year by \$164,015,041 (net position). Of this amount, \$30,071,225 (unrestricted net position) may be used to meet the City’s ongoing obligations to citizens and creditors.
- The City’s total net position increased by \$11,166,583. Positive operating results along with capital contributions from developers in the utility and solid waste systems resulted in an increase in net position related to business-type activities of \$11,190,359. Net position related to governmental activities decreased by \$23,776.
- As of the close of the current fiscal year, the City of Weatherford’s governmental funds reported combined ending fund balances of \$26,835,653, a decrease of \$1,975,445 in comparison with the prior year. A variety of increases and decreases combine to make this decrease, but the majority can be contributed to the new construction and maintenance of roads. Approximately 23% of the total balance, \$6,103,365, is unassigned, which is primarily in the general fund. This is approximately 21% of total general fund expenditures.

Governmental Funds Fund Balance by Type



- The City of Weatherford’s total debt increased by \$10,051,390 (10%) during the current fiscal year primarily as a result of the issuance of \$41,565,000 Refunding and Improvement Bonds, \$7,345,000 General Obligation Refunding Bonds and \$985,000 of Tax Notes.

Overview of the Financial Statements

This discussion and analysis is 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 position presents information on all of the City's assets, deferred outflows (inflows) of resources, and liabilities, with the difference between these items reported as net position. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position 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 other 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 (Weatherford Utilities). 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 16 - 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 twenty-three 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, and the debt service fund, which are considered to be major funds. Data from the other twenty-one 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 – 23 of this report.

Proprietary Funds. Proprietary funds can be further classified into two different types of funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Weatherford uses enterprise funds to account for its combined electric, water and wastewater operations, also for its solid waste collection and storm water operations. 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 each one of the enterprise funds. 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 – 64 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. This required supplementary information can be found on pages 65 – 67 of this report. Required supplementary Information of pension information and other post employee benefit funding progress are also included on pages 68 and 70.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Weatherford, assets and deferred outflows exceeded liabilities and deferred inflows by \$164,015,041 at the close of the most recent fiscal year.

City of Weatherford's Net Position

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 56,995,067	\$ 56,398,051	\$ 66,303,194	\$ 43,546,651	\$ 123,298,261	\$ 99,944,702
Capital assets	<u>58,271,875</u>	<u>60,539,244</u>	<u>124,333,832</u>	<u>119,079,070</u>	<u>182,605,707</u>	<u>179,618,314</u>
Total assets	<u>115,266,942</u>	<u>116,937,295</u>	<u>190,637,026</u>	<u>162,625,721</u>	<u>305,903,968</u>	<u>279,563,016</u>
Deferred outflows of resources	<u>3,173,089</u>	<u>1,456,549</u>	<u>1,624,509</u>	<u>97,392</u>	<u>4,797,598</u>	<u>1,553,941</u>
Long-term liabilities	75,204,389	77,525,235	55,615,807	36,479,813	130,820,196	114,005,048
Other liabilities	<u>8,311,416</u>	<u>2,526,016</u>	<u>6,155,410</u>	<u>5,814,718</u>	<u>14,466,826</u>	<u>8,340,734</u>
Total liabilities	<u>83,515,805</u>	<u>80,051,251</u>	<u>61,771,217</u>	<u>42,294,531</u>	<u>145,287,022</u>	<u>122,345,782</u>
Deferred inflows of resources	<u>1,040,111</u>	<u>-</u>	<u>359,392</u>	<u>-</u>	<u>1,399,503</u>	<u>-</u>
Net position:						
Net investment in capital assets	26,052,538	29,104,810	94,113,483	90,336,805	120,166,021	119,441,615
Restricted	3,712,803	3,267,974	10,064,992	9,627,846	13,777,795	12,895,820
Unrestricted	<u>4,118,774</u>	<u>5,969,809</u>	<u>25,952,451</u>	<u>20,463,931</u>	<u>30,071,225</u>	<u>26,433,740</u>
Total net position	\$ <u>33,884,115</u>	\$ <u>38,342,593</u>	\$ <u>130,130,926</u>	\$ <u>120,428,582</u>	\$ <u>164,015,041</u>	\$ <u>158,771,175</u>

By far the largest portion of the City of Weatherford's net position (73%) 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 position (8%) 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 \$30,071,225 (18%) balance of net position is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, 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 position increased by \$11,166,583 during the current fiscal year. Net position related to business-type activities increased by \$11,190,359. This increase is largely attributable to positive operating results as well as capital grants and contributions from developers. Net position related to governmental activities decreased by \$23,776.

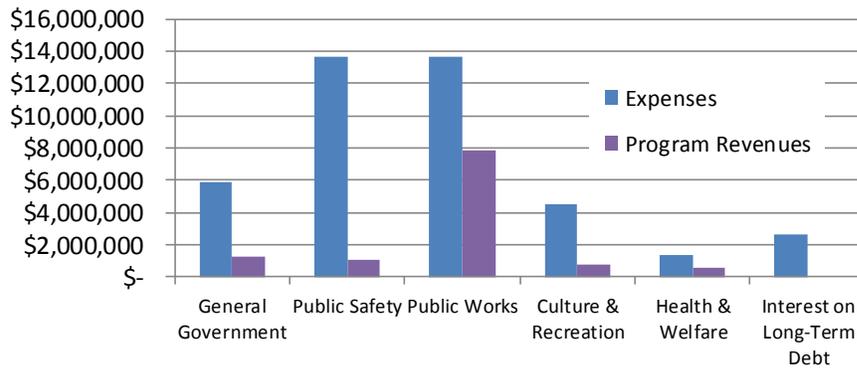
City of Weatherford's Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for services	\$ 2,932,815	\$ 2,776,096	\$ 54,815,114	\$ 55,968,377	\$ 57,747,929	\$ 58,744,473
Operating grants and contributions	175,705	310,955	-	-	175,705	310,955
Capital grants and contributions	8,582,987	29,049,784	2,273,567	1,674,969	10,856,554	30,724,753
General revenues:						
Sales taxes	11,303,850	10,591,223	-	-	11,303,850	10,591,223
Property taxes	9,238,347	8,674,852	-	-	9,238,347	8,674,852
Other taxes	1,559,679	1,442,064	-	-	1,559,679	1,442,064
Other	<u>362,482</u>	<u>378,319</u>	<u>1,129,303</u>	<u>723,497</u>	<u>1,491,785</u>	<u>1,101,816</u>
Total revenues	<u>34,155,865</u>	<u>53,223,293</u>	<u>58,217,984</u>	<u>58,366,843</u>	<u>92,373,849</u>	<u>111,590,136</u>
Expenses:						
General government	5,915,168	6,035,033	-	-	5,915,168	6,035,033
Public safety	13,676,879	13,331,155	-	-	13,676,879	13,331,155
Public works	13,686,840	32,880,317	-	-	13,686,840	32,880,317
Health and welfare	1,392,938	1,269,608	-	-	1,392,938	1,269,608
Culture and recreational	4,485,475	4,442,143	-	-	4,485,475	4,442,143
Interest on long-term debt	2,682,224	2,534,057	-	-	2,682,224	2,534,057
Electric	-	-	26,787,470	32,064,046	26,787,470	32,064,046
Water	-	-	7,376,079	8,083,005	7,376,079	8,083,005
Wastewater	-	-	3,533,092	3,392,953	3,533,092	3,392,953
Solid waste	-	-	1,498,046	1,502,670	1,498,046	1,502,670
Stormwater	-	-	<u>173,055</u>	<u>73,348</u>	<u>173,055</u>	<u>73,348</u>
Total expenses	<u>41,839,524</u>	<u>60,492,313</u>	<u>39,367,742</u>	<u>45,116,022</u>	<u>81,207,266</u>	<u>105,608,335</u>
Increase (decrease) in net position before transfers	(7,683,659)	(7,269,020)	18,850,242	13,250,821	11,166,583	5,981,801
Transfers	7,659,883	7,148,214	(7,659,883)	(7,148,214)	-	-
Increase (decrease) in net position	(23,776)	(120,806)	11,190,359	6,102,607	11,166,583	5,981,801
Net position, October 1, restated	<u>33,907,891</u>	<u>38,463,399</u>	<u>118,940,567</u>	<u>114,325,975</u>	<u>152,848,458</u>	<u>152,789,374</u>
Net position, September 30	<u>\$ 33,884,115</u>	<u>\$ 38,342,593</u>	<u>\$ 130,130,926</u>	<u>\$ 120,428,582</u>	<u>\$ 164,015,041</u>	<u>\$ 158,771,175</u>

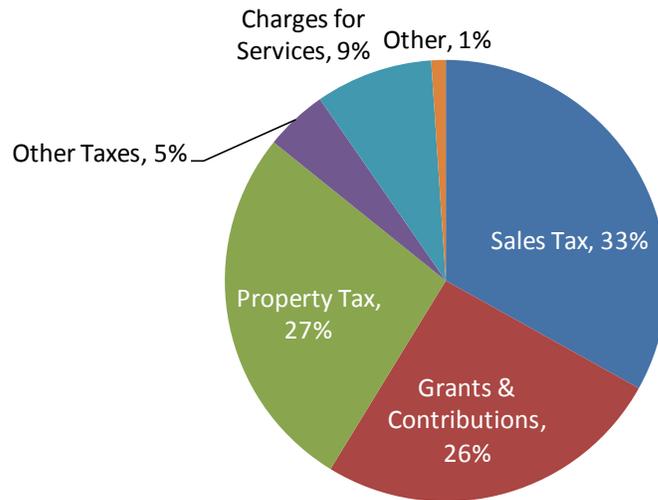
Governmental Activities. The City of Weatherford’s total net position related to governmental activities decreased by \$23,776. Key elements of this decrease are as follows:

- A portion of the decrease of governmental activities revenues was mitigated by a decrease in corresponding expenses. On the revenue side, the decrease is in conjunction with the Texas Department of Transportation pass-thru toll program (\$20 million). This decrease was offset by a corresponding expense decrease as a result of the City transferring completed roads to the State in the prior year. Additional contributing factors include a large sales tax revenue increase of \$712,627, as well as property value increases, yielding an additional \$563,495.

Expenses and Program Revenues – Governmental Activities



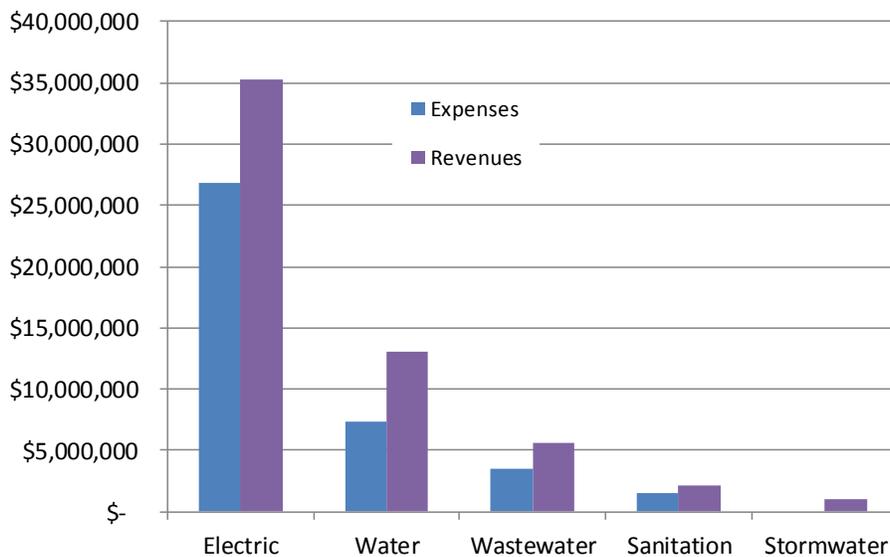
Revenues by Source – Governmental Activities



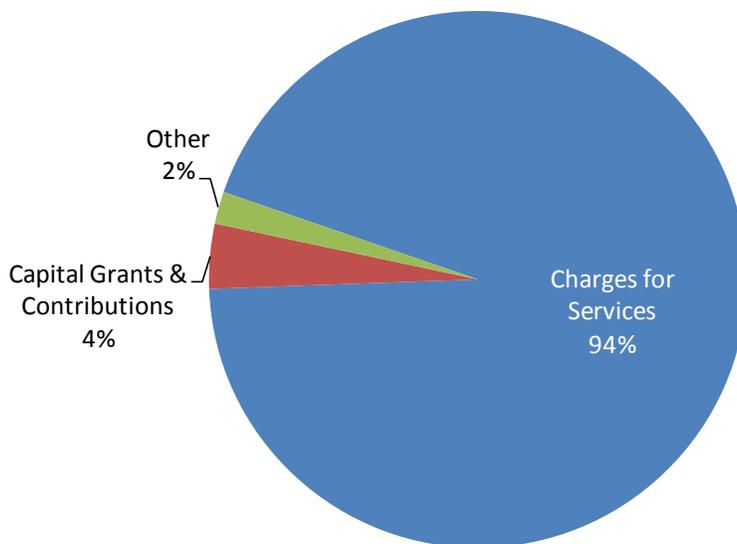
Business-Type Activities. Business-type activities increased the City of Weatherford’s net position by \$11,190,359. Key elements of this increase are as follows:

- Overall expenses decreased \$5,748,280 (13%) compared to prior year for the business-type activities. The cost of electric operations saw the largest decrease of \$5,276,576 (16%) due to decreased consumption and cost of purchased power. The water utility also saw a decrease of \$706,926 (9%) due to purchased water. Other areas saw a nominal change.
- Revenues decreased \$148,859 over prior year revenues. This is primarily due to lower electric revenues. The City purchases power from three providers, passing that cost through to customers. The cost to purchase that power was substantially lower in FY15, leading to a lower pass-through cost and, ultimately, lower revenues from the electric utility. Rate increases on both water and wastewater customers muted the overall effect of this.

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, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of Weatherford's governmental funds reported combined ending fund balances of \$26,835,653, a decrease of \$1,975,445 in comparison with the prior year. A variety of increases and decreases combine to make this decrease. The largest decrease in fund balance came in the capital project accounts due to the normal infrastructure capital improvements decreasing debt proceeds. Approximately 60% (\$15,982,043) of the fund balances constitutes either committed or unassigned fund balance, of which is available for spending at the government's discretion. Of that amount \$6,103,365 (23%) 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 4, \$1,642,536 is committed to capital projects, \$264,234 is for Parks development, \$292,193 is for culture and recreation and \$6,428,831 is the desired stabilization fund of 90 days' worth of general fund operation the Council retains for emergencies or unforeseen situations. The other \$10,853,610 (40%) 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 \$13,783,080, while total fund balance was \$13,847,350. As a measure of the general fund's liquidity, it is useful to compare spendable, unreserved fund balance to total fund expenditures. Spendable, unrestricted fund balance represents 47%, or approximately 171 days of total general fund expenditures.

The fund balance of the City's general fund increased overall by \$526,672 during the current fiscal year. This increase in fund balance is due primarily to better than anticipated sales tax revenue.

The debt service fund has a total fund balance of \$8,468,418, all of which is restricted for the payment of debt service. The net increase in fund balance during the current year in the debt service fund was \$2,062,908. This is due to intergovernmental revenues related to the Texas Department of Transportation pass-thru toll program.

At the end of the fiscal year, the City's fourteen active special revenue funds (state forfeiture, federal forfeiture, Weatherford beautification, hotel/motel tax, Chandor Gardens, SFX grant, Weatherford Aerospace grant, court technology, main street project, court security, library, animal shelter, court juvenile case manager, and park) had combined fund balances totaling \$1,885,128, compared to prior year balances of \$1,858,486.

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 \$2,584,745 compared to prior year balances of \$7,176,438, all of which is restricted for transportation, building, and park improvement projects. The decrease in the capital projects funds is contributed to the expenditure of bond dollars on road capital projects.

The Doss permanent library fund had an ending fund balance of \$50,012, compared to the prior year balance of \$49,986. This fund has a nonspendable fund balance of \$50,000.

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 position of the municipal utility fund at the end of the year amounted to \$22,955,447, compared to the prior year unrestricted balance of \$18,063,326. The total increase in net position for the municipal utility fund was \$10,021,859. Unrestricted net position of the solid waste fund amounted to \$1,917,895 compared to \$1,798,011 in the prior year. Unrestricted net position of the storm water fund amounted to \$1,079,109 compared to \$602,594 in the prior year.

General Fund Budgetary Highlights

Increasing amendments to the original 2014-15 general fund annual expenditure appropriations netted to \$2,202,524, or approximately 7.6% of the original budget. Of that, \$235,961 were to re-appropriate unspent funds for the 2013-14 approved projects into 2014-15. There were other major mid-year adjustments as well, most of them being covered by increased revenue over budget. The largest of these was for the purchase of two fire apparatus in the amount of \$985,000, covered by tax note proceeds. The City also amended the Information Technology Department budget by \$220,631 to book the full asset value of a new server. This included an offsetting revenue entry as well. As with every fiscal year, the City also received donations, grant proceeds, and insurance reimbursements to fund or offset costs incurred during the year. Those amendments totaled to \$166,920. Several other items came up during FY15 that were funded through increased revenues or non-recurring use of reserves. The largest of those items were: (1) the purchase of a new server for the City, amounting \$140,000, (2) allowing the Public Works department to utilize \$222,000 in reserves to repair additional streets, and (3) adding \$100,000 in facilities maintenance costs for improvements on the newly acquired and historically significant Mount Pleasant Schoolhouse.

General Fund Budget Comparison

This document's General Fund Budget and Actual summary (found on page 64) details differences between budgetary authority and actual spending for the 2015 fiscal year. A review of this schedule yields several significant variances. Overall, the fund left over \$1.85 million worth of appropriations unspent as of September 30, 2015. Of that, over \$750,000 came from projects that had to be deferred until the following fiscal year, and those have since been re-appropriated for FY16. Those projects include an \$192,000 comprehensive plan and citizen survey in the Planning & Development Department, an \$90,000 accounting software upgrade for the Finance Department, close to \$60,000 for Transportation and Public Works Department (in their Streets and Field Inspections divisions) to complete road rehabilitation and inspection projects, \$118,000 in major Information Technology projects, and \$30,000 to redesign the Municipal Court area. The Animal Shelter, Fire Department, Code Enforcement, Library, and various administrative departments similarly deferred spending on projects until FY16.

In addition to these variances, there were several other circumstances affecting budgetary spending across the General Fund in FY15. For instance, the City Council Department's overage is a result of unplanned consulting fees for sales tax audit payments. The city contracts with an external consultant to audit its sales tax collections, and during the fiscal year this process returned some dollars to Weatherford. The fee for this service is 30% of the recovered revenue. Rather than deduct the fee from the receipts, the city realized the full revenue recovery and subsequently wrote the consultant a check for their portion. This was initially booked as a debit to our revenue account, but was moved after the year's end as a credit to City Council's budget. Due to the timing, this expense was not formally budgeted.

Non-recurring personnel circumstances also resulted in savings across the City. The retirement of Weatherford's City Manager during the fiscal year, and subsequent vacancy of the Assistant City Manager position, resulted in underspending in the personnel accounts of City Administration. Similar cases were present in the Library Department, Economic Development, and the Police Department. These savings are not anticipated to continue into FY16. Other savings that are not anticipated to continue into future years include fuel and utilities costs, legal expenses, vehicle maintenance, code enforcement demolitions, and several non-recurring budget items in Information Technology, the Fire Department, Public Works, and Non-Departmental.

Capital Asset and Debt Administration

Capital Assets. The City of Weatherford's investment in total capital assets for its governmental and business-type activities as of year-end amounts to \$182,605,707 (net of accumulated depreciation) compared to \$179,618,314 in the prior year. Investment in capital assets related to governmental activities (\$64,963,399) 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 (\$124,333,832) 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 asset events during the current fiscal year included the following:

- Vehicle and equipment purchases in the General Fund amounted to \$2.3 million. The largest of these was for fire apparatus, totaling \$1.47 million.
- Improvements on Heritage Park continued for the third year, and those reached a total FY15 cost of \$463,485.
- Road construction of \$4,673,486 was the largest general city capital asset event for FY15. This was for infrastructure improvements in conjunction with Weatherford's TxDOT projects.
- Various system extensions and improvements to the City's water, wastewater, and electric distribution system, as well as equipment purchases, totaled \$9,384,838.

City of Weatherford's Capital Assets

(Net of Accumulated Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 5,550,009	\$ 5,488,126	\$ 2,589,839	\$ 2,540,233	\$ 8,139,848	\$ 8,028,359
Buildings and systems	8,794,003	8,808,811	9,609,361	10,065,178	18,403,364	18,873,989
Improvements other than buildings	23,823,913	24,945,878	102,800,873	99,599,434	126,624,786	124,545,312
Machinery and equipment	4,137,787	2,806,472	3,354,003	2,810,365	7,491,790	5,616,837
Infrastructure	4,863,456	4,128,221	-	-	4,863,456	4,128,221
Construction in progress	11,102,707	14,361,736	5,979,756	4,063,860	17,082,463	18,425,596
Total	\$ 58,271,875	\$ 60,539,244	\$ 124,333,832	\$ 119,079,070	\$ 182,605,707	\$ 179,618,314

Additional information on the City of Weatherford's capital assets can be found in Note 3 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, tax notes, notes payable, and leases payable of \$110,973,048. While \$50,090,000 of this carries with it a legal pledge by property tax collections and backed by the full faith and credit of the City, pass-through toll revenues from an interlocal agreement with the Texas Department of Transportation will be sufficient to cover the majority of that debt service over the life of those bonds, rendering those issuances primarily self-supporting. \$12,920,000 represents combination tax and revenue certificates of obligation debt, \$45,254,000 represents bonds secured solely by revenue from the City's combined electric, water and wastewater utility system, a combined \$1,147,819 in tax notes, notes payable and State infrastructure loans payable from the utility system revenues. A total of \$1,570,229 represents leases payable from performance contracting improvements and computer.

City of Weatherford's Outstanding Debt

General Obligation Bonds, Certificates of Obligation, Revenue Bonds, and Other Long-Term Payables

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
General obligation bonds	\$ 50,090,000	\$ 53,615,000	\$ -	\$ -	\$ 50,090,000	\$ 53,615,000
Certificates of obligations	12,920,000	13,485,000	-	-	12,920,000	13,485,000
Revenue bonds	-	-	45,245,000	31,600,000	45,245,000	31,600,000
Tax notes	850,000	-	-	-	850,000	-
Notes payable	-	-	297,819	663,428	297,819	663,428
Lease obligations	1,103,399	1,058,560	466,830	499,670	1,570,229	1,558,230
Total	\$ 64,963,399	\$ 68,158,560	\$ 46,009,649	\$ 32,763,098	\$ 110,973,048	\$ 100,921,658

The City of Weatherford's total debt increased by \$10,051,390 (10%) during the current fiscal year as a result of normal principal retirement along with the issuance of \$41,565,000 Refunding and Improvement Bonds, \$7345,000 General Obligation Refunding Bonds and \$985,000 of Tax Notes.

The City's general obligation bonds and certificates of obligation are rated "Aa3" by Moody's Investors Service and "AA-" by Standard and Poor's Corporation at September 30, 2015. The City's combined utility system revenue debt is rated "A1" by Moody's investors Service and "AA"/"A" by Standard and Poor's Corporation at September 30, 2015.

State statutes limit the total property tax rate to \$2.50 per \$100 assessed valuation. The City's total property tax rate for 2014-15 was \$0.4866 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 average annual debt requirements and 1.10 times maximum annual requirements.

Additional information on the City of Weatherford's long-term debt can be found in Note 3 of this report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for Weatherford continued its decline, falling from 4.2% in September of 2014 to 3.5% as of April 2015. This compares favorably to national average unemployment rates as well as rates over the Dallas/Fort Worth Metroplex.
- Sales tax collections had a strong year in FY15, with actual collections exceeding the original budget by almost 12%, or \$1.2 million. This growth is not expected to continue in FY16, and staff has placed the City's budget in a strategically favorable position, to the extent that the City could successfully absorb a large decrease in this revenue stream without drastically effecting operations.
- Final total taxable assessed value increased by 8.5% over 2014, from \$1.95 billion to \$2.115 billion. This total includes new construction.
- As a result of transportation developments with TxDOT and a possible tax-increment reinvestment zone being created sometime in FY16, we expect increased economic activity over the next several years.

All of the above factors were considered in preparing the City of Weatherford's budget for the 2015-2016 fiscal year. The property tax rate stayed at \$0.4866 per \$100 of assessed value for the second year. Sales tax collections, accounting for approximately 38% of general fund revenues and other financing sources, are anticipated to be relatively flat to fiscal year 2014-2015 receipts after accounting for expected rebates for economic development incentive agreements. Approved non-recurring expenditures for 2015-2016 total \$2,244,477, and there is a planned draw down of fund balance of \$1,284,277, which is projected to leave the General Fund with a balance equating to 120 of operations, which is well over the 90-day requirement.

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 Chief Financial Officer, P.O. Box 255, Weatherford, Texas, 76086.

**BASIC
FINANCIAL STATEMENTS**

CITY OF WEATHERFORD, TEXAS

STATEMENT OF NET POSITION

SEPTEMBER 30, 2015

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and investments	\$ 27,028,991	\$ 43,328,762	\$ 70,357,753
Receivables (net of allowance for uncollectibles):			
Taxes	344,260	-	344,260
Accounts	454,765	6,333,368	6,788,133
Other	-	124,839	124,839
Due from other governments	29,102,781	-	29,102,781
Prepaid items	2,184	139,264	141,448
Inventories	62,086	3,595,698	3,657,784
Restricted assets:			
Cash and investments	-	12,756,538	12,756,538
Accrued interest	-	24,725	24,725
Capital assets:			
Land	5,550,009	2,589,839	8,139,848
Buildings	15,098,415	19,294,185	34,392,600
Improvements other than buildings	33,161,780	161,083,849	194,245,629
Infrastructure	14,460,942	-	14,460,942
Machinery and equipment	11,869,787	8,847,137	20,716,924
Construction in progress	11,102,707	5,979,756	17,082,463
Less: accumulated depreciation	<u>(32,971,765)</u>	<u>(73,460,934)</u>	<u>(106,432,699)</u>
Total capital assets	<u>58,271,875</u>	<u>124,333,832</u>	<u>182,605,707</u>
Total assets	<u>115,266,942</u>	<u>190,637,026</u>	<u>305,903,968</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	1,120,163	915,157	2,035,320
Deferred outflow related to pensions	<u>2,052,926</u>	<u>709,352</u>	<u>2,762,278</u>
Total deferred outflows of resources	<u>3,173,089</u>	<u>1,624,509</u>	<u>4,797,598</u>

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

CITY OF WEATHERFORD, TEXAS

STATEMENT OF NET POSITION

SEPTEMBER 30, 2015

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
LIABILITIES			
Accounts payable	\$ 2,096,623	\$ 4,223,295	\$ 6,319,918
Accrued liabilities	375,617	40,340	415,957
Retainage payable	381,695	310,709	692,404
Accrued interest	222,850	19,325	242,175
Due to other governments	72,486	-	72,486
Customer deposits and escrows	35,611	1,395,589	1,431,200
Unearned revenue	1,864	-	1,864
Payable from restricted assets:			
Accrued interest	-	166,152	166,152
Noncurrent liabilities:			
Due within one year-payable from restricted assets	-	304,583	304,583
Due within one year	5,124,670	3,859,656	8,984,326
Due in more than one year	75,204,389	51,451,568	126,655,957
Total liabilities	<u>83,515,805</u>	<u>61,771,217</u>	<u>145,287,022</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflow related to pensions	<u>1,040,111</u>	<u>359,392</u>	<u>1,399,503</u>
Total deferred inflows of resources	<u>1,040,111</u>	<u>359,392</u>	<u>1,399,503</u>
NET POSITION			
Net investment in capital assets	26,052,538	94,113,483	120,166,021
Restricted for:			
Construction	-	2,041,192	2,041,192
Debt service	2,069,856	3,543,175	5,613,031
Rate stabilization	-	4,480,625	4,480,625
Culture and recreation:			
Nonexpendable	50,000	-	50,000
Public safety	751,649	-	751,649
Community development	841,298	-	841,298
Unrestricted	<u>4,118,774</u>	<u>25,952,451</u>	<u>30,071,225</u>
Total net position	<u>\$ 33,884,115</u>	<u>\$ 130,130,926</u>	<u>\$ 164,015,041</u>

CITY OF WEATHERFORD, TEXAS

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2015

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 5,915,168	\$ 47,433	\$ -	\$ 1,278,710
Public safety	13,676,879	1,003,391	102,433	-
Public works	13,686,840	586,304	-	7,304,277
Health and welfare	1,392,938	575,818	-	-
Cultural and recreation	4,485,475	719,869	73,272	-
Interest on long-term debt	2,682,224	-	-	-
Total governmental activities	<u>41,839,524</u>	<u>2,932,815</u>	<u>175,705</u>	<u>8,582,987</u>
Business-type activities:				
Electric	26,787,470	34,860,799	-	365,461
Water	7,376,079	11,984,185	-	1,020,516
Wastewater	3,533,092	4,985,923	-	688,783
Sanitation	1,498,046	2,132,203	-	-
Stormwater utility	173,055	852,004	-	198,807
Total business-type activities	<u>39,367,742</u>	<u>54,815,114</u>	<u>-</u>	<u>2,273,567</u>
Total primary government	<u>\$ 81,207,266</u>	<u>\$ 57,747,929</u>	<u>\$ 175,705</u>	<u>\$ 10,856,554</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 position

Net position, beginning, restated

Net position, ending

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

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$(4,589,025)	\$ -	\$(4,589,025)
(12,571,055)	-	(12,571,055)
(5,796,259)	-	(5,796,259)
(817,120)	-	(817,120)
(3,692,334)	-	(3,692,334)
(2,682,224)	-	(2,682,224)
<u>(30,148,017)</u>	<u>-</u>	<u>(30,148,017)</u>
-	8,438,790	8,438,790
-	5,628,622	5,628,622
-	2,141,614	2,141,614
-	634,157	634,157
-	877,756	877,756
<u>-</u>	<u>17,720,939</u>	<u>17,720,939</u>
<u>(30,148,017)</u>	<u>17,720,939</u>	<u>(12,427,078)</u>
9,238,347	-	9,238,347
11,303,850	-	11,303,850
1,559,679	-	1,559,679
15,153	-	15,153
125,353	352,023	477,376
83,697	605,410	689,107
138,279	171,870	310,149
<u>7,659,883</u>	<u>(7,659,883)</u>	<u>-</u>
<u>30,124,241</u>	<u>(6,530,580)</u>	<u>23,593,661</u>
(23,776)	11,190,359	11,166,583
<u>33,907,891</u>	<u>118,940,567</u>	<u>152,848,458</u>
<u>\$ 33,884,115</u>	<u>\$ 130,130,926</u>	<u>\$ 164,015,041</u>

CITY OF WEATHERFORD, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2015

	<u>General</u>	<u>Debt Service</u>	<u>Other Governmental</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and investments	\$ 12,720,434	\$ 8,467,031	\$ 5,841,526	\$ 27,028,991
Receivables (net of allowance for uncollectibles of \$390,306):				
Taxes	263,879	80,381	-	344,260
Accounts	292,345	-	162,420	454,765
Due from other governments	1,819,119	27,283,662	-	29,102,781
Prepaid	2,184	-	-	2,184
Inventories	62,086	-	-	62,086
Total assets	<u>15,160,047</u>	<u>35,831,074</u>	<u>6,003,946</u>	<u>56,995,067</u>
LIABILITIES				
Accounts payable	651,580	-	1,445,043	2,096,623
Accrued liabilities	348,197	-	27,420	375,617
Deposits and escrows	25,877	-	9,734	35,611
Due to other governments	72,486	-	-	72,486
Unearned revenue	-	-	1,864	1,864
Total liabilities	<u>1,098,140</u>	<u>-</u>	<u>1,484,061</u>	<u>2,582,201</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	214,557	27,362,656	-	27,577,213
Total deferred inflows of resources	<u>214,557</u>	<u>27,362,656</u>	<u>-</u>	<u>27,577,213</u>
FUND BALANCES				
Nonspendable:				
Doss library	-	-	50,000	50,000
Prepaid	2,184	-	-	2,184
Inventory	62,086	-	-	62,086
Restricted for:				
Capital projects	-	-	677,975	677,975
Debt service	-	8,468,418	-	8,468,418
Public safety	-	-	751,649	751,649
Community development	-	-	841,298	841,298
Committed:				
Other post employee benefits	1,250,884	-	-	1,250,884
Stabilization arrangement	6,428,831	-	-	6,428,831
Capital projects	-	-	1,642,536	1,642,536
Park development	-	-	264,234	264,234
Culture and recreation	-	-	292,193	292,193
Unassigned	6,103,365	-	-	6,103,365
Total fund balances	<u>13,847,350</u>	<u>8,468,418</u>	<u>4,519,885</u>	<u>26,835,653</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 15,160,047</u>	<u>\$ 35,831,074</u>	<u>\$ 6,003,946</u>	<u>\$ 56,995,067</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 POSITION**

SEPTEMBER 30, 2015

Total fund balances - governmental funds balance sheet	\$ 26,835,653
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	57,890,180
Certain items are not available to pay for current period expenditures, and, therefore are deferred inflows of resources in the funds.	27,577,213
Some liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds. Also, the loss on refunding of bonds, the premium on issuance of bonds and deferred resource outflow and inflows related to the net pension liability are not reported in the funds.	(78,418,931)
Net position of governmental activities - statement of net position	\$ <u>33,884,115</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, 2015

	General	Debt Service	Other Governmental	Total Governmental Funds
REVENUES				
Taxes	\$ 18,186,789	\$ 3,250,525	\$ 687,665	\$ 22,124,979
Licenses and permits	690,194	-	-	690,194
Intergovernmental	622,580	4,977,837	-	5,600,417
Charges for services	1,055,907	-	72,010	1,127,917
Fines and forfeitures	436,118	-	85,650	521,768
Contributions	8,081	-	21,374	29,455
Royalties and rental	-	-	83,697	83,697
Investment earnings	109,888	9,308	6,157	125,353
Miscellaneous	121,347	-	159,238	280,585
Total revenues	21,230,904	8,237,670	1,115,791	30,584,365
EXPENDITURES				
Current:				
General government	5,995,260	-	66,871	6,062,131
Public safety	12,877,095	-	68,948	12,946,043
Public works	3,608,978	-	-	3,608,978
Health and welfare	1,287,599	-	22,042	1,309,641
Cultural and recreation	3,158,117	-	592,738	3,750,855
Capital outlay	2,331,714	-	5,337,533	7,669,247
Debt service:				
Principal	150,578	3,933,507	40,000	4,124,085
Interest and other	5,150	2,532,202	-	2,537,352
Total expenditures	29,414,491	6,465,709	6,128,132	42,008,332
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(8,183,587)	1,771,961	(5,012,341)	(11,423,967)
OTHER FINANCING SOURCES (USES)				
Refunding bonds issued	-	7,345,000	-	7,345,000
Tax notes issued	985,000	-	-	985,000
Capital lease	253,924	-	40,000	293,924
Premium on tax notes and bonds	22,979	675,483	-	698,462
Sale of general capital assets	203,882	-	-	203,882
Insurance recoveries	120,344	-	-	120,344
Transfers in	7,159,883	128,437	770,048	8,058,368
Transfers out	(35,753)	-	(362,732)	(398,485)
Payment to refunded bond escrow agent	-	(7,857,973)	-	(7,857,973)
Total other financing sources and uses	8,710,259	290,947	447,316	9,448,522
NET CHANGE IN FUND BALANCES	526,672	2,062,908	(4,565,025)	(1,975,445)
FUND BALANCES, BEGINNING	13,320,678	6,405,510	9,084,910	28,811,098
FUND BALANCES, ENDING	\$ 13,847,350	\$ 8,468,418	\$ 4,519,885	\$ 26,835,653

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, 2015

Net change in fund balances - total governmental funds: \$(1,975,445)

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. 4,662,715

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position. (7,311,779)

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

Property taxes	(23,103)	
Court fines	(10,547)	
Grant - Texas Department of Transportation	<u>2,326,440</u>	2,292,790

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 position. Also governmental funds report the 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. 2,514,800

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. (206,857)

Change in net position of governmental activities \$(23,776)

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

CITY OF WEATHERFORD, TEXAS

STATEMENT OF NET POSITION

ENTERPRISE FUNDS

SEPTEMBER 30, 2015

	Business-type Activities - Enterprise Funds			
	Municipal Utility System	Solid Waste	Storm Water Utility	Total
ASSETS				
Current assets				
Unrestricted assets				
Cash and cash equivalents	\$ 19,966,730	\$ 2,230,668	\$ 3,185,249	\$ 25,382,647
Investments	17,946,115	-	-	17,946,115
Receivables:				
Accounts, net of allowances for uncollectible accounts of \$55,871	2,955,702	104,398	-	3,060,100
Earned but unbilled customer accounts	3,106,818	118,501	47,949	3,273,268
Other	124,839	-	-	124,839
Prepays	139,264	-	-	139,264
Inventory	3,571,590	24,108	-	3,595,698
Restricted assets				
Cash and cash equivalents	6,260,241	-	-	6,260,241
Investments	6,496,297	-	-	6,496,297
Accrued interest	24,725	-	-	24,725
Total current assets	60,592,321	2,477,675	3,233,198	66,303,194
Noncurrent assets				
Capital assets				
Land	2,589,839	-	-	2,589,839
Construction in progress	5,189,178	-	790,578	5,979,756
Buildings and improvements	19,096,576	197,609	-	19,294,185
Other improvements	160,874,465	10,577	198,807	161,083,849
Machinery and equipment	7,641,590	1,205,547	-	8,847,137
Less: accumulated depreciation	(72,676,371)	(782,943)	(1,620)	(73,460,934)
Total noncurrent assets	122,715,277	630,790	987,765	124,333,832
Total assets	183,307,598	3,108,465	4,220,963	190,637,026
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	915,157	-	-	915,157
Deferred outflow related to pensions	617,646	77,067	14,639	709,352
Total deferred outflows of resources	1,532,803	77,067	14,639	1,624,509

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

CITY OF WEATHERFORD, TEXAS

STATEMENT OF NET POSITION

ENTERPRISE FUNDS

SEPTEMBER 30, 2015

	Business-type Activities - Enterprise Funds			
	Municipal Utility System	Solid Waste	Storm Water Utility	Total
LIABILITIES				
Current liabilities (payable from current assets):				
Accounts payable	\$ 4,102,075	\$ 49,285	\$ 71,935	\$ 4,223,295
Accrued wages	28,374	8,801	3,165	40,340
Retainage payable	310,709	-	-	310,709
Accrued interest	14,158	-	5,167	19,325
Customer deposits	1,395,589	-	-	1,395,589
Notes payable	130,455	-	-	130,455
Capital lease payable	33,686	-	-	33,686
Revenue bonds payable	3,350,417	-	175,000	3,525,417
Compensated absences	147,376	22,722	-	170,098
Current liabilities (payable from restricted assets):				
Accrued interest	166,152	-	-	166,152
Revenue bonds payable- current	304,583	-	-	304,583
Total current liabilities	<u>9,983,574</u>	<u>80,808</u>	<u>255,267</u>	<u>10,319,649</u>
Noncurrent liabilities				
Notes payable	167,364	-	-	167,364
Capital lease payable	433,144	-	-	433,144
Revenue bonds payable	44,435,280	-	1,860,000	46,295,280
Compensated absences	881,407	63,587	-	944,994
Net pension liability	1,942,541	242,383	46,044	2,230,968
Net OPEB obligation	1,168,795	211,023	-	1,379,818
Total noncurrent liabilities	<u>49,028,531</u>	<u>516,993</u>	<u>1,906,044</u>	<u>51,451,568</u>
Total liabilities	<u>59,012,105</u>	<u>597,801</u>	<u>2,161,311</u>	<u>61,771,217</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflow related to pensions	312,929	39,046	7,417	359,392
Total deferred inflows of resources	<u>312,929</u>	<u>39,046</u>	<u>7,417</u>	<u>359,392</u>
NET POSITION				
Net investment in capital assets	92,494,928	630,790	987,765	94,113,483
Restricted for:				
Construction	2,041,192	-	-	2,041,192
Debt service	3,543,175	-	-	3,543,175
Rate stabilization	4,480,625	-	-	4,480,625
Unrestricted	22,955,447	1,917,895	1,079,109	25,952,451
Total net position	<u>\$ 125,515,367</u>	<u>\$ 2,548,685</u>	<u>\$ 2,066,874</u>	<u>\$ 130,130,926</u>

CITY OF WEATHERFORD, TEXAS

**STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION**

ENTERPRISE FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Business-type Activities - Enterprise Funds			
	Municipal Utility System	Solid Waste	Storm Water Utility	Total
OPERATING REVENUES				
Electric sales	\$ 34,238,896	\$ -	\$ -	\$ 34,238,896
Electric services	515,627	-	-	515,627
Water sales	10,904,004	-	-	10,904,004
Water services	61,488	-	-	61,488
Wastewater services	4,966,878	-	-	4,966,878
Sanitation services	-	2,132,203	-	2,132,203
Stormwater fees	-	-	851,254	851,254
Other	31,858	-	750	32,608
Total operating revenues	<u>50,718,751</u>	<u>2,132,203</u>	<u>852,004</u>	<u>53,702,958</u>
OPERATING EXPENSES				
Personal services	5,247,028	851,148	130,135	6,228,311
Contractual services	3,994,748	234,211	1,133	4,230,092
Purchased power	20,160,140	-	-	20,160,140
Materials and supplies	1,793,288	255,127	-	2,048,415
Depreciation	5,030,776	157,560	1,620	5,189,956
Total operating expenses	<u>36,225,980</u>	<u>1,498,046</u>	<u>132,888</u>	<u>37,856,914</u>
OPERATING INCOME	<u>14,492,771</u>	<u>634,157</u>	<u>719,116</u>	<u>15,846,044</u>
NONOPERATING REVENUES (EXPENSES)				
Investment earnings	330,710	20,320	993	352,023
Rentals	1,106,522	-	-	1,106,522
Royalties	-	605,410	-	605,410
Gain on disposal of assets	140,977	36,527	-	177,504
Interest and other	(1,470,661)	-	(40,167)	(1,510,828)
Total nonoperating revenues (expenses)	<u>107,548</u>	<u>662,257</u>	<u>(39,174)</u>	<u>730,631</u>
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	14,600,319	1,296,414	679,942	16,576,675
Capital contributions	2,074,760	-	198,807	2,273,567
Transfers in	30,634	-	-	30,634
Transfers out	(6,683,854)	(1,006,663)	-	(7,690,517)
CHANGE IN NET POSITION	10,021,859	289,751	878,749	11,190,359
NET POSITION, BEGINNING, RESTATED	<u>115,493,508</u>	<u>2,258,934</u>	<u>1,188,125</u>	<u>118,940,567</u>
NET POSITION, ENDING	<u>\$ 125,515,367</u>	<u>\$ 2,548,685</u>	<u>\$ 2,066,874</u>	<u>\$ 130,130,926</u>

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

CITY OF WEATHERFORD, TEXAS
STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Business-type Activities - Enterprise Funds			
	Municipal Utility System	Solid Waste	Storm Water Utility	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 50,323,680	\$ 2,077,023	\$ 851,431	\$ 53,252,134
Cash paid to employees for services	(5,289,073)	(825,136)	(101,177)	(6,215,386)
Cash paid to suppliers for goods and services	(26,030,938)	(499,737)	(1,133)	(26,531,808)
Net cash provided by operating activities	<u>19,003,669</u>	<u>752,150</u>	<u>749,121</u>	<u>20,504,940</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Cash received from rentals	1,106,522	-	-	1,106,522
Cash received from royalties	-	605,410	-	605,410
Transfers from other funds	30,634	-	-	30,634
Transfers to other funds	(6,683,854)	(1,006,663)	-	(7,690,517)
Net cash used by noncapital financing activities	<u>(5,546,698)</u>	<u>(401,253)</u>	<u>-</u>	<u>(5,947,951)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from disposal of capital assets	140,977	36,527	-	177,504
Proceeds from long-term debt	19,244,563	-	2,035,000	21,279,563
Proceeds from developers for contributions in aid of construction	1,411,502	-	198,807	1,610,309
Principal payments on long-term debt	(4,173,449)	-	-	(4,173,449)
Acquisition and construction of capital assets	(8,986,483)	(163,768)	(362,495)	(9,512,746)
Interest and other charges on debt	(2,058,531)	-	(35,000)	(2,093,531)
Net cash used by capital and related financing activities	<u>5,578,579</u>	<u>(127,241)</u>	<u>1,836,312</u>	<u>7,287,650</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	649,121	20,320	993	670,434
Purchase of investments	(10,206,694)	-	-	(10,206,694)
Net cash provided (used) by investing activities	<u>(9,557,573)</u>	<u>20,320</u>	<u>993</u>	<u>(9,536,260)</u>
NET INCREASE (DECREASE) IN CASH	9,477,977	243,976	2,586,426	12,308,379
CASH AND CASH EQUIVALENTS, BEGINNING	<u>16,748,994</u>	<u>1,986,692</u>	<u>598,823</u>	<u>19,334,509</u>
CASH AND CASH EQUIVALENTS, ENDING	<u>\$ 26,226,971</u>	<u>\$ 2,230,668</u>	<u>\$ 3,185,249</u>	<u>\$ 31,642,888</u>
RECONCILIATION OF TOTAL CASH AND CASH EQUIVALENTS				
Current assets - cash and cash equivalents	\$ 19,966,730	\$ 2,230,668	\$ 3,185,249	\$ 25,382,647
Restricted assets - cash and cash equivalents	6,260,241	-	-	6,260,241
Total cash and cash equivalents	<u>\$ 26,226,971</u>	<u>\$ 2,230,668</u>	<u>\$ 3,185,249</u>	<u>\$ 31,642,888</u>

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

CITY OF WEATHERFORD, TEXAS
STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Business-type Activities - Enterprise Funds			
	Municipal Utility System	Solid Waste	Storm Water Utility	Total
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating income	\$ 14,492,771	\$ 634,157	\$ 719,116	\$ 15,846,044
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	5,030,776	157,560	1,620	5,189,956
(Increase) decrease in accounts receivable	(44,209)	(55,180)	-	(99,389)
(Increase) decrease in unbilled accounts	(273,676)	(2,233)	(573)	(276,482)
(Increase) decrease in inventory	(193,426)	(396)	-	(193,822)
(Increase) decrease in prepaids	9,812	-	-	9,812
(Increase) decrease in deferred outflows - pensions	(147,309)	(18,380)	(3,491)	(169,180)
Increase (decrease) in accounts payable	100,852	(7,770)	30,108	123,190
Increase (decrease) in accrued wages payable	(19,226)	1,183	1,807	(16,236)
Increase (decrease) in unearned revenue	(2,083)	-	-	(2,083)
Increase (decrease) in customer deposits	(75,103)	-	-	(75,103)
Increase (decrease) in compensated absences	(64,932)	7,022	-	(57,910)
Increase (decrease) in deferred inflows - pensions	312,929	39,046	7,417	359,392
Increase (decrease) in net pension liability	(290,386)	(36,234)	(6,883)	(333,503)
Increase (decrease) in net OPEB obligation	166,879	33,375	-	200,254
Net cash provided by operating activities	<u>\$ 19,003,669</u>	<u>\$ 752,150</u>	<u>\$ 749,121</u>	<u>\$ 20,504,940</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES				
Contributions of capital assets	\$ 663,258	\$ -	\$ -	\$ 663,258
Change in fair value of investments	330,710	-	-	330,710
Proceeds from refunding debt issued and deposited with escrow agent for the defeasance of debt	27,200,132	-	-	-

CITY OF WEATHERFORD, TEXAS

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Weatherford, Texas (the City) was incorporated January 2, 1858, and became a home rule city on 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 position 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; however interfund services that are provided and used are not eliminated in the process of consolidation. *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.

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.

In the governmental funds, the City reports deferred inflows of resources 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 **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.

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.

The *Storm Water Utility Fund* is utilized to account for the City's storm water utility 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; however interfund services that are provided and used are not eliminated in the process of consolidation.

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.

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance

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, 2015, was \$.4866 per \$100 of assessed valuation. The assessed value upon which the completed 2014 levy was based was approximately \$1,949,012,777.

3. Restricted assets

Certain resources set aside for repayment of bonds are classified as restricted assets on the balance sheet because their use is limited by applicable bond ordinances. The rate stabilization restriction is used to report an amount billed to customers to subsidize potential future rate increases due to an unexpected increase in future power costs.

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:

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

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. Employees may accrue up to 320 hours of vacation or 480 hours for certified Fire personnel. If the employee reaches the maximum accrual limit future accruals will cease until the vacation leave balance is below the established maximum accrual.

The City has accrued 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 financial statements, long-term debt is reported as a liability in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds if material in amount. In the governmental fund financial statements, bond premiums and discounts are recognized during the current period. The face amount of debt is recorded as other financing sources. Bond premiums and discounts are recorded as other financing sources and uses.

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. Pensions

For purposes of measuring the net pension liability, pension related deferred outflows and inflows of resources, and pension expense, City specific information about its Fiduciary Net Position in the Texas Municipal Retirement System (TMRS) and additions to/deductions from the City’s Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

11. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has the following items that qualify for reporting in this category.

- Deferred charges on refunding – A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Pension contributions after measurement date – These contributions are deferred and recognized in the following fiscal year.
- Difference in projected and actual earnings on pension assets – This difference is deferred and amortized over a closed five year period.

In addition to liabilities, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two types of items that qualify for reporting in this category.

- Unavailable revenue is reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.
- Difference in expected and actual pension experience - This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.

12. 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 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.

- Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by the ordinance 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. This arrangement was approved through City Ordinance by City Council.
- 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. The City Council has by City Ordinance authorized City Manager to assign fund balance. The Council may also assign fund balance.
- 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.

As of year-end, governmental fund balance is composed of the following:

FUND BALANCE	<u>General</u>	<u>Debt Service</u>	<u>Other Governmental</u>	<u>Totals</u>
Nonspendable:				
Doss library	\$ -	\$ -	\$ 50,000	\$ 50,000
Prepays	2,184	-	-	2,184
Inventory	62,086	-	-	62,086
Restricted for:				
Capital projects	-	-	677,975	677,975
Debt service	-	8,468,418	-	8,468,418
Public safety:				
Police operations and equipment	-	-	654,848	654,848
Municipal court technology	-	-	52,432	52,432
Municipal court security	-	-	40,778	40,778
Juvenile case manager	-	-	3,591	3,591
Community development:				
Beautification of City	-	-	2,402	2,402
Promotion of tourism and hotel industry	-	-	825,398	825,398
Doss library	-	-	12	12
Main Street project	-	-	13,486	13,486
Committed:				
Other post employee benefits	1,250,884	-	-	1,250,884
Stabilization arrangement	6,428,831	-	-	6,428,831
Capital projects	-	-	1,642,536	1,642,536
Future acquisition of parks	-	-	264,234	264,234
Culture and recreation:				
Chandor Gardens	-	-	63,305	63,305
Library operations	-	-	110,763	110,763
Animal shelter improvements	-	-	118,125	118,125
Unassigned	6,103,365	-	-	6,103,365
Totals	<u>\$ 13,847,350</u>	<u>\$ 8,468,418</u>	<u>\$ 4,519,885</u>	<u>\$ 26,835,653</u>

13. Net Position

Net position represents the difference between assets, deferred outflows (inflows) of resources and liabilities. Net position invested in capital assets 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 position is 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.

14. 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.

15. 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.

16. Prior Period Adjustment

The GASB has issued Statement No. 68, “Accounting and Financial Reporting for Pensions-an amendment of GASB Statement No. 27,” which became effective for fiscal year 2015. This statement changes the focus of pension accounting for employers from whether they are responsibly funding their plan over time to a point-in-time liability that is reflected in the employer’s financial statements for any actuarially unfunded portion of pension benefits earned to date.

The implementation of Statement No. 68 resulted restatement of beginning net position for the elimination of the previously reported net pension obligation, the recording of the beginning net pension liability and the beginning deferred outflow for contributions made after the measurement date. Prospectively applying these changes results in the adjustments below.

	Government-wide Statement of Activities		Fund Level		
			Statement of Revenues, Expenses and Changes in Net Position-Proprietary Funds		
	Governmental Activities	Business-type Activities	Municipal Utility System	Solid Waste	Storm Water Utility
Net position at September 30, 2014, as previously reported	\$ 38,342,593	\$ 120,428,582	\$ 116,776,505	\$ 2,422,593	\$ 1,229,484
Elimination of net pension obligation as of September 30, 2014	1,423,789	536,287	479,596	56,271	420
Recording of net pension liability as of September 30, 2014	(7,421,795)	(2,564,474)	(2,232,930)	(278,617)	(52,927)
Deferral for pension contributions made after the measurement date	<u>1,563,304</u>	<u>540,172</u>	<u>470,337</u>	<u>58,687</u>	<u>11,148</u>
Net position at September 30, 2014, as restated	<u>\$ 33,907,891</u>	<u>\$ 118,940,567</u>	<u>\$ 115,493,508</u>	<u>\$ 2,258,934</u>	<u>\$ 1,188,125</u>

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 Position

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. 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 \$78,418,931 difference are as follows:

Bonds payable	\$ 63,010,000
Capital lease	1,103,399
Tax notes	850,000
Deferred loss on refunding	(1,120,163)
Issuance premium (to be amortized as interest expense)	2,210,749
Accrued interest payable	222,850
Compensated absences	3,637,723
Deferred outflow related to pensions	(2,052,926)
Deferred inflow related to pensions	1,040,111
Net pension liability	6,456,603
Net OPEB obligation	<u>3,060,585</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u>\$ 78,418,931</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 position 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 \$4,662,715 difference are as follows:

Capital outlay	\$ 8,068,404
Depreciation expense	<u>(3,405,689)</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ 4,662,715</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 position.” The details of this (\$7,311,779) difference are as follows:

Transfer of capital assets from business-type activities	\$ 1,278,710
Disposal of capital assets	<u>(8,590,489)</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ (7,311,779)</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 position. 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 \$2,514,800 difference are as follows:

Principal repayments	\$ 4,124,085
Issuance of long-term debt	(1,278,924)
Payment to escrow agent for refunding	7,857,973
Premium on bond issuance	(698,462)
Issuance of refunding debt	(7,345,000)
Accrued interest	636
Amortization of deferred loss on refunding	(461,100)
Amortization of bond premium	<u>315,592</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ 2,514,800</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 (\$206,857) difference are as follows:

Compensated absences	\$(138,597)
Pension cost	414,703
OPEB cost	<u>(482,963)</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ (206,857)</u>

III. DETAILED NOTES ON ALL ACTIVITIES AND 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	Fair Value 09/30/15	% of Total	Weighted Average Maturity (Days)
Local Government Investment				
Pools (2a-7 like pools):				
TexPool	N/A	\$ 1,932,861	2.53%	40
TexStar	N/A	6,510,359	8.51%	83
Texas Class	N/A	35,511,365	46.40%	60
U. S. Government Securities:				
Federal Home Loan Bank	3/11/16	4,013,912	5.25%	9
Federal Home Loan Bank	3/22/16	500,269	0.65%	1
Fannie Mae	3/30/16	4,005,144	5.24%	10
Federal Home Loan Bank	9/28/16	1,501,143	1.96%	7
Federal Home Loan Bank	12/9/16	731,891	0.96%	4
Altoona WI	12/1/16	376,989	0.49%	2
Federal Home Loan Bank	1/30/17	701,482	0.92%	4
Fannie Mae	1/30/17	1,009,549	1.32%	6
Altoona WI	12/1/17	594,842	0.78%	6
Freddie Mac	12/26/17	1,008,402	1.32%	11
Federal Home Loan Bank	9/14/18	3,084,564	4.03%	44
Fannie Mae	9/26/18	3,023,508	3.95%	43
Fannie Mae	9/26/18	1,284,659	1.68%	18
Fannie Mae	9/26/18	4,399,087	5.75%	63
Altoona WI	12/18/18	303,953	0.40%	5
Federal Home Loan Bank	1/22/19	2,005,606	2.62%	32
Freddie Mac	10/29/19	1,001,263	1.31%	20
Federal Home Loan Bank	4/17/20	2,001,016	2.62%	44
Federal Home Loan Bank	4/30/20	1,000,897	1.31%	22
Total		32,548,176	42.56%	
Total all investments		\$ 76,502,761	100.00%	

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: Safety of principal is the primary objective of the City's investment policy. To address this objective the City tries to mitigate credit risk (or default risk) by limiting its investments to only those investments that have been issued one of the top ratings by a nationally recognized credit rating agency. As of September 30, 2015, the City's investment in TexPool, TexStar, and Texas Class were rated AAAM by Standard & Poor's and the U. S. Government Securities were rated Aaa by Moody and the Altoona, WI Bonds were rated AA- by Standard and Poor's.

Concentration of Credit Risk: In accordance with the City's investment policy, the City of Weatherford limits their exposure of concentration of credit risk by restricting investments in a single security type or financial institute to less than 50% of the City's total investment portfolio with the exception of U. S. Government Securities and authorized pools.

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

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 position 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.

As of September 30, 2015, the City held restricted cash and investments of \$12,756,538 for the following purposes:

Business-type activities:	
Revenue bond debt service	\$ 852,640
Revenue bond reserve	3,153,005
Construction	2,567,167
Water impact fee	629,340
Wastewater impact fee	1,073,761
Rate stabilization	<u>4,480,625</u>
Total business-type activities	<u>12,756,538</u>
Total restricted cash and investments	<u>\$ 12,756,538</u>

B. Interfund Transfers

Interfund transfers during the year were as follows:

	Transfers In				Total
	General	Debt Service	Other Governmental	Municipal Utility System	
Transfers Out:					
General	\$ -	\$ -	\$ 35,753	\$ -	\$ 35,753
Municipal utility system	6,683,854	-	-	-	6,683,854
Solid waste	476,029	-	500,000	30,634	1,006,663
Other governmental	<u>-</u>	<u>128,437</u>	<u>234,295</u>	<u>-</u>	<u>362,732</u>
Total Transfers	<u>\$ 7,159,883</u>	<u>\$ 128,437</u>	<u>\$ 770,048</u>	<u>\$ 30,634</u>	<u>\$ 8,089,002</u>

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; and 6) to transfer bond resources to the fund in which the project expenditures were reported.

C. Capital Assets

Capital asset activity for the year ended September 30, 2015, was as follows:

	Beginning Balance	Additions	Transfers/ Retirements	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 5,488,126	\$ 61,883	\$ -	\$ 5,550,009
Construction in progress	14,361,736	5,313,811	(8,572,840)	11,102,707
Total assets not being depreciated	<u>19,849,862</u>	<u>5,375,694</u>	<u>(8,572,840)</u>	<u>16,652,716</u>
Capital assets, being depreciated:				
Buildings and improvements	14,746,965	351,450	-	15,098,415
Infrastructure	13,182,232	1,278,710	-	14,460,942
Other improvements	32,788,448	455,371	(82,039)	33,161,780
Machinery and equipment	10,105,957	2,268,122	(504,292)	11,869,787
Total capital assets being depreciated	<u>70,823,602</u>	<u>4,353,653</u>	<u>(586,331)</u>	<u>74,590,924</u>
Less accumulated depreciation:				
Buildings and improvements	(5,938,154)	(366,258)	-	(6,304,412)
Infrastructure	(9,054,011)	(543,475)	-	(9,597,486)
Other improvements	(7,842,570)	(1,577,336)	82,039	(9,337,867)
Machinery and equipment	(7,299,485)	(918,621)	486,106	(7,732,000)
Total accumulated depreciation	<u>(30,134,220)</u>	<u>(3,405,690)</u>	<u>568,145</u>	<u>(32,971,765)</u>
Total capital assets being depreciated, net	<u>40,689,382</u>	<u>947,963</u>	<u>(18,186)</u>	<u>41,619,159</u>
Governmental activities capital assets, net	<u>\$ 60,539,244</u>	<u>\$ 6,323,657</u>	<u>\$(8,591,026)</u>	<u>\$ 58,271,875</u>
	Beginning Balance	Additions	Transfers/ Retirements	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 2,540,233	\$ 49,606	\$ -	\$ 2,589,839
Construction in progress	4,063,860	4,135,583	(2,219,687)	5,979,756
Total assets not being depreciated	<u>6,604,093</u>	<u>4,185,189</u>	<u>(2,219,687)</u>	<u>8,569,595</u>
Capital assets, being depreciated:				
Buildings and improvements	19,304,185	-	(10,000)	19,294,185
Other improvements	154,288,841	5,121,876	1,673,132	161,083,849
Machinery and equipment	8,017,795	1,280,139	(450,797)	8,847,137
Total capital assets being depreciated	<u>181,610,821</u>	<u>6,402,015</u>	<u>1,212,335</u>	<u>189,225,171</u>
Less accumulated depreciation:				
Buildings and improvements	(9,239,007)	(455,817)	10,000	(9,684,824)
Other improvements	(54,689,407)	(3,997,638)	404,069	(58,282,976)
Machinery and equipment	(5,207,430)	(736,501)	450,797	(5,493,134)
Total accumulated depreciation	<u>(69,135,844)</u>	<u>(5,189,956)</u>	<u>864,866</u>	<u>(73,460,934)</u>
Total capital assets being depreciated, net	<u>112,474,977</u>	<u>1,212,059</u>	<u>2,077,201</u>	<u>115,764,237</u>
Business-type activities capital assets, net	<u>\$ 119,079,070</u>	<u>\$ 5,397,248</u>	<u>\$(142,486)</u>	<u>\$ 124,333,832</u>

During the current year, the City's governmental activities transferred \$8,572,840 of a completed road project to the State of Texas. This transfer was in accordance with the Texas Department of Transportation Pass-Thru Toll Program.

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

Governmental activities:	
General government	\$ 298,604
Public safety	579,363
Public works	1,767,662
Health and welfare	44,625
Cultural and recreational	<u>715,436</u>
Total depreciation expense - governmental activities	<u>\$ 3,405,690</u>
Business-type activities:	
Electric	\$ 1,863,331
Water	2,070,521
Wastewater	1,096,924
Solid waste	157,560
Storm water	<u>1,620</u>
Total depreciation expense - business-type activities	<u>\$ 5,189,956</u>

D. Deferred Inflows of Resources

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities in the current period. At the end of the current fiscal year, the various components of deferred inflows reported in the governmental funds were as follows:

	<u>General</u>	<u>Debt Service</u>	<u>Totals</u>
Delinquent property taxes	\$ 88,463	\$ 80,381	\$ 168,844
Intergovernmental-TxDOT grant	-	27,282,275	27,282,275
Court fines	<u>126,094</u>	<u>-</u>	<u>126,094</u>
Totals	<u>\$ 214,557</u>	<u>\$ 27,362,656</u>	<u>\$ 27,577,213</u>

E. Bonds, Certificates of Obligation and Tax Notes Payable

Bonds and certificates of obligation payable at September 30, 2015, consist of the following individual issues:

Governmental activities

\$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%.	\$ 3,040,000
\$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%.	2,220,000
\$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% -	24,355,000
\$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%.	7,660,000
\$25,110,000 2012 General Obligation Refunding Bonds, to refund and restructure the City's Certificates of Obligation Bonds, Series 2007, Certificates of Obligation, Series 2002, and Certificates of Obligation, Series 2003, due in annual installments through March 1, 2021, 2.00% - 4.00%.	18,465,000
\$7,345,000 2014 General Obligation Refunding Bonds, to refund and restructure the City's Certificates of Obligation Bonds, Series 2007, due in annual installments through March 1, 2027, 2.00% - 4.00%.	7,270,000
\$985,000 2014 Tax Notes, to purchase and equip two fire trucks, due in annual installments through March 1, 2021, 2.00%.	<u>850,000</u>
Total governmental activities	<u>\$ 63,860,000</u>

Business-type activities

\$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%.	\$ 160,000
\$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%.	2,035,000
\$41,565,000 2015 Utility System Revenue Refunding and Improvement Bonds, to refund the 2005 Utility System Refunding Bonds, to refund a portion of the 2006 Utility System Refunding Bonds and for improvements and extensions to the City's water, wastewater, and electric systems, due in annual installments through September 1, 2035, 2.00% - 5.00%.	41,015,000
\$2,035,000 2015 Municipal Storm Water Utility System Revenue Bonds, for improvements to the City's storm water system, due in annual installments through September 1, 2025, 2.77%.	<u>2,035,000</u>
Total business-type activities	<u>\$ 45,245,000</u>

The annual debt payment requirements for bonds payable as of September 30, 2015, are as follows:

Governmental Activities

Fiscal Year	General Obligation		Certificates of Obligation		Tax Notes		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
2016	\$ 3,355,000	\$ 1,780,941	\$ 590,000	\$ 469,443	\$ 135,000	\$ 15,650	\$ 6,346,034
2017	3,475,000	1,655,325	650,000	451,667	135,000	12,950	6,379,942
2018	3,725,000	1,537,875	675,000	432,452	140,000	10,200	6,520,527
2019	3,870,000	1,427,300	700,000	410,773	145,000	7,350	6,560,423
2020	4,015,000	1,308,288	730,000	386,534	145,000	4,450	6,589,272
2021-2025	21,290,000	4,457,376	4,310,000	1,526,534	150,000	1,500	31,735,410
2026-2030	10,360,000	490,800	3,330,000	747,527	-	-	14,928,327
2031-2035	-	-	1,935,000	159,473	-	-	2,094,473
	<u>\$ 50,090,000</u>	<u>\$ 12,657,905</u>	<u>\$ 12,920,000</u>	<u>\$ 4,584,403</u>	<u>\$ 850,000</u>	<u>\$ 52,100</u>	<u>\$ 81,154,408</u>

Business-type Activities

Fiscal Year	Revenue Bonds		Total
	Principal	Interest	
2016	\$ 3,830,000	\$ 2,049,007	\$ 5,879,007
2017	3,960,000	1,930,757	5,890,757
2018	4,115,000	1,778,306	5,893,306
2019	2,870,000	1,587,571	4,457,571
2020	3,005,000	1,448,422	4,453,422
2021-2025	14,855,000	5,027,069	19,882,069
2026-2030	6,705,000	2,165,637	8,870,637
2031-2035	<u>5,905,000</u>	<u>914,500</u>	<u>6,819,500</u>
	<u>\$ 45,245,000</u>	<u>\$ 16,901,269</u>	<u>\$ 62,146,269</u>

The revenue bonds are collateralized by the revenue of the combined utility system and the various special funds established by the bond ordinances. The ordinances provide that the revenue of the system is to be used, first, to pay operating and maintenance expenses of the system and, second, to establish and maintain the revenue bond funds.

Any remaining revenues may then be used for any lawful purpose. The ordinances also contain provisions, which, among other items, restrict the issuance of additional revenue bonds unless the special funds noted above contain the required amounts and certain financial ratios are met. The City is in compliance with these financial requirements.

Below is a summary of the various restricted asset accounts required by the bond ordinances along with the actual cash reserved as September 30, 2015.

	<u>Required</u>	<u>Actual</u>
Reserve fund	\$ <u>3,067,616</u>	\$ <u>3,161,270</u>
Total, September 30, 2015	\$ <u><u>3,067,616</u></u>	\$ <u><u>3,161,270</u></u>
Bond fund	\$ <u>470,735</u>	\$ <u>852,640</u>
Total, September 30, 2015	\$ <u><u>470,735</u></u>	\$ <u><u>852,640</u></u>

Bond Refunding

The City issued \$7,345,000 of General Obligation Refunding Bonds, Series 2014 to refund and defease certain maturities of its existing outstanding bond issuances. The refunding allowed the City to reduce future debt payments. The refunding resulted in a decrease in total debt service payments in the next 13 years by \$955,899 which equates to an \$822,818 present value savings or economic gain. The refunding provided resources 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 statement of net position. The difference between the reacquisition price and the net carrying amount of the old debt (deferred amount on refunding of \$124,714) will be amortized over the remaining life of the original debt issued.

The City issued \$41,565,000 of Utility System Revenue Refunding and Improvement Bonds, Series 2015 to refund and defease certain maturities of its existing outstanding bond issuances as well as provide new money proceeds for funding various projects. The bonds provided \$19,000,000 of new money proceeds for the City. The refunding allowed the City to reduce future debt payments. The refunding resulted in a decrease in total debt service payments in the next 12 years by \$3,794,239 which equates to a \$3,149,549 present value savings or economic gain. The refunding provided resources 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 statement of net position. The difference between the reacquisition price and the net carrying amount of the old debt (deferred amount on refunding of \$906,461) 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. As of September 30, 2015, \$18,640,000 of bonds were considered defeased.

F. Notes Payable

Business-type activity notes payable at September 30, 2015, consisted of the following:

Texas Department of Transportation:

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. \$ 142,459

in the amount of \$650,000. Payable in seven annual installments of \$101,034, including interest at 2.45% for utility relocations and reconstruction along FM 51/SH 171. In fiscal year 2015, the City made an additional payment of \$129,342, which reduced the amount of the remaining annual installments and the loan will mature in February 2017 instead of February 2018. 155,360

\$ 297,819

The annual debt payment requirements for the business-type activity notes payable as of September 30, 2015, are as follows:

Fiscal Year	Notes Payable		Totals
	Principal	Interest	
2016	\$ 130,455	\$ 8,034	\$ 138,489
2017	93,479	4,852	98,331
2018	36,254	2,808	39,062
2019	<u>37,631</u>	<u>1,430</u>	<u>39,061</u>
	<u>\$ 297,819</u>	<u>\$ 17,124</u>	<u>\$ 314,943</u>

G. Capital Lease Obligation

The City has entered into a lease agreement as lessee for financing the acquisition of information technology equipment. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of minimum lease payments as of the inception date. The information technology equipment was acquired through a capital lease and was below the City's capitalization threshold; therefore, the information technology equipment was not capitalized. The amount of the technology equipment acquired was \$1,736,163 and \$562,891 for governmental activities and business-type activities, respectively.

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2015, were as follows:

	<u>Governmental Activities</u>
2016	\$ 260,338
2017	145,080
2018	119,228
2019	81,475
2020	81,476
2021-2025	407,378
2026-2030	<u>162,951</u>
Total minimum lease payments	1,257,926
Less: amount representing interest	<u>(154,527)</u>
Present value of minimum lease payments	<u>\$ 1,103,399</u>

	<u>Business-type Activities</u>
2016	\$ 45,731
2017	45,731
2018	45,731
2019	45,731
2020	45,731
2021-2025	228,653
2026-2030	<u>45,731</u>
Total minimum lease payments	503,039
Less: amount representing interest	<u>(36,209)</u>
Present value of minimum lease payments	<u>\$ 466,830</u>

H. Long-term Liability Activity

Long-term liability activity for the year ended September 30, 2015, 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	\$ 53,615,000	\$ 7,345,000	\$ 10,870,000	\$ 50,090,000	\$ 3,355,000
Certificates of obligation	13,485,000	-	565,000	12,920,000	590,000
Tax notes	-	985,000	135,000	850,000	135,000
Issuance premium	<u>1,866,138</u>	<u>698,462</u>	<u>353,851</u>	<u>2,210,749</u>	<u>322,068</u>
Total bonds payable	<u>68,966,138</u>	<u>9,028,462</u>	<u>11,923,851</u>	<u>66,070,749</u>	<u>4,402,068</u>
Capital lease obligation	1,058,560	293,924	249,085	1,103,399	233,088
Net OPEB obligation	2,577,622	689,770	206,807	3,060,585	-
Net pension liability	1,423,789	7,609,335	2,576,521	6,456,603	-
Compensated absences	<u>3,499,126</u>	<u>1,621,474</u>	<u>1,482,877</u>	<u>3,637,723</u>	<u>489,514</u>
Governmental activities long-term liabilities	<u>\$ 77,525,235</u>	<u>\$ 19,242,965</u>	<u>\$ 16,439,141</u>	<u>\$ 80,329,059</u>	<u>\$ 5,124,670</u>

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities:					
Bonds payable:					
Revenue bonds	\$ 31,600,000	\$ 43,600,000	\$ 29,955,000	\$ 45,245,000	\$ 3,830,000
Issuance premium	827,865	4,879,695	827,280	4,880,280	81,576
Total bonds payable	<u>32,427,865</u>	<u>48,479,695</u>	<u>30,782,280</u>	<u>50,125,280</u>	<u>3,911,576</u>
Tax note	110,000	-	110,000	-	-
State infrastructure loans	553,428	-	255,609	297,819	130,455
Capital lease obligation	499,670	-	32,840	466,830	33,686
Net OPEB obligation	1,179,564	286,003	85,749	1,379,818	-
Net pension liability	536,284	2,584,957	890,273	2,230,968	-
Compensated absences	<u>1,173,001</u>	<u>400,681</u>	<u>458,590</u>	<u>1,115,092</u>	<u>170,098</u>
Business-type activities long-term liabilities	<u>\$ 36,479,812</u>	<u>\$ 51,751,336</u>	<u>\$ 32,615,341</u>	<u>\$ 55,615,807</u>	<u>\$ 4,245,815</u>

IV. OTHER INFORMATION

A. Defined Benefit Pension Plan

Plan Descriptions. The City participates as one of 860 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agency multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Sections 401(a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tmr.org.

All eligible employees of the City are required to participate in TMRS.

Benefits Provided. TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the City-financed monetary credits, with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

The City granted an annually repeating (automatic) basis a monetary credit referred to as an updated service credit (USC) which is a theoretical amount which takes into account salary increases or plan improvements. If at any time during their career an employee earns a USC, this amount remains in their account earning interest at 5% until retirement. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer match plus employer-financed monetary credits, such as USC, with interest were used to purchase an annuity. Additionally, the City provides on an annually repeating (automatic) basis cost of living adjustments (COLA) for retirees equal to a percentage of the change in the consumer price index (CPI).

A summary of plan provisions for the City are as follows:

Employee deposit rate	7%
Matching ratio (City to employee)	2 to 1
Years required for vesting	5
Service retirement eligibility	20 years to any age, 5 years at age 60 and above
Updated service credit	100% repeating
Annuity increase to retirees	50% of CPI repeating

Employees covered by benefit terms

At the December 31, 2014 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries current receiving benefits	175
Inactive employees entitled to but not yet received benefits	127
Active employees	<u>345</u>
	<u><u>647</u></u>

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

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 15.54% and 13.79% in calendar years 2014 and 2015, respectively. The City's contributions to TMRS for the year ended September 30, 2015, were \$2,726,094, and were equal to the required contributions.

Net Pension Liability The City's Net Pension Liability (NPL) was measured as of December 31, 2014, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The Total Pension Liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions:

Inflation	3.0% per year
Overall payroll growth	3.0% per year
Investment rate of return	7.0%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Table, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Disabled Retiree Mortality Table is used, with slight adjustments.

Actuarial assumptions used in the December 31, 2014 valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period January 1, 2006 through December 31, 2009, first used in the December 31, 2010 valuation. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering the 2009 through 2011, and the dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2014 valuation.

The long-term expected rate of return on pension plan investments is 7.0%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TMRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates return for each major assets class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return (Arithmetic)</u>
Domestic equity	17.5%	4.80%
International Equity	17.5%	6.05%
Core Fixed Income	30.0%	1.50%
Non-Core Fixed Income	10.0%	3.50%
Real Return	5.0%	1.75%
Real Estate	10.0%	5.25%
Absolute Return	5.0%	4.25%
Private Equity	<u>5.0%</u>	8.50%
Total	100.0%	

Discount Rate

The discount rate used to measure the Total Pension Liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the Total Pension Liability.

Changes in the Net Pension Liability

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net Pension Liability (a) - (b)</u>
Balance at 12/31/2014	\$ 91,765,698	\$ 81,779,429	\$ 9,986,269
Changes for the year:			
Service cost	2,866,608	-	2,866,608
Interest	6,404,452	-	6,404,452
Difference between expected and actual experience	(1,735,526)	-	(1,735,526)
Contributions - employer	-	2,903,602	(2,903,602)
Contributions - employee	-	1,304,964	(1,304,964)
Net investment income	-	4,678,525	(4,678,525)
Benefits payments, including refunds of employee contributions	(3,413,647)	(3,413,647)	-
Administrative expense	-	(48,843)	48,843
Other change	-	(4,016)	4,016
Net changes	<u>4,121,887</u>	<u>5,420,585</u>	<u>(1,298,698)</u>
Balance at 12/31/2015	<u>\$ 95,887,585</u>	<u>\$ 87,200,014</u>	<u>\$ 8,687,571</u>

The following presents the net pension liability of the City, calculated using the discount rate of 7.0%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0%) of 1-percentage-higher (8.0%) than the current rate:

	1% Decrease in in Discount Rate (6.0%)	Discount Rate (7.0%)	1% Increase in in Discount Rate (8.0%)
City's net pension liability	\$ 22,859,951	\$ 8,687,571	\$(2,911,838)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. The report may be obtained on the Internet at www.tmrs.org.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2015, the City recognized pension expense of \$2,167,579. At September 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experi	-	\$ 1,399,503
Difference between projected and actual investment earni	836,828	-
Contributions subsequent to the measurement date	<u>1,925,450</u>	<u>-</u>
Totals	<u>\$ 2,762,278</u>	<u>\$ 1,399,503</u>

\$1,925,450 reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2016. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expenses as follows:

<u>For the Year Ended September 30,</u>	
2016	\$(126,816)
2017	(126,816)
2018	(126,816)
2019	(126,816)
2020	(55,411)

Subsequent Event

Pursuant to TMRS policy of conducting experience studies every four years, the TMRS Board at their July 31, 2015 meeting determined that they would be changing certain actuarial assumptions including reducing the long term expected rate of return from the current 7% to 6.75% and changing the inflation assumption from 3% to 2.5%. Reduction of expected investment return and related discount rate will increase projected pension liabilities. Reducing the inflation assumption reduces liabilities as future annuity levels and future cost of living adjustments are not projected to be as large as originally projected. While the actual impact on the City's valuation for December 31, 2015 is not known the City does expect some downward pressure on its funded status and upward pressure on its 2017 actuarially determined contribution (ADC) due to this change.

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, 2008, eligibility was further limited to those employees that were hired regular, fulltime before October 1, 2008.

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

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

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

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

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, 2015, is as follows:

Annual required contribution	\$ 963,345
Interest on OPEB obligation	169,073
Adjustment to ARC	(156,645)
Annual OPEB cost	975,773
Net estimated employer contributions	(292,556)
Increase in net OPEB obligation	683,217
Net OPEB obligation, beginning of year	<u>3,757,186</u>
Net OPEB obligation, end of year	<u>\$ 4,440,403</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>
9/30/2013	\$ 957,600	\$ 328,361	34.3%	\$ 3,098,643
9/30/2014	988,164	329,621	33.4%	3,757,186
9/30/2015	975,773	292,556	30.0%	4,440,403

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:

<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>
12/31/2014	\$ -	\$ 11,915,747	\$ 11,915,747	- %	\$ 18,642,345	63.92%

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. The Schedule of Funding Progress presented as Required Supplementary Information following the notes to the financial statements, 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 2014 actuarial valuation is the most recent actuarial valuation available, and the 2008, 2010, 2012, and 2014 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.

Projections of health benefits are based on the plan as understood by the City and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the City and 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:

Inflation rate	3.00% per annum
Investment rate of return	7.50%, net of expenses
Actuarial cost method	Projected unit credit cost
Amortization method	Level as a percentage of employee payroll
Amortization period	30-year, open amortization
Payroll growth	3.00% per annum
Healthcare cost trend rate	Initial rate of 7.25% declining to an ultimate rate of 4.50% after 14 years

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status and the annual required contributions of the City's retiree health care plan are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

Supplemental Death Benefits Plan for Retirees

Plan Description

The City also 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. The City's contributions to the TMRS SDBF for the years ended 2015, 2014 and 2013, were \$32,008, \$30,814 and \$29,374, respectively, which equaled the required contributions each year.

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	1,000
Real and personal property**	57,277,073	57,277,073	5,000
Mobile equipment*	2,237,894	2,237,894	1,000
Boiler and machinery	11,000,000	N/A	5,000
Sewage backup	50,000	N/A	500

*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 four fiscal years.

E. Contingencies

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 probable.

F. Construction Commitments

On December 10, 2013, the City Council approved a contract with Lone Star Civil Construction, Inc. in the amount of \$9,473,837 for the construction of frontage roads and ramps along IH20 between Farm to Market Highway 1884 and South Bowie Drive. This project is being funded with certificate of obligation bonds and is scheduled for completion in May 2016. As of September 30, 2015, work completed and billed total \$7,633,907.

On January 29, 2015, the Municipal Utility Board approved a contract with Soil Express in the amount of \$492,883 for West Loop Substation site preparation. This project is being funded from utility funds. As of September 30, 2015, work completed and billed total \$447,387.

On January 29, 2015, the Municipal Utility Board approved a contract with D.T. Utility Contractors in the amount of \$458,208 for the construction of 12" wastewater line for Lift Station 25 which consist of 164 linear feet of 8" wastewater line, 2,452 linear feet of 12" wastewater line and associated appurtenances. This project is being funded with 2006 Revenue Bond. As of September 30, 2015, work completed and billed total \$454,873.

On May 28, 2015, the Municipal Utility Board approved a contract with Wildstone Construction, LLC in the amount of \$1,145,001 for the construction of Black Warrior Creek Sanitary Sewer-Phase II. The project is being funded with 2006 Revenue Bond. As of September 30, 2015, work completed and billed total \$995,663.

G. Economic Development Commitments

The City entered into an economic development agreement dated September 9, 2014, with a developer to reimburse the developer for the cost of purchasing, improving, redeveloping, and renovating a commercial/retail building. The agreement requires the City to rebate to the developer 30% of the sales taxes for up to six years. The maximum amount to be rebated by the City from sales tax revenues generated by the development is \$5,000. Nothing has been paid as of year-end.

The City entered into a tax abatement agreement dated August 12, 2014, with a company to reduce property taxes for constructing and equipping a new corporate office building, warehouse, and lease space. The agreement requires the City to reduce 40% of the taxes assessed upon the increased value of the land and improvements of the project for six years. No amounts were abated in the current year and no liability has been accrued as of September 30, 2014 as the project has not yet been completed.

The City entered into an economic development and sales tax abatement agreement dated May 13, 2014 with a company to reimburse sales taxes and reduce property taxes for acquiring, improving, redeveloping, and renovating a commercial/retail building. The agreement calls for the City to reimburse the company 35% of sales taxes for up to five years. The maximum amount to be reimbursed is \$3,000. The City is also required to abate 35% of the City portion of the real property and business/personal property taxes rendered at the project each year for a maximum of five years.

The City entered into a tax abatement agreement dated February 11, 2014 with a developer to reduce property taxes for the construction of a distribution warehouse and corporate offices. The City agrees to abate 90% of the City portion of the real property and business/personal property taxes for the first five years, 80% in year six, 60% in year seven, and 40% in year eight.

The City entered into an economic development and sales tax abatement agreement dated May 13, 2014 with a company to reimburse sales taxes and reduce property taxes for improving, redeveloping, and renovating a building currently occupied by the company. The agreement calls for the City to reimburse the company 50% of sales taxes for up to six years. The maximum amount to be reimbursed is \$11,000. The City is also required to abate 50% of the City portion of the real property and business/personal property taxes rendered at the project each year for a maximum of six years.

The City entered into an economic development and sales tax abatement agreement dated September 25, 2012 with a company to reimburse sales taxes and reduce property taxes for improving, redeveloping, and renovating existing structures. The agreement requires the City to reimburse the company 20% of sales taxes for up to three years. The maximum amount to be reimbursed is \$20,000. The City is also required to abate 20% of the City portion of the real property and business/personal property taxes rendered at the project each year for a maximum of three years.

The City entered into an economic development agreement dated February 24, 2004 with a company to reimburse sales taxes for acquiring the land and constructing a new retail facility. The agreement requires the City to rebate to the company 50% of the sales taxes for up to 10 years. The maximum amount to be rebated by the City from sales tax revenues generated by the development is \$2,000,000.

The City entered into a tax abatement agreement dated January 14, 2014, with a company to reduce property taxes for constructing and equipping a new inpatient rehab hospital. The agreement requires the City to reduce 30% of the taxes assessed upon the increased value of the land and improvements of the project for five years.

The City entered into an economic development and sales tax abatement agreement dated December 13, 2011 with a company to reimburse sales taxes and reduce property taxes for improving, redeveloping, and renovating existing structures. The agreement requires the City to reimburse the company 35% of sales taxes for up to five years. The maximum amount to be reimbursed is \$28,000. The City is also required to abate 35% of the City portion of the real property and business/personal property taxes rendered at the project each year for a maximum of five years.

The City entered into a tax abatement agreement dated December 16, 2014, with a company to reduce property taxes for constructing and equipping a new warehouse and processing facility building. The agreement requires the City to reduce 60% of the taxes assessed upon the increased value of the land and improvements of the project for seven years.

The City entered into a sales tax abatement agreement dated October 28, 2014 with a company to reimburse sales tax of a portion of the sales tax generated from the constructing a new retail building. The agreement requires the City to reimburse the company 100% of sales taxes for years one through six, 90% in year seven, 70% in year eight, and 50% in year nine. The maximum amount to be reimbursed is \$850,000.

H. Power Wholesale Supplier Agreements and Derivative Instruments

The City owns and operates its own electric distribution system and purchases all of its power from wholesale power suppliers. In an effort to mitigate the financial and market risk associated with the purchase of energy and congestion risk in delivery, the City has established a risk management program. The program was authorized by the Weatherford Municipal Utility Board and is led by a Risk Management Committee. Under this program, the City enters into forward contracts for natural gas and congestion rights for the purpose of reducing exposure to energy and congestion price risk. Use of these types of instruments for the purpose of reducing exposure to price risk is performed as a hedging activity. In order to hedge the City's price risk, the City has entered into corresponding power supply agreements with the entity's wholesale power supplier to hedge against energy price fluctuation in the market.

Congestion Revenue Rights (CRRs) function as financial hedges against the cost of resolving congestion in the Electric Reliability Council of Texas (ERCOT) market. These instruments allow the City to hedge expected future congestion that may arise during a certain period. CRRs are purchased at auction, semi-annually and monthly at market value. These CRRs are expected to be settled upon the City taking delivery of the commodity which meet the requirements of a normal purchase of the City. As of September 30, 2015, the City held CRRs with a cost of \$139,264, and are reported as prepaid items within the Utility System Fund.

The City has entered into a wholesale power supply agreement with Garland Power and Light (GP&L) through 2018. Additionally, the City has wholesale power supply agreements with American Electric Power (AEP) and Bryan Texas Utilities (BTU) through 2015 and 2016, respectively. Under the terms of the agreements, the City purchases its full power requirements for its retail customer base.

During the current year-end, the total kWh purchased and cost of kWh purchased in conjunction with the wholesale power supply agreements were as follows:

<u>Power Supplier</u>	<u>kWh Purchased</u>	<u>Total Cost</u>
American Electric Power	\$ 147,398,000	\$ 4,810,849
Bryan Texas Utilities	147,398,000	5,231,989
Garland Power and Light	122,925,740	5,219,028
Transmission charges	-	4,821,717
	<u>\$ 417,721,740</u>	<u>\$ 20,083,583</u>

In July 2015, the City entered into a power purchase agreement with the City of Garland to invest in energy from a wind turbine electrical generation facility. The terms of the agreement begin on the date the facility begins operation, and continue for the subsequent fourteen years. The commercial operation date is expected to be December 31, 2016.

I. New Accounting Principles

Significant new accounting standards not yet implemented by the City include the following.

Statement No. 75, “*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*” – This statement changes the focus of accounting of postemployment benefits other than pensions from whether an entity is responsible for funding the benefits over time to a point-in-time liability that is reflected on the employer’s financial statements for any actuarially unfunded portion of benefits earned to date. This statement will become effective for the City in fiscal year 2018.

Statement No. 77, “*Tax Abatement Disclosures*” – This statement requires governments that enter into tax abatement agreements to provide certain disclosures regarding these commitments. This statement will become effective for the City in fiscal year 2017.

**REQUIRED
SUPPLEMENTARY INFORMATION**

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CITY OF WEATHERFORD, TEXAS

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

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 16,853,157	\$ 16,853,156	\$ 18,186,789	\$ 1,333,633
Licenses and permits	554,500	574,502	690,194	115,692
Intergovernmental	523,489	530,832	622,580	91,748
Charges for services	1,070,547	1,113,419	1,055,907	(57,512)
Fines and forfeitures	492,000	492,000	436,118	(55,882)
Contributions	-	5,350	8,081	2,731
Investment earnings	50,000	50,000	109,888	59,888
Miscellaneous	221,810	218,264	121,347	(96,917)
Total revenues	<u>19,765,503</u>	<u>19,837,523</u>	<u>21,230,904</u>	<u>1,393,381</u>
EXPENDITURES				
Current:				
General government				
City council	131,786	131,991	140,686	(8,695)
Administration	740,996	895,711	845,928	49,783
Economic development	211,063	205,063	178,328	26,735
Human resources	353,370	353,370	353,784	(414)
Finance	733,142	740,482	651,599	88,883
Facilities maintenance	651,780	803,280	765,311	37,969
City attorney	201,490	161,490	82,832	78,658
Municipal court	341,014	386,013	353,102	32,911
Information technology	1,679,109	2,250,483	2,032,493	217,990
Planning and development	978,726	1,015,168	806,399	208,769
Non-departmental	931,900	715,900	266,441	449,459
Total general government	<u>6,954,376</u>	<u>7,658,951</u>	<u>6,476,903</u>	<u>1,182,048</u>
Public safety				
Police services	7,540,731	7,498,117	7,458,293	39,824
Fire	6,040,676	7,286,223	7,022,867	263,356
Total public safety	<u>13,581,407</u>	<u>14,784,340</u>	<u>14,481,160</u>	<u>303,180</u>
Public works				
Transportation and public works	392,573	417,803	425,298	(7,495)
Field operations/inspections	135,733	179,571	156,294	23,277
Traffic control	185,246	190,346	180,739	9,607
Street maintenance	2,722,708	2,957,210	2,830,163	127,047
Vehicle/equipment maintenance	178,674	178,674	160,240	18,434
Total public works	<u>3,614,934</u>	<u>3,923,604</u>	<u>3,752,734</u>	<u>170,870</u>

CITY OF WEATHERFORD, TEXAS

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

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Health and welfare				
Environmental health	\$ 131,745	\$ 131,745	\$ 128,676	\$ 3,069
Animal shelter	982,530	1,001,287	943,290	57,997
Code enforcement	185,248	185,248	154,764	30,484
Community grants	70,000	70,000	70,000	-
Total health and welfare	<u>1,369,523</u>	<u>1,388,280</u>	<u>1,296,730</u>	<u>91,550</u>
Cultural and recreation				
Parks	1,467,767	1,487,205	1,483,975	3,230
Recreation	522,140	533,291	512,401	20,890
Municipal and community services	239,490	179,490	168,827	10,663
Library	1,134,380	1,131,380	1,085,563	45,817
First Monday	164,308	164,308	156,198	8,110
Total cultural and recreation	<u>3,528,085</u>	<u>3,495,674</u>	<u>3,406,964</u>	<u>88,710</u>
Total expenditures	<u>29,048,325</u>	<u>31,250,849</u>	<u>29,414,491</u>	<u>1,836,358</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(9,282,822)</u>	<u>(11,413,326)</u>	<u>(8,183,587)</u>	<u>3,229,739</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from tax notes	-	985,000	985,000	-
Capital lease	82,000	302,631	253,924	(48,707)
Premium from tax notes	-	-	22,979	22,979
Sale of general capital assets	120,000	150,936	203,882	52,946
Insurance recoveries	-	-	120,344	120,344
Transfers in	7,206,852	7,276,852	7,159,883	(116,969)
Transfers out	<u>(35,753)</u>	<u>(35,753)</u>	<u>(35,753)</u>	<u>-</u>
Total other financing sources and uses	<u>7,373,099</u>	<u>8,679,666</u>	<u>8,710,259</u>	<u>30,593</u>
NET CHANGE IN FUND BALANCE	<u>(1,909,723)</u>	<u>(2,733,660)</u>	<u>526,672</u>	<u>3,260,332</u>
FUND BALANCE, BEGINNING	<u>13,320,678</u>	<u>13,320,678</u>	<u>13,320,678</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 11,410,955</u>	<u>\$ 10,587,018</u>	<u>\$ 13,847,350</u>	<u>\$ 3,260,332</u>

CITY OF WEATHERFORD, TEXAS

NOTES TO BUDGETARY SCHEDULES

SEPTEMBER 30, 2015

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 Main Street Project, Juvenile Case Manager, General Capital Projects, Parks, Park 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, 2015, the City incurred expenditures in excess of appropriations within the following funds:

General fund:		
City council	\$	8,695
Human resources		414
Transportation and public works		7,495
Special revenue fund:		
SFX Design grant fund		1,865
Aerospace grant fund		40,915
Debt service fund		146,257

CITY OF WEATHERFORD, TEXAS

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS**

FOR THE YEAR ENDED SEPTEMBER 30, 2015

Plan Year	<u>2014</u>
A. Total pension liability	
Service cost	\$ 2,866,608
Interest (on the Total Pension Liability)	6,404,452
Difference between expected and actual experience	(1,735,526)
Benefit payments, including refunds of employee contributions	<u>(3,413,647)</u>
Net change in total pension liability	4,121,887
Total pension liability - beginning	<u>91,765,698</u>
Total pension liability - ending (a)	<u>\$ 95,887,585</u>
B. Plan fiduciary net position	
Contributions - employer	\$ 2,903,602
Contributions - employee	1,304,964
Net investment income	4,678,525
Benefit payments, including refunds of employee contributions	(3,413,647)
Administrative expenses	(48,843)
Other	<u>(4,016)</u>
Net change in plan fiduciary net position	5,420,585
Plan fiduciary net position - beginning	<u>81,779,429</u>
Plan fiduciary net position - ending (b)	<u>\$ 87,200,014</u>
C. Net pension liability - ending (a) - (b)	\$ 8,687,571
D. Plan fiduciary net position as a percentage of total pension liability	90.94%
E. Covered employee payroll	\$ 18,642,345
F. Net position liability as a percentage of covered employee payroll	46.60%

CITY OF WEATHERFORD, TEXAS

SCHUEDLE OF CONTRIBUTIONS

FOR THE YEAR ENDED SEPTEMBER 30, 2015

Fiscal Year	<u>2014</u>	<u>2015</u>
Actuarial determined contribution	\$ 2,934,671	\$ 2,726,094
Contributions in relation to the actuarially determined contribution	<u>(2,934,671)</u>	<u>(2,726,094)</u>
Contribution deficiency (excess)	-	-
Covered employee payroll	18,418,209	19,339,291
Contributions as a percentage of covered employee payroll	15.93%	14.10%

NOTES TO SCHEDULE OF CONTRIBUTIONS

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	25 years
Asset Valuation Method	10 Year smoothed market; 15% soft corridor
Inflation	3.00%
Salary Increases	3.50% to 12.00% including inflation
Investment Rate of Return	7.00%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2010 valuation pursuant to an experience study of the period 2005-
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis of with BB.

Other Information: There were no benefit changes during the year.

CITY OF WEATHERFORD, TEXAS

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS FOR RETIREE HEALTH PLAN
FOR THE EMPLOYEES OF CITY OF WEATHERFORD, TEXAS**

FOR THE YEAR ENDED SEPTEMBER 30, 2015

<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>
12/31/2010	\$ -	\$ 10,420,335	\$ 10,420,335	0.0%	\$ 18,077,202	57.64%
12/31/2012	-	11,451,759	11,451,759	0.0%	17,909,673	63.94%
12/31/2014	-	11,915,747	11,915,747	0.0%	18,642,345	63.92%

**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 or committed 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 and the General Fund.

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.

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.

Main Street Project Fund – This fund was established to capture committed resources for the Main Street Project and expend accordingly.

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.

Park Fund – This fund is used to account for resources for the purchase of, and debt service on, a new lighting system at the Solider Spring Sports complex.

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 (park development fees) 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, BB Fielder Road east of 171 and all other transportation improvements.

Series 2007 C.O. Fund – This fund is used to account for the proceeds from the issuance of \$46.5 million in certificates of obligation for TxDOT project or construction of major capital projects.

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

Series 2008 C.O. 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 street improvement projects.

Series 2011 C.O. 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, 2015

	Special Revenue Funds		
	State Forfeiture	Federal Forfeiture	Weatherford Beautification
ASSETS			
Cash and investments	\$ 65,928	\$ 602,488	\$ 2,402
Accounts receivable	-	-	-
Total assets	65,928	602,488	2,402
LIABILITIES			
Accounts payable	3,081	10,487	-
Accrued liabilities	-	-	-
Deposits and escrows	-	-	-
Unearned revenue	-	-	-
Total liabilities	3,081	10,487	-
FUND BALANCES			
Nonspendable:			
Doss library	-	-	-
Restricted:			
Capital projects	-	-	-
Public safety	62,847	592,001	-
Community development	-	-	2,402
Committed:			
Capital projects	-	-	-
Park development	-	-	-
Culture and recreation	-	-	-
Total fund balances	62,847	592,001	2,402
Total liabilities and fund balances	\$ 65,928	\$ 602,488	\$ 2,402

Special Revenue Funds

Hotel/Motel Tax	Chandor Gardens	SFX Grant	Court Technology	Main Street Project	Court Security
\$ 681,746	\$ 84,732	\$ 1,864	\$ 52,440	\$ 13,486	\$ 40,778
<u>160,556</u>	<u>-</u>	<u>1,864</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>842,302</u>	<u>84,732</u>	<u>3,728</u>	<u>52,440</u>	<u>13,486</u>	<u>40,778</u>
-	2,982	1,864	8	-	-
16,904	8,711	-	-	-	-
-	9,734	-	-	-	-
-	-	1,864	-	-	-
<u>16,904</u>	<u>21,427</u>	<u>3,728</u>	<u>8</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	52,432	-	40,778
825,398	-	-	-	13,486	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>63,305</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>825,398</u>	<u>63,305</u>	<u>-</u>	<u>52,432</u>	<u>13,486</u>	<u>40,778</u>
<u>\$ 842,302</u>	<u>\$ 84,732</u>	<u>\$ 3,728</u>	<u>\$ 52,440</u>	<u>\$ 13,486</u>	<u>\$ 40,778</u>

CITY OF WEATHERFORD, TEXAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SEPTMEBER 30, 2015

	Special Revenue Funds			
	Library	Animal Shelter	Juvenile Case Manager	Park
ASSETS				
Cash and investments	\$ 111,046	\$ 123,687	\$ 3,591	\$ -
Accounts receivable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>111,046</u>	<u>123,687</u>	<u>3,591</u>	<u>-</u>
LIABILITIES				
Accounts payable	283	5,562	-	-
Accrued liabilities	-	-	-	-
Deposits and escrows	-	-	-	-
Unearned revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>283</u>	<u>5,562</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable:				
Doss library	-	-	-	-
Restricted:				
Capital projects	-	-	-	-
Public safety	-	-	3,591	-
Community development	-	-	-	-
Committed:				
Capital projects	-	-	-	-
Park development	-	-	-	-
Culture and recreation	<u>110,763</u>	<u>118,125</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>110,763</u>	<u>118,125</u>	<u>3,591</u>	<u>-</u>
 Total liabilities and fund balances	 <u>\$ 111,046</u>	 <u>\$ 123,687</u>	 <u>\$ 3,591</u>	 <u>\$ -</u>

Capital Projects Fund

General Capital Projects	Park Development	Series 2006 C. O.	Series 2007 C. O.	Series 2007 G. O.	Series 2008 C. O.	Series 2011 C. O.
\$ 1,649,552	\$ 269,484	\$ -	\$ 12,300	\$ -	\$ -	\$ 2,075,990
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>1,649,552</u>	<u>269,484</u>	<u>-</u>	<u>12,300</u>	<u>-</u>	<u>-</u>	<u>2,075,990</u>
5,564	5,250	-	-	-	-	1,409,962
1,452	-	-	353	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>7,016</u>	<u>5,250</u>	<u>-</u>	<u>353</u>	<u>-</u>	<u>-</u>	<u>1,409,962</u>
-	-	-	-	-	-	-
-	-	-	11,947	-	-	666,028
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,642,536	-	-	-	-	-	-
-	264,234	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>1,642,536</u>	<u>264,234</u>	<u>-</u>	<u>11,947</u>	<u>-</u>	<u>-</u>	<u>666,028</u>
<u>\$ 1,649,552</u>	<u>\$ 269,484</u>	<u>\$ -</u>	<u>\$ 12,300</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,075,990</u>

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CITY OF WEATHERFORD, TEXAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2015

	<u>Permanent</u>	<u>Total Nonmajor Governmental Funds</u>
	Doss Library	
ASSETS		
Cash and investments	\$ 50,012	\$ 5,841,526
Accounts receivable	-	162,420
Total assets	<u>50,012</u>	<u>6,003,946</u>
LIABILITIES		
Accounts payable	-	1,445,043
Accrued liabilities	-	27,420
Deposits and escrows	-	9,734
Unearned revenue	-	1,864
Total liabilities	<u>-</u>	<u>1,484,061</u>
FUND BALANCES		
Nonspendable:		
Doss library	50,000	50,000
Restricted:		
Capital projects	-	677,975
Public safety	-	751,649
Community development	12	841,298
Committed:		
Capital projects	-	1,642,536
Park development	-	264,234
Culture and recreation	-	292,193
Total fund balances	<u>50,012</u>	<u>4,519,885</u>
Total liabilities and fund balances	<u>\$ 50,012</u>	<u>\$ 6,003,946</u>

CITY OF WEATHERFORD, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Special Revenue Funds		
	State Forfeiture	Federal Forfeiture	Weatherford Beautification
REVENUES			
Taxes	\$ -	\$ -	\$ -
Charges for services	-	-	-
Fines and forfeitures	22,346	39,929	-
Contributions	-	-	-
Royalties and rental	-	-	-
Investment earnings	-	258	-
Miscellaneous	-	-	-
Total revenues	<u>22,346</u>	<u>40,187</u>	<u>-</u>
EXPENDITURES			
Current:			
General government	-	-	-
Public safety	13,652	55,296	-
Health and welfare	-	-	-
Cultural and recreational	-	-	-
Capital outlay	-	66,495	-
Debt service:			
Principal	-	40,000	-
Total expenditures	<u>13,652</u>	<u>161,791</u>	<u>-</u>
EXCESS (DEFICIENCY OF REVENUES OVER (UNDER) EXPENDITURES	<u>8,694</u>	<u>(121,604)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)			
Issuance of capital lease	-	40,000	-
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>40,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	8,694	(81,604)	-
FUND BALANCES, BEGINNING	<u>54,153</u>	<u>673,605</u>	<u>2,402</u>
FUND BALANCES, ENDING	<u>\$ 62,847</u>	<u>\$ 592,001</u>	<u>\$ 2,402</u>

Special Revenue Funds

Hotel/Motel Tax	Chandor Gardens	SFX Grant	Court Technology	Main Street Project	Court Security
\$ 687,665	\$ -	\$ -	\$ -	\$ -	\$ -
-	62,731	-	-	-	-
-	-	-	13,299	-	9,966
-	-	-	-	-	-
-	-	22,369	-	2,955	-
229	-	-	-	-	-
<u>5,332</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>693,226</u>	<u>62,732</u>	<u>22,369</u>	<u>13,299</u>	<u>2,955</u>	<u>9,966</u>
30,394	-	24,233	5,315	-	2,988
-	-	-	-	-	-
-	-	-	-	-	-
234,067	333,541	-	-	-	-
-	-	-	-	-	15,870
-	-	-	-	-	-
<u>264,461</u>	<u>333,541</u>	<u>24,233</u>	<u>5,315</u>	<u>-</u>	<u>18,858</u>
<u>428,765</u>	<u>(270,809)</u>	<u>(1,864)</u>	<u>7,984</u>	<u>2,955</u>	<u>(8,892)</u>
-	-	-	-	-	-
-	269,900	-	-	-	-
<u>(362,584)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(362,584)</u>	<u>269,900</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
66,181	(909)	(1,864)	7,984	2,955	(8,892)
<u>759,217</u>	<u>64,214</u>	<u>1,864</u>	<u>44,448</u>	<u>10,531</u>	<u>49,670</u>
<u>\$ 825,398</u>	<u>\$ 63,305</u>	<u>\$ -</u>	<u>\$ 52,432</u>	<u>\$ 13,486</u>	<u>\$ 40,778</u>

CITY OF WEATHERFORD, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Special Revenue Funds			
	Library	Animal Shelter	Juvenile Case Manager	Park
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	9,279	-	-	-
Fines and forfeitures	-	-	110	-
Contributions	10,133	11,241	-	-
Royalties and rental	-	-	-	-
Investment earnings	26	-	-	-
Miscellaneous	7,592	42,888	-	-
Total revenues	<u>27,030</u>	<u>54,129</u>	<u>110</u>	<u>-</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	22,042	-	-
Cultural and recreational	25,130	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Total expenditures	<u>25,130</u>	<u>22,042</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,900</u>	<u>32,087</u>	<u>110</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Issuance of capital lease	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	1,900	32,087	110	-
FUND BALANCES, BEGINNING	<u>108,863</u>	<u>86,038</u>	<u>3,481</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ 110,763</u>	<u>\$ 118,125</u>	<u>\$ 3,591</u>	<u>\$ -</u>

Capital Projects Fund

General Capital Projects	Park Development	Series 2006 C. O.	Series 2007 C. O.	Series 2007 G. O.	Series 2008 C. O.	Series 2011 C. O.
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
58,373	-	-	-	-	-	-
872	101	-	-	-	-	4,645
-	<u>103,425</u>	-	-	-	-	-
<u>59,245</u>	<u>103,526</u>	-	-	-	-	<u>4,645</u>
3,941	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
459,544	122,138	-	-	-	-	4,673,486
-	-	-	-	-	-	-
<u>463,485</u>	<u>122,138</u>	-	-	-	-	<u>4,673,486</u>
(404,240)	(18,612)	-	-	-	-	(4,668,841)
-	-	-	-	-	-	-
500,000	-	-	-	-	-	148
-	-	(19)	-	(85)	(44)	-
<u>500,000</u>	-	<u>(19)</u>	-	<u>(85)</u>	<u>(44)</u>	<u>148</u>
95,760	(18,612)	(19)	-	(85)	(44)	(4,668,693)
<u>1,546,776</u>	<u>282,846</u>	<u>19</u>	<u>11,947</u>	<u>85</u>	<u>44</u>	<u>5,334,721</u>
\$ <u>1,642,536</u>	\$ <u>264,234</u>	\$ -	\$ <u>11,947</u>	\$ -	\$ -	\$ <u>666,028</u>

CITY OF WEATHERFORD, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Permanent	Total Nonmajor Governmental Funds
	Doss Library	
REVENUES		
Taxes	\$ -	\$ 687,665
Charges for services	-	72,010
Fines and forfeitures	-	85,650
Contributions	-	21,374
Royalties and rental	-	83,697
Investment earnings	26	6,157
Miscellaneous	-	159,238
Total revenues	26	1,115,791
EXPENDITURES		
Current:		
General government	-	66,871
Public safety	-	68,948
Health and welfare	-	22,042
Cultural and recreational	-	592,738
Capital outlay	-	5,337,533
Debt service:		
Principal	-	40,000
Total expenditures	-	6,128,132
EXCESS (DEFICIENCY OF REVENUES OVER (UNDER) EXPENDITURES	26	(5,012,341)
OTHER FINANCING SOURCES (USES)		
Issuance of capital lease	-	40,000
Transfers in	-	770,048
Transfers out	-	(362,732)
Total other financing sources (uses)	-	447,316
NET CHANGE IN FUND BALANCES	26	(4,565,025)
FUND BALANCES, BEGINNING	49,986	9,084,910
FUND BALANCES, ENDING	\$ 50,012	\$ 4,519,885

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, 2015

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Fines and forfeitures	\$ 5,000	\$ 5,000	\$ 22,346	\$ 17,346
Investment earnings	60	60	-	(60)
Total revenues	5,060	5,060	22,346	17,286
EXPENDITURES				
Current:				
Public safety	15,000	15,000	13,652	1,348
Total expenditures	15,000	15,000	13,652	1,348
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(9,940)	(9,940)	8,694	18,634
FUND BALANCE, BEGINNING	54,153	54,153	54,153	-
FUND BALANCE, ENDING	\$ 44,213	\$ 44,213	\$ 62,847	\$ 18,634

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, 2015

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Fines and forfeitures	\$ 30,000	\$ 30,000	\$ 39,929	\$ 9,929
Investment earnings	500	500	258	(242)
Total revenues	30,500	30,500	40,187	9,687
EXPENDITURES				
Current:				
Public safety	90,000	90,000	55,296	34,704
Capital outlay	150,000	190,000	66,495	123,505
Debt service:				
Principal	-	-	40,000	(40,000)
Total expenditures	240,000	280,000	161,791	118,209
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(209,500)	(249,500)	(121,604)	127,896
OTHER FINANCING SOURCES (USES)				
Issuance of capital lease	-	-	40,000	40,000
Total other financing sources (uses)	-	-	40,000	40,000
NET CHANGE IN FUND BALANCE	(209,500)	(249,500)	(81,604)	167,896
FUND BALANCE, BEGINNING	673,605	673,605	673,605	-
FUND BALANCE, ENDING	\$ 464,105	\$ 424,105	\$ 592,001	\$ 167,896

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, 2015

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Current:				
Community development	<u>2,402</u>	<u>2,402</u>	<u>-</u>	<u>2,402</u>
Total expenditures	<u>2,402</u>	<u>2,402</u>	<u>-</u>	<u>2,402</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,402)	(2,402)	-	2,402
FUND BALANCE, BEGINNING	<u>2,402</u>	<u>2,402</u>	<u>2,402</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,402</u>	<u>\$ 2,402</u>

CITY OF WEATHERFORD, TEXAS

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

HOTEL/MOTEL TAX FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 650,000	\$ 650,000	\$ 687,665	\$ 37,665
Investment earnings	500	500	229	(271)
Miscellaneous	-	-	5,332	5,332
Total revenues	650,500	650,500	693,226	42,726
EXPENDITURES				
Current:				
General government	40,720	40,720	28,568	12,152
Cultural and recreational:				
Tourism program	146,400	146,400	146,400	-
Doss Historic and Cultural Center	30,000	30,000	30,000	-
Other	71,172	71,172	59,493	11,679
Total expenditures	288,292	288,292	264,461	23,831
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	362,208	362,208	428,765	66,557
OTHER FINANCING USES				
Transfers out	(362,584)	(362,584)	(362,584)	-
Total other financing uses	(362,584)	(362,584)	(362,584)	-
NET CHANGE IN FUND BALANCE	(376)	(376)	66,181	66,557
FUND BALANCE, BEGINNING	759,217	759,217	759,217	-
FUND BALANCE, ENDING	\$ 758,841	\$ 758,841	\$ 825,398	\$ 66,557

CITY OF WEATHERFORD, TEXAS

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

CHANDOR GARDENS FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts			Variance With Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Charges for services	\$ 83,800	\$ 83,800	\$ 62,731	\$ (21,069)
Investment earnings	300	300	-	(300)
Miscellaneous	-	-	1	1
Total revenues	84,100	84,100	62,732	(21,368)
EXPENDITURES				
Current:				
Cultural and recreational	334,679	334,679	333,541	1,138
Total expenditures	334,679	334,679	333,541	1,138
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(250,579)	(250,579)	(270,809)	(20,230)
OTHER FINANCING SOURCES				
Transfers in	269,900	269,900	269,900	-
Total other financing sources	269,900	269,900	269,900	-
NET CHANGE IN FUND BALANCE	19,321	19,321	(909)	(20,230)
FUND BALANCE, BEGINNING	64,214	64,214	64,214	-
FUND BALANCE, ENDING	\$ 83,535	\$ 83,535	\$ 63,305	\$(20,230)

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, 2015

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Rental	\$ 22,368	\$ 22,368	\$ 22,369	\$ 1
Total revenues	<u>22,368</u>	<u>22,368</u>	<u>22,369</u>	<u>1</u>
EXPENDITURES				
Current:				
General government	<u>22,368</u>	<u>22,368</u>	<u>24,233</u>	(1,865)
Total expenditures	<u>22,368</u>	<u>22,368</u>	<u>24,233</u>	(1,865)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	(1,864)	(1,864)
FUND BALANCE, BEGINNING	<u>1,864</u>	<u>1,864</u>	<u>1,864</u>	-
FUND BALANCE, ENDING	<u>\$ 1,864</u>	<u>\$ 1,864</u>	<u>\$ -</u>	<u>\$(1,864)</u>

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, 2015

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Fines and forfeitures	\$ 15,000	\$ 15,000	\$ 13,299	\$(1,701)
Investment earnings	20	20	-	(20)
Total revenues	<u>15,020</u>	<u>15,020</u>	<u>13,299</u>	<u>(1,721)</u>
EXPENDITURES				
Current:				
General government	<u>15,000</u>	<u>15,000</u>	<u>5,315</u>	<u>9,685</u>
Total expenditures	<u>15,000</u>	<u>15,000</u>	<u>5,315</u>	<u>9,685</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	20	20	7,984	7,964
FUND BALANCE, BEGINNING	<u>44,448</u>	<u>44,448</u>	<u>44,448</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 44,468</u>	<u>\$ 44,468</u>	<u>\$ 52,432</u>	<u>\$ 7,964</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, 2015

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Fines and forfeitures	\$ 10,000	\$ 10,000	\$ 9,966	\$ (34)
Investment earnings	30	30	-	(30)
Total revenues	10,030	10,030	9,966	(64)
EXPENDITURES				
Current:				
General government	10,030	10,030	2,988	7,042
Capital outlay	-	23,000	15,870	7,130
Total expenditures	10,030	33,030	18,858	14,172
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	(23,000)	(8,892)	14,108
FUND BALANCE, BEGINNING	49,670	49,670	49,670	-
FUND BALANCE, ENDING	\$ 49,670	\$ 26,670	\$ 40,778	\$ 14,108

CITY OF WEATHERFORD, TEXAS

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

LIBRARY FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 10,500	\$ 10,500	\$ 9,279	\$(1,221)
Contributions	3,000	3,000	10,133	7,133
Investment earnings	150	150	26	(124)
Miscellaneous	-	-	7,592	7,592
Total revenues	13,650	13,650	27,030	13,380
EXPENDITURES				
Current:				
Cultural and recreational	30,750	30,750	25,130	5,620
Total expenditures	30,750	30,750	25,130	5,620
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(17,100)	(17,100)	1,900	19,000
OTHER FINANCING SOURCES				
Transfers in	100	100	-	(100)
Total other financing sources	100	100	-	(100)
NET CHANGE IN FUND BALANCE	(17,000)	(17,000)	1,900	18,900
FUND BALANCE, BEGINNING	108,863	108,863	108,863	-
FUND BALANCE, ENDING	\$ 91,863	\$ 91,863	\$ 110,763	\$ 18,900

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, 2015

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Contributions	\$ 25,000	\$ 25,000	\$ 11,241	\$ (13,759)
Investment earnings	50	50	-	(50)
Miscellaneous	-	-	42,888	42,888
Total revenues	25,050	25,050	54,129	29,079
EXPENDITURES				
Current:				
Health and welfare	25,000	25,000	22,042	2,958
Total expenditures	25,000	25,000	22,042	2,958
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	50	50	32,087	32,037
FUND BALANCE, BEGINNING	86,038	86,038	86,038	-
FUND BALANCE, ENDING	\$ 86,088	\$ 86,088	\$ 118,125	\$ 32,037

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, 2015

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings	\$ 50	\$ 50	\$ 26	\$(24)
Total revenues	<u>50</u>	<u>50</u>	<u>26</u>	<u>(24)</u>
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>50</u>	<u>50</u>	<u>26</u>	<u>(24)</u>
OTHER FINANCING USES				
Transfers out	(69)	(69)	-	69
Total other financing uses	<u>(69)</u>	<u>(69)</u>	<u>-</u>	<u>69</u>
NET CHANGE IN FUND BALANCE	(19)	(19)	26	45
FUND BALANCE, BEGINNING	<u>49,986</u>	<u>49,986</u>	<u>49,986</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 49,967</u>	<u>\$ 49,967</u>	<u>\$ 50,012</u>	<u>\$ 45</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, 2015

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 3,234,327	\$ 3,234,327	\$ 3,250,525	\$ 16,198
Intergovernmental	4,100,000	4,100,000	4,977,837	877,837
Investment earnings	4,300	4,300	9,308	5,008
Total revenues	7,338,627	7,338,627	8,237,670	899,043
EXPENDITURES				
Debt service:				
Principal	3,792,207	3,792,207	3,933,507	(141,300)
Interest and other	2,527,245	2,527,245	2,532,202	(4,957)
Total expenditures	6,319,452	6,319,452	6,465,709	(146,257)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES				
	1,019,175	1,019,175	1,771,961	752,786
OTHER FINANCING SOURCES (USES)				
Refunding bonds issued	-	-	7,345,000	7,345,000
Premium on refunding bonds issued	-	-	675,483	675,483
Transfers in	143,555	143,555	128,437	(15,118)
Payment to refunded bond escrow agent	-	-	(7,857,973)	(7,857,973)
Total other financing sources (uses)	143,555	143,555	290,947	147,392
NET CHANGE IN FUND BALANCE	1,162,730	1,162,730	2,062,908	900,178
FUND BALANCE, BEGINNING	6,405,510	6,405,510	6,405,510	-
FUND BALANCE, ENDING	\$ 7,568,240	\$ 7,568,240	\$ 8,468,418	\$ 900,178

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, 2014 AND 2015

	<u>2015</u>	<u>2014</u>
GOVERNMENTAL FUNDS CAPITAL ASSETS		
Land	\$ 5,550,009	\$ 5,488,126
Buildings and improvements	15,098,415	14,746,965
Infrastructure	14,460,942	13,182,232
Other improvements	33,161,780	32,788,448
Machinery and equipment	11,869,787	10,105,957
Construction in progress	<u>11,102,707</u>	<u>14,361,736</u>
Total governmental funds capital assets	<u>\$ 91,243,640</u>	<u>\$ 90,673,464</u>
INVESTMENTS IN GOVERNMENTAL FUNDS		
CAPITAL ASSETS BY SOURCE		
General fund revenues	\$ 32,900,384	\$ 28,102,314
Special revenue fund revenues	81,804	81,804
Capital projects fund general obligation bonds	45,222,061	52,376,538
Contributions	10,021,937	7,143,665
Grants	<u>3,017,454</u>	<u>2,969,143</u>
Total governmental funds capital assets	<u>\$ 91,243,640</u>	<u>\$ 90,673,464</u>

CITY OF WEATHERFORD, TEXAS

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

SCHEDULE BY FUNCTION AND ACTIVITY

SEPTEMBER 30, 2015

<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	\$ 7,670,333	\$ 176,762	\$ 6,229,094	\$ 64,986	\$ 1,199,491	\$ -
Finance	104,343	-	-	-	104,343	-
Facilities Maintenance	168,976	-	-	81,323	87,653	-
Municipal court	37,406	-	-	-	37,406	-
Planning and development	98,448	-	-	-	98,448	-
Total	<u>8,079,506</u>	<u>176,762</u>	<u>6,229,094</u>	<u>146,309</u>	<u>1,527,341</u>	<u>-</u>
Public safety						
Fire	8,494,646	467,885	3,054,398	538,539	4,433,824	-
Police	3,149,375	16,619	1,318,317	37,050	1,777,389	-
Total	<u>11,644,021</u>	<u>484,504</u>	<u>4,372,715</u>	<u>575,589</u>	<u>6,211,213</u>	<u>-</u>
Public works						
Administration	1,749,303	-	1,406,378	27,274	315,651	-
Street maintenance	48,630,724	2,353,354	6,077	34,686,517	2,403,051	9,181,725
Vehicle/equipment maintenance	118,218	-	50,833	23,007	44,378	-
Total	<u>50,498,245</u>	<u>2,353,354</u>	<u>1,463,288</u>	<u>34,736,798</u>	<u>2,763,080</u>	<u>9,181,725</u>
Health & Welfare	<u>1,104,667</u>	<u>-</u>	<u>874,321</u>	<u>15,552</u>	<u>214,794</u>	<u>-</u>
Parks and recreation						
First Monday	2,608,313	1,341,778	80,469	22,692	26,984	1,136,390
Library	1,022,178	7,850	900,554	23,475	90,299	-
Public market	24,792	-	-	24,792	-	-
Parks and properties	16,220,942	1,185,761	1,177,974	12,077,515	995,100	784,592
Recreation	40,976	-	-	-	40,976	-
Total	<u>19,917,201</u>	<u>2,535,389</u>	<u>2,158,997</u>	<u>12,148,474</u>	<u>1,153,359</u>	<u>1,920,982</u>
Total governmental funds capital assets	<u>\$ 91,243,640</u>	<u>\$ 5,550,009</u>	<u>\$ 15,098,415</u>	<u>\$ 47,622,722</u>	<u>\$ 11,869,787</u>	<u>\$ 11,102,707</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, 2015

<u>Function and Activity</u>	<u>Balance 09/30/2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 09/30/2015</u>
General government				
City Council	\$ 7,218,594	\$ 488,111	\$(36,372)	\$ 7,670,333
Finance	104,343	-	-	104,343
Facilities maintenance	61,949	117,629	(10,602)	168,976
Municipal court	21,536	15,870	-	37,406
Planning and development	94,948	3,500	-	98,448
Total	<u>7,501,370</u>	<u>625,110</u>	<u>(46,974)</u>	<u>8,079,506</u>
Public Safety				
Fire	6,929,548	1,565,098	-	8,494,646
Police	3,256,486	186,846	(293,957)	3,149,375
Total	<u>10,186,034</u>	<u>1,751,944</u>	<u>(293,957)</u>	<u>11,644,021</u>
Public works				
Administration	1,673,242	-	76,061	1,749,303
Street maintenance	50,797,448	6,477,648	(8,644,372)	48,630,724
Vehicle/equipment maintenance	118,218	-	-	118,218
Total	<u>52,588,908</u>	<u>6,477,648</u>	<u>(8,568,311)</u>	<u>50,498,245</u>
Health & Welfare	<u>1,066,513</u>	<u>49,654</u>	<u>(11,500)</u>	<u>1,104,667</u>
Parks and recreation				
First Monday	2,608,314	-	(1)	2,608,313
Library	1,015,176	7,002	-	1,022,178
Public market	24,792	-	-	24,792
Parks and properties	15,636,183	829,406	(244,647)	16,220,942
Recreation	46,174	-	(5,198)	40,976
Total	<u>19,330,639</u>	<u>836,408</u>	<u>(249,846)</u>	<u>19,917,201</u>
Total governmental funds capital assets	<u>\$ 90,673,464</u>	<u>\$ 9,740,764</u>	<u>\$(9,170,588)</u>	<u>\$ 91,243,640</u>

CITY OF WEATHERFORD, TEXAS

MUNICIPAL UTILITY SYSTEM

SCHEDULES OF CAPITAL ASSETS

SEPTEMBER 30, 2014 AND 2015

	<u>2015</u>	<u>2014</u>
Land	\$ 2,589,839	\$ 2,540,233
Buildings and improvements	19,096,576	19,106,576
Other improvements	160,874,465	154,278,264
Machinery and equipment	7,641,590	6,865,750
Construction in progress	<u>5,189,178</u>	<u>3,436,970</u>
	195,391,648	186,227,793
Less accumulated depreciation	<u>(72,676,371)</u>	<u>(68,400,195)</u>
	<u>\$ 122,715,277</u>	<u>\$ 117,827,598</u>

CITY OF WEATHERFORD, TEXAS

MUNICIPAL UTILITY SYSTEM

SCHEDULE OF CHANGES IN CAPITAL ASSETS

FOR THE YEAR ENDED SEPTEMBER 30, 2015

<u>Function and Activity</u>	<u>Balance 09/30/2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 09/30/2015</u>
Administration	\$ 5,308,829	\$ 120,347	\$(28,983)	\$ 5,400,193
Water production	25,382,122	1,251,718	-	26,633,840
Water distribution	56,736,363	2,948,065	(342,147)	59,342,281
Wastewater	40,964,054	3,134,947	(123,619)	43,975,382
Electric production	1,192,893	1	-	1,192,894
Electric distribution	<u>56,643,532</u>	<u>2,656,835</u>	<u>(453,309)</u>	<u>58,847,058</u>
Total municipal utility capital assets	<u>\$ 186,227,793</u>	<u>\$ 10,111,913</u>	<u>\$(948,058)</u>	<u>\$ 195,391,648</u>

CITY OF WEATHERFORD, TEXAS

MUNICIPAL UTILITY SYSTEM

SCHEDULE OF CAPITAL ASSETS BY FUNCTION AND ACTIVITY

SEPTEMBER 30, 2015

<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	\$ 5,400,193	\$ 326,764	\$ 3,346,267	\$ 1,118,647	\$ 606,202	\$ 2,313
Water production	26,633,840	1,055,502	12,146,429	11,744,280	1,363,186	324,443
Water distribution	59,342,281	724,576	35,619	56,152,511	656,345	1,773,230
Wastewater	43,975,382	153,691	3,231,643	35,411,353	2,159,723	3,018,972
Electric production	1,192,894	11,334	336,618	13,203	831,739	-
Electric distribution	<u>58,847,058</u>	<u>317,972</u>	<u>-</u>	<u>56,434,471</u>	<u>2,024,395</u>	<u>70,220</u>
Total Municipal Utility System capital assets	<u>\$ 195,391,648</u>	<u>\$ 2,589,839</u>	<u>\$ 19,096,576</u>	<u>\$ 160,874,465</u>	<u>\$ 7,641,590</u>	<u>\$ 5,189,178</u>

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.	99 – 107
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.	108 – 121
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.	122 – 126
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.	127 – 129
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.	130 – 132

CITY OF WEATHERFORD, TEXAS

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

	Fiscal Year			
	2006	2007	2008	2009
Governmental activities:				
Net investment in capital assets	\$ 12,874,433	\$ 15,219,107	\$ 18,027,712	\$ 21,410,012
Restricted	9,520,793	10,318,427	9,041,116	6,381,977
Unrestricted	<u>5,555,691</u>	<u>5,758,023</u>	<u>6,522,915</u>	<u>5,775,100</u>
Total governmental activities net position	<u>\$ 27,950,917</u>	<u>\$ 31,295,557</u>	<u>\$ 33,591,743</u>	<u>\$ 33,567,089</u>
Business-type activities:				
Net investment in capital assets	\$ 59,676,685	\$ 61,396,213	\$ 64,453,828	\$ 68,649,354
Restricted	6,221,761	7,291,875	7,563,464	7,628,531
Unrestricted	<u>13,774,237</u>	<u>14,845,101</u>	<u>16,261,373</u>	<u>16,550,266</u>
Total business-type activities net position	<u>\$ 79,672,683</u>	<u>\$ 83,533,189</u>	<u>\$ 88,278,665</u>	<u>\$ 92,828,151</u>
Primary government:				
Net investment in capital assets	\$ 72,551,118	\$ 76,615,320	\$ 82,481,540	\$ 90,059,366
Restricted	15,742,554	17,610,302	16,604,580	14,010,508
Unrestricted	<u>19,329,928</u>	<u>20,603,124</u>	<u>22,784,288</u>	<u>22,325,366</u>
Total primary government net position	<u>\$ 107,623,600</u>	<u>\$ 114,828,746</u>	<u>\$ 121,870,408</u>	<u>\$ 126,395,240</u>

TABLE 1

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$ 19,852,401	\$ 17,759,659	\$ 17,007,106	\$ 20,530,809	\$ 29,104,810	\$ 26,052,538
6,101,207	2,933,914	5,331,525	6,571,469	3,267,974	3,712,803
<u>8,725,158</u>	<u>13,417,930</u>	<u>14,511,974</u>	<u>11,361,121</u>	<u>5,969,809</u>	<u>4,118,774</u>
<u>\$ 34,678,766</u>	<u>\$ 34,111,503</u>	<u>\$ 36,850,605</u>	<u>\$ 38,463,399</u>	<u>\$ 38,342,593</u>	<u>\$ 33,884,115</u>
\$ 67,232,594	\$ 70,468,654	\$ 75,402,883	\$ 79,820,405	\$ 90,336,805	\$ 94,113,483
13,003,448	8,363,543	8,841,879	9,496,781	9,627,846	10,064,992
<u>15,069,828</u>	<u>21,839,839</u>	<u>22,596,145</u>	<u>22,453,289</u>	<u>20,463,931</u>	<u>25,952,451</u>
<u>\$ 95,305,870</u>	<u>\$ 100,672,036</u>	<u>\$ 106,840,907</u>	<u>\$ 111,770,475</u>	<u>\$ 120,428,582</u>	<u>\$ 130,130,926</u>
\$ 87,084,995	\$ 88,228,313	\$ 92,409,989	\$ 100,351,214	\$ 119,441,615	\$ 120,166,021
19,104,655	11,297,457	14,173,404	16,068,250	12,895,820	13,777,795
<u>23,794,986</u>	<u>35,257,769</u>	<u>37,108,119</u>	<u>33,814,410</u>	<u>26,433,740</u>	<u>30,071,225</u>
<u>\$ 129,984,636</u>	<u>\$ 134,783,539</u>	<u>\$ 143,691,512</u>	<u>\$ 150,233,874</u>	<u>\$ 158,771,175</u>	<u>\$ 164,015,041</u>

CITY OF WEATHERFORD, TEXAS

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

	Fiscal Year			
	2006	2007	2008	2009
EXPENSES				
Governmental activities:				
General government	\$ 2,320,569	\$ 2,466,022	\$ 2,866,557	\$ 2,928,150
Public safety	9,340,908	10,602,348	11,179,288	12,081,348
Public works	2,743,092	2,790,615	2,973,277	2,920,416
Planning and development	616,598	973,236	1,094,289	825,967
Community development	773,029	698,315	798,054	1,627,371
Health and welfare	35,000	40,000	40,000	45,000
Cultural and recreation	3,193,738	3,626,826	4,490,038	3,681,961
Interest on long-term debt	346,758	600,668	3,749,754	3,109,094
Total governmental activities expenses	<u>19,369,692</u>	<u>21,798,030</u>	<u>27,191,257</u>	<u>27,219,307</u>
Business-type activities:				
Electric	35,636,539	33,712,309	45,275,598	41,197,102
Water	5,737,688	6,947,460	6,969,907	7,899,776
Wastewater	2,816,465	2,887,183	2,998,193	2,888,556
Sanitation	1,019,713	1,094,631	1,443,132	1,464,621
Stormwater utility	-	-	-	-
Total business-type activities expenses	<u>45,210,405</u>	<u>44,641,583</u>	<u>56,686,830</u>	<u>53,450,055</u>
Total primary government program expenses	<u>\$ 64,580,097</u>	<u>\$ 66,439,613</u>	<u>\$ 83,878,087</u>	<u>\$ 80,669,362</u>
PROGRAM REVENUES				
Governmental activities:				
Charges for services:				
General government	\$ 1,712,909	\$ 234,430	\$ 240,282	\$ 247,258
Public safety	861,969	1,208,676	1,316,499	1,269,329
Public works	-	-	-	-
Planning and development	623,468	642,624	652,314	395,846
Community development	-	-	-	-
Health and welfare	-	-	-	-
Cultural and recreational	652,519	689,070	725,635	636,811
Operating grants and contributions	488,795	292,214	546,231	401,357
Capital grants and contributions	308,755	298,032	150,087	707,935
Total governmental activities program revenues	<u>4,648,415</u>	<u>3,365,046</u>	<u>3,631,048</u>	<u>3,658,536</u>
Business-type activities:				
Charges for services:				
Electric	38,781,055	36,441,699	49,463,235	44,153,842
Water	7,698,682	6,553,467	7,313,082	8,078,376
Wastewater	3,845,422	3,926,120	4,168,752	4,035,449
Sanitation	1,765,007	1,824,906	1,930,313	2,189,772
Stormwater utility	-	-	-	-
Operating grants and contributions	-	477,013	-	-
Capital grants and contributions	1,610,619	788,632	930,081	1,820,404
Total business-type activities program revenues	<u>53,700,785</u>	<u>50,011,837</u>	<u>63,805,463</u>	<u>60,277,843</u>
Total primary government program revenues	<u>\$ 58,349,200</u>	<u>\$ 53,376,883</u>	<u>\$ 67,436,511</u>	<u>\$ 63,936,379</u>

TABLE 2

		Fiscal Year									
		2010	2011	2012	2013	2014	2015				
\$	3,160,927	\$	3,398,442	\$	4,688,501	\$	5,464,305	\$	6,035,033	\$	5,915,168
	11,877,757		12,532,399		12,426,881		12,951,140		13,331,155		13,676,879
	2,997,970		7,985,977		4,116,662		5,032,489		32,880,317		13,686,840
	677,682		698,162		738,534		755,272		-		-
	1,314,302		926,855		991,922		1,031,282		-		-
	45,000		46,764		160,169		152,181		1,269,608		1,392,938
	4,088,694		3,442,335		3,579,674		4,217,332		4,442,143		4,485,475
	2,996,869		2,758,163		3,584,869		2,633,532		2,534,057		2,682,224
	<u>27,159,201</u>		<u>31,789,097</u>		<u>30,287,212</u>		<u>32,237,533</u>		<u>60,492,313</u>		<u>41,839,524</u>
	30,670,906		28,530,839		21,532,861		25,082,339		32,064,046		26,787,470
	6,433,439		7,404,975		6,441,878		7,384,830		8,083,005		7,376,079
	3,281,199		2,994,124		3,195,794		3,321,956		3,392,953		3,533,092
	1,434,931		1,450,234		1,481,557		1,528,130		1,502,670		1,498,046
	-		-		-		24,532		73,348		173,055
	<u>41,820,475</u>		<u>40,380,172</u>		<u>32,652,090</u>		<u>37,341,787</u>		<u>45,116,022</u>		<u>39,367,742</u>
\$	<u>68,979,676</u>	\$	<u>72,169,269</u>	\$	<u>62,939,302</u>	\$	<u>69,579,320</u>	\$	<u>105,608,335</u>	\$	<u>81,207,266</u>
\$	260,293	\$	275,022	\$	195,897	\$	202,029	\$	29,617	\$	47,433
	1,112,838		1,008,551		770,585		944,532		976,746		1,003,391
	25,603		21,278		7,240		177,938		571,551		586,304
	256,563		385,256		263,220		370,782		-		-
	427,224		496,987		438,947		422,703		-		-
	31,607		49,660		49,010		51,813		501,722		575,818
	636,120		675,256		621,955		735,500		696,460		719,869
	234,710		218,060		584,783		196,248		310,955		175,705
	1,191,580		2,244,834		4,114,054		3,873,294		29,049,784		8,582,987
	<u>4,176,538</u>		<u>5,374,904</u>		<u>7,045,691</u>		<u>6,974,839</u>		<u>32,136,835</u>		<u>11,691,507</u>
	35,217,275		35,024,442		27,763,091		31,300,347		38,114,195		34,860,799
	6,592,204		9,427,936		9,675,600		10,058,874		10,340,475		11,984,185
	3,858,895		5,031,535		4,719,203		4,663,157		4,533,122		4,985,923
	2,560,822		2,636,671		2,081,818		2,058,004		2,140,988		2,132,203
	-		-		-		594,526		839,597		852,004
	-		-		-		-		-		-
	1,068,437		485,997		409,143		912,459		1,674,969		2,273,567
	<u>49,297,633</u>		<u>52,606,581</u>		<u>44,648,855</u>		<u>49,587,367</u>		<u>57,643,346</u>		<u>57,088,681</u>
\$	<u>53,474,171</u>	\$	<u>57,981,485</u>	\$	<u>51,694,546</u>	\$	<u>56,562,206</u>	\$	<u>89,780,181</u>	\$	<u>68,780,188</u>

CITY OF WEATHERFORD, TEXAS

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

	Fiscal Year			
	2006	2007	2008	2009
NET (EXPENSE) REVENUES				
Governmental activities	\$(14,721,277)	\$(18,432,984)	\$(23,560,209)	\$(23,560,771)
Business-type activities	8,490,380	5,370,254	7,118,633	6,827,788
Total primary government net expense	<u>(6,230,897)</u>	<u>(13,062,730)</u>	<u>(16,441,576)</u>	<u>(16,732,983)</u>
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION				
Governmental activities:				
Taxes				
Property	4,351,788	4,749,712	6,977,107	7,371,902
Retail sales	7,628,658	8,097,754	9,166,195	8,641,879
Franchise	2,254,202	2,272,898	2,439,677	2,403,704
Hotel/motel	570,854	684,782	707,136	452,312
Mixed beverage	39,803	43,571	45,662	53,505
Unrestricted grants and contributions	17,963	9,021	10,226	3,373
Investment earnings	704,988	2,299,115	2,575,000	1,463,358
Gain on sale of capital assets	399,656	6,650	76,548	-
Miscellaneous	68,384	110,674	199,107	438,500
Transfers	8,411,214	3,503,447	3,659,737	2,707,584
Total governmental activities	<u>24,447,510</u>	<u>21,777,624</u>	<u>25,856,395</u>	<u>23,536,117</u>
Business-type activities:				
Investment earnings	1,102,832	1,810,807	1,140,045	228,337
Miscellaneous	149,293	182,892	146,535	200,945
Transfers	<u>(8,411,214)</u>	<u>(3,503,447)</u>	<u>(3,659,737)</u>	<u>(2,707,584)</u>
Total business-type activities	<u>(7,159,089)</u>	<u>(1,509,748)</u>	<u>(2,373,157)</u>	<u>(2,278,302)</u>
Total primary government	<u>17,288,421</u>	<u>20,267,876</u>	<u>23,483,238</u>	<u>21,257,815</u>
CHANGE IN NET POSITION				
Governmental activities	9,726,233	3,344,640	2,296,186	(24,654)
Business-type activities	<u>1,331,291</u>	<u>3,860,506</u>	<u>4,745,476</u>	<u>4,549,486</u>
Total primary government	<u>\$ 11,057,524</u>	<u>\$ 7,205,146</u>	<u>\$ 7,041,662</u>	<u>\$ 4,524,832</u>

TABLE 2

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$(22,982,663)	\$(26,414,193)	\$(23,241,521)	\$(25,262,694)	\$(28,355,478)	\$(30,148,017)
7,477,158	12,226,409	11,996,765	12,245,580	12,527,324	17,720,939
<u>(15,505,505)</u>	<u>(14,187,784)</u>	<u>(11,244,756)</u>	<u>(13,017,114)</u>	<u>(15,828,154)</u>	<u>(12,427,078)</u>
8,108,727	8,095,074	8,232,881	8,396,517	8,674,852	9,238,347
8,236,286	8,832,088	9,648,458	9,969,043	10,591,223	11,303,850
581,566	620,052	697,980	681,611	673,641	777,549
474,607	588,225	602,256	659,759	676,407	687,665
57,822	57,593	57,519	68,658	92,016	94,465
155,092	1,944	18,626	21,637	16,749	15,153
763,500	72,783	57,691	39,617	66,346	125,353
-	-	-	-	-	-
474,809	454,317	264,797	237,957	295,224	221,976
<u>5,241,931</u>	<u>7,124,854</u>	<u>6,400,415</u>	<u>7,595,012</u>	<u>7,148,214</u>	<u>7,659,883</u>
<u>24,094,340</u>	<u>25,846,930</u>	<u>25,980,623</u>	<u>27,669,811</u>	<u>28,234,672</u>	<u>30,124,241</u>
64,432	43,834	49,858	46,514	35,548	352,023
178,060	220,777	523,014	597,310	687,949	777,280
<u>(5,241,931)</u>	<u>(7,124,854)</u>	<u>(6,400,415)</u>	<u>(7,595,012)</u>	<u>(7,148,214)</u>	<u>(7,659,883)</u>
<u>(4,999,439)</u>	<u>(6,860,243)</u>	<u>(5,827,543)</u>	<u>(6,951,188)</u>	<u>(6,424,717)</u>	<u>(6,530,580)</u>
<u>19,094,901</u>	<u>18,986,687</u>	<u>20,153,080</u>	<u>20,718,623</u>	<u>21,809,955</u>	<u>23,593,661</u>
1,111,677	(567,263)	2,739,102	2,407,117	(120,806)	(23,776)
<u>2,477,719</u>	<u>5,366,166</u>	<u>6,169,222</u>	<u>5,294,392</u>	<u>6,102,607</u>	<u>11,190,359</u>
<u>\$ 3,589,396</u>	<u>\$ 4,798,903</u>	<u>\$ 8,908,324</u>	<u>\$ 7,701,509</u>	<u>\$ 5,981,801</u>	<u>\$ 11,166,583</u>

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TABLE 3

CITY OF WEATHERFORD, TEXAS

**FUND BALANCES
GOVERNMENTAL FUNDS**

LAST TEN FISCAL YEARS

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General fund:										
Reserved	\$ 51,821	\$ 71,041	\$ 60,372	\$ 30,975	\$ 39,512	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	7,237,347	7,674,409	8,637,632	9,067,892	11,162,818	-	-	-	-	-
Nonspendable	-	-	-	-	-	132,112	75,623	44,476	69,071	64,270
Committed	-	-	-	-	-	6,989,273	7,350,364	7,395,691	7,674,783	7,679,715
Unassigned	-	-	-	-	-	6,517,546	6,693,692	5,363,522	5,576,824	6,103,365
Total general fund	<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>	<u>\$ 14,119,679</u>	<u>\$ 12,803,689</u>	<u>\$ 13,320,678</u>	<u>\$ 13,847,350</u>
All other governmental funds										
Reserved	\$ 13,592,170	\$ 70,250,798	\$ 66,257,136	\$ 40,533,598	\$ 21,061,652	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	1,086,524	1,351,075	1,129,821	1,089,249	1,187,400	-	-	-	-	-
Nonspendable	-	-	-	-	-	50,000	50,000	50,000	54,880	50,000
Restricted	-	-	-	-	-	19,057,261	18,625,654	15,061,112	13,346,817	10,739,340
Committed	-	-	-	-	-	3,807,639	3,887,347	4,023,708	2,088,737	2,198,963
Unassigned	-	-	-	-	-	-	-	-	(14)	-
Total all other governmental funds	<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>	<u>\$ 22,563,001</u>	<u>\$ 19,134,820</u>	<u>\$ 15,490,420</u>	<u>\$ 12,988,303</u>

Note: In fiscal year 2011 the City implemented GASB Statement No. 54.

CITY OF WEATHERFORD, TEXAS

**CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS**

LAST TEN FISCAL YEARS

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
REVENUES										
Taxes	\$ 14,829,390	\$ 15,840,133	\$ 19,299,272	\$ 18,924,734	\$ 17,374,844	\$ 18,222,977	\$ 19,256,063	\$ 19,799,001	\$ 20,763,676	\$ 22,124,979
Licenses and permits	631,400	637,735	663,464	431,330	355,842	560,150	421,801	524,009	564,609	690,194
Intergovernmental	394,449	266,261	362,008	331,035	777,266	2,650,196	4,728,575	4,240,008	4,720,631	5,600,417
Charges for services	870,669	917,528	931,540	962,567	1,119,403	1,114,756	1,086,564	1,336,189	1,139,227	1,127,917
Fines and forfeitures	491,957	729,794	857,715	676,973	715,865	917,547	615,624	851,088	576,240	521,768
Contributions	-	-	-	-	34,546	22,344	125,387	63,482	60,712	29,455
Investment earnings	704,988	2,302,034	2,576,899	1,463,815	763,500	72,783	57,691	39,617	66,346	125,353
Miscellaneous	2,097,305	639,122	972,491	1,006,388	718,914	615,158	342,123	353,929	401,860	364,282
Total revenues	<u>20,020,158</u>	<u>21,332,607</u>	<u>25,663,389</u>	<u>23,796,842</u>	<u>21,860,180</u>	<u>24,175,911</u>	<u>26,633,828</u>	<u>27,207,323</u>	<u>28,293,301</u>	<u>30,584,365</u>
EXPENDITURES										
General government	2,163,428	2,370,333	2,947,667	2,749,341	2,836,078	3,174,872	4,474,348	5,228,111	5,638,924	6,062,131
Public safety	9,177,082	10,389,397	10,888,448	11,067,251	10,929,713	11,431,423	11,692,263	12,234,522	12,507,199	12,946,043
Public works	2,601,040	2,402,659	2,510,164	2,175,270	1,704,727	2,569,515	2,640,284	3,279,511	3,228,503	3,608,978
Planning and development	762,914	990,770	1,099,526	818,460	638,591	660,440	717,003	716,295	-	-
Community development	610,699	670,973	766,573	1,519,717	1,136,814	849,250	933,216	980,108	-	-
Health and welfare	35,000	40,000	40,000	45,000	45,000	45,000	122,774	150,072	1,178,664	1,309,641
Cultural and recreational	3,104,893	3,517,497	4,360,890	4,133,489	3,574,460	2,842,956	2,997,049	3,496,386	3,728,117	3,750,855
Debt service										
Principal	438,428	967,696	3,940,724	3,116,578	3,069,221	1,175,000	1,166,194	2,834,648	3,838,005	4,124,085
Interest	898,809	689,381	923,458	1,030,242	1,065,000	3,261,816	3,466,410	2,786,382	2,657,655	2,537,352
Capital outlay	1,784,982	3,535,335	8,108,038	25,212,325	19,390,595	11,130,204	6,068,108	7,315,532	5,923,681	7,669,247
Total expenditures	<u>21,577,275</u>	<u>25,574,041</u>	<u>35,585,488</u>	<u>51,867,673</u>	<u>44,390,199</u>	<u>37,140,476</u>	<u>34,277,649</u>	<u>39,021,567</u>	<u>38,700,748</u>	<u>42,008,332</u>

TABLE 4

CITY OF WEATHERFORD, TEXAS

CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$(1,557,117)	\$(4,241,434)	\$(9,922,099)	\$(28,070,831)	\$(22,530,019)	\$(12,964,565)	\$(7,643,821)	\$(11,814,244)	\$(10,407,447)	\$(11,423,967)
OTHER FINANCING SOURCES (USES)										
Issuance of debt	-	4,000,000	57,290,000	3,000,000	-	-	33,475,000	1,267,959	85,080	7,638,924
Premium on debt issuance	-	34,543	827,448	-	-	-	255,694	-	-	698,462
Payment to escrow agent	-	-	-	-	-	-	(24,793,931)	-	-	(7,857,973)
Tax notes issued	-	-	-	-	-	-	-	-	-	985,000
Proceeds from insurance	-	-	-	-	-	-	-	93,842	13,776	120,344
Lease purchase proceeds	246,000	570,867	-	-	-	-	-	-	-	-
Sale of assets	-	-	-	-	-	17,756	5,397	10,454	32,966	203,882
Transfers in	3,740,638	9,041,701	5,293,472	6,115,459	5,850,469	7,276,196	7,882,888	6,849,355	15,710,708	8,058,368
Transfers out	(594,385)	(630,487)	(1,790,025)	(2,455,722)	(3,142,885)	(2,034,265)	(758,034)	(448,940)	(8,562,494)	(398,485)
Total other financing sources (uses)	3,392,253	13,016,624	61,620,895	6,659,737	2,707,584	5,259,687	16,067,014	7,772,670	7,280,036	9,448,522
NET CHANGE IN FUND BALANCES	\$ 1,835,136	\$ 8,775,190	\$ 51,698,796	\$(21,411,094)	\$(19,822,435)	\$(7,704,878)	\$ 8,423,193	\$(4,041,574)	\$(3,127,411)	\$(1,975,445)
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	6.74%	7.02%	7.74%	18.18%	15.90%	16.57%	17.13%	16.55%	19.82%	19.63%

Note: In fiscal year 2014, the City combined the planning and development, and community development function with the health and welfare, and cultural and development.

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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
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	8,135,036	8,832,088	620,052	588,225	57,593	18,232,994
2012	8,249,851	9,648,458	697,980	602,256	57,519	19,256,064
2013	8,419,930	9,969,043	681,611	659,759	68,658	19,799,001
2014	8,730,389	10,591,223	673,641	676,407	92,016	20,763,676
2015	9,261,450	11,303,851	777,549	687,665	94,465	22,124,980

(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			
	2006	2007	2008	2009
Residential				
Base rate	\$ 4.25	\$ 4.25	\$ 4.25	\$ 4.25
Per KWH (May - October)	0.0750	0.0750	0.0750	0.0750
Per KWH (November - April)	0.0690	0.0690	0.0690	0.0690
Residential - All Electric				
Base rate	4.25	4.25	4.25	4.25
Per KWH (May - October)	0.0750	0.0750	0.0750	0.0750
Per KWH (November - April)	0.0690	0.0690	0.0690	0.0690
Small General Service (Demand does not exceed 20 KW)				
Base rate	16.00	16.00	16.00	16.00
Per KWH	0.0765	0.0765	0.0765	0.0765
Large General Service 1 (Demand 20 - 200 KW)				
Base rate	21.00	21.00	21.00	21.00
Per KWH	0.0605	0.0605	0.0605	0.0605
Per KVA demand	3.25	3.25	3.25	3.25
Large General Service 2 (Demand 200 KW - 1000 KVA)				
Base rate	22.25	22.25	22.25	22.25
Per KWH	0.0565	0.0565	0.0565	0.0565
Per KWH (if primary metered)	0.0545	0.0545	0.0545	0.0545
Per KVA demand	2.55	2.55	2.55	2.55
Large General Service 3 (Demand 20 - 200 KW)				
Base rate	22.25	22.25	22.25	22.25
Per KWH for first 2500 KWH	0.0860	0.0860	0.0860	0.0860
Per KWH for next 3500 KWH	0.0520 (1)	0.0520 (1)	0.0520 (1)	0.0520 (1)
Per KWH for all additional KWH	0.0260	0.0260	0.0260	0.0260
Per KVA demand > 10 KVA	8.10	8.10	8.10	8.10
Municipal				
Base rate	12.25	12.25	12.25	12.25
Per KWH	0.0665	0.0665	0.0665	0.0665
School/Church				
Base rate	16.00	16.00	16.00	16.00
Per KWH	0.0645	0.0645	0.0645	0.0645
Per KW demand	2.25	2.25	2.25	2.25
Security Lights				
Per light	10.00	10.00	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 \$0.0150.

(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						
2010	2011	2012	2013	2014	2015	
\$ 4.25	\$ 6.17	\$ 8.08	\$ 10.08	\$ 10.08	\$ 11.75	
0.0750	0.0481	0.0462	0.0443	0.0443	0.0432	
0.0690	0.0443	0.0443	0.0443	0.0443	0.0432	
4.25	6.17	8.08	10.08	10.08	11.75	
0.0750	0.0481	0.0462	0.0443	0.0443	0.0432	
0.0690	0.0443	0.0443	0.0443	0.0443	0.0432	
16.00	19.55	19.55	19.55	19.55	19.55	
0.0765	0.0490	0.0490	0.0490	0.0490	0.0467	
21.00	28.17	35.33	42.50	42.50	42.50	
0.0605	0.0322	0.0289	0.0265	0.0265	0.0244	
3.25	3.43	3.62	3.80	3.80	3.96	
22.25	48.17	74.08	100.00	100.00	100.00	
0.0565	0.0297	0.0278	0.0260	0.0260	0.0256	
0.0545	0.0297	0.0278	0.0260	0.0260	0.0256	
2.55	2.96	3.38	3.79	3.79	4.00	
22.25	79.83	137.42	195.00	195.00	195.00	
0.0860	0.0194 (2)	0.0212 (2)	0.0230 (2)	0.0230 (2)	0.0225 (2)	
0.0520 (1)	0.0194 (2)	0.0212 (2)	0.0230 (2)	0.0230 (2)	0.0225 (2)	
0.0260	0.0194 (2)	0.0212 (2)	0.0230 (2)	0.0230 (2)	0.0225 (2)	
8.10	6.62 (2)	5.13 (2)	3.65 (2)	3.65 (2)	4.05 (2)	
12.25	(3)	(3)	(3)	(3)	(3)	
0.0665	(3)	(3)	(3)	(3)	(3)	
16.00	(3)	(3)	(3)	(3)	(3)	
0.0645	(3)	(3)	(3)	(3)	(3)	
2.25	(3)	(3)	(3)	(3)	(3)	
10.00	10.00	10.00	10.00	10.00	10.00	

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

Fiscal Year	Residential	Commercial ⁽²⁾	Industrial	Other ⁽¹⁾	Total
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
2012	11,586	2,128	53	-	13,767
2013	11,754	2,146	53	-	13,953
2014	11,818	2,156	53	-	14,027
2015	12,104	2,183	56	-	14,343

⁽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	2015	
	Revenue	Percentage of Electric Revenue
Atkore Plastic Pipe Co	\$ 1,074,062	3.16%
Jamak, Inc.	608,999	1.79%
W'ford Texas Hospital Corp.	520,024	1.53%
Wal-Mart	423,460	1.24%
WISD-High School	422,341	1.24%
Weatherford Regional Medical	272,790	0.80%
Albertson's	250,800	0.74%
City-Water Plant	232,767	0.68%
Lowe's	217,938	0.64%
Home Depot	207,817	0.61%
	<u>4,230,998</u>	<u>12.43%</u>
Revenue from other customers	<u>29,785,250</u>	<u>87.57%</u>
Total	<u>\$ 34,016,248</u>	<u>100.00%</u>

Customer	2006	
	Revenue	Percentage of Electric Revenue
Heritage Plastic	\$ 1,006,585	3.13%
Jamak, Inc.	870,713	2.71%
Wal-Mart	732,118	2.28%
WISD-High School	614,765	1.91%
Campbell Health System	436,838	1.36%
Home Depot	315,355	0.98%
City-Water Plant	277,521	0.86%
Weatherford College	271,694	0.85%
Albertson's	261,212	0.81%
Brookshire	249,608	0.78%
	<u>5,036,409</u>	<u>15.67%</u>
Revenue from other customers	<u>27,105,754</u>	<u>84.33%</u>
Total	<u>\$ 32,142,163</u>	<u>100.00%</u>

CITY OF WEATHERFORD, TEXAS

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY⁽¹⁾

LAST TEN FISCAL YEARS

Category	Fiscal Year			
	2006		2007	
	Actual Value	Percentage of Total	Actual Value	Percentage of Total
Real, residential, single family	\$ 744,845,930	53.65%	\$ 786,575,270	52.41%
Real, residential, multi-family	38,787,970	2.79%	50,422,550	3.36%
Real, vacant lots/tracts	28,465,230	2.05%	31,371,500	2.09%
Real, acreage (land only)	61,611,030	4.44%	66,543,860	4.43%
Real, farm and ranch improvements	19,390,740	1.40%	19,971,440	1.33%
Real, commercial	328,022,860	23.63%	355,833,000	23.71%
Real, industrial	8,466,210	0.61%	8,176,550	0.54%
Real, oil, gas and other minerals	-	- %	665,540	0.04%
Total real property	1,229,589,970	88.57%	1,319,559,710	87.91%
Real and tangible personal, utilities	17,714,320	1.28%	17,359,850	1.16%
Tangible personal, commercial	107,923,090	7.77%	122,749,210	8.18%
Tangible personal, industrial	22,895,960	1.65%	27,607,560	1.84%
Tangible, personal, mobile homes	1,681,410	0.12%	1,539,060	0.10%
Intangible personal	-	- %	-	- %
Inventory	8,601,290	0.61%	11,868,130	0.81%
Total personal property	158,816,070	11.43%	181,123,810	12.09%
Constitutional exempt ⁽³⁾	-	- %	-	- %
Total actual value	1,388,406,040	<u>100.00%</u>	1,500,683,520	<u>100.00%</u>
Less: exemptions/reductions	107,831,010		102,744,790	
Total	\$ <u>1,280,575,030</u>		\$ <u>1,397,938,730</u>	
Total direct rate ⁽²⁾	\$ 0.3403		\$ 0.3403	

Notes:

(1) Property is assessed at market value.

(2) Per \$100 of assessed value.

(3) Prior to 2012 Parker County Appraisal District reported categories net of constitutional exemptions.

Source: Parker County Appraisal District

TABLE 9

Fiscal Year					
2008		2009		2010	
Actual Value	Percentage of Total	Actual Value	Percentage of Total	Actual Value	Percentage of Total
\$ 884,837,500	52.16%	\$ 931,787,310	49.58%	\$ 966,262,300	49.35%
49,119,090	2.90%	63,259,650	3.37%	66,142,950	3.38%
28,945,620	1.71%	34,935,360	1.86%	32,079,260	1.64%
97,859,020	5.77%	114,848,250	6.11%	132,053,460	6.74%
19,102,150	1.13%	22,318,830	1.19%	21,383,540	1.09%
431,045,000	25.41%	504,549,930	26.85%	522,311,300	26.68%
5,685,760	0.34%	9,751,120	0.52%	10,348,560	0.53%
1,381,770	0.08%	785,960	0.04%	566,870	0.03%
<u>1,517,975,910</u>	89.50%	<u>1,682,236,410</u>	89.52%	<u>1,751,148,240</u>	89.44%
18,661,510	1.10%	17,684,650	0.94%	16,470,860	0.84%
119,755,350	7.06%	129,570,820	6.89%	139,204,420	7.11%
32,721,880	1.93%	34,733,290	1.85%	35,221,400	1.80%
1,563,200	0.09%	1,379,840	0.07%	1,469,130	0.08%
36,210	- %	37,620	- %	68,300	- %
<u>5,833,900</u>	0.32%	<u>13,786,420</u>	0.73%	<u>14,240,990</u>	0.73%
178,572,050	10.50%	197,192,640	10.48%	206,675,100	10.56%
-	- %	-	- %	-	- %
1,696,547,960	<u>100.00%</u>	1,879,429,050	<u>100.00%</u>	1,957,823,340	<u>100.00%</u>
<u>131,475,380</u>		<u>141,624,420</u>		<u>157,276,330</u>	
\$ <u>1,565,072,580</u>		\$ <u>1,737,804,630</u>		\$ <u>1,800,547,010</u>	
\$ 0.4386		\$ 0.4386		\$ 0.4636	

CITY OF WEATHERFORD, TEXAS

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY⁽¹⁾

LAST TEN FISCAL YEARS

Category	Fiscal Year			
	2011		2012	
	Actual Value	Percentage of Total	Actual Value	Percentage of Total
Real, residential, single family	\$ 982,593,310	50.07%	\$ 972,512,560	43.63%
Real, residential, multi-family	60,050,380	3.06%	80,671,490	3.62%
Real, vacant lots/tracts	31,012,210	1.58%	32,176,140	1.44%
Real, acreage (land only)	127,192,770	6.48%	128,278,870	5.75%
Real, farm and ranch improvements	23,630,120	1.20%	23,116,890	1.04%
Real, commercial	525,936,480	26.80%	531,927,220	23.86%
Real, industrial	11,655,760	0.59%	12,505,740	0.56%
Real, oil, gas and other minerals	<u>7,210,230</u>	<u>0.37%</u>	<u>5,683,360</u>	<u>0.25%</u>
Total real property	1,769,281,260	90.15%	1,786,872,270	80.15%
Real and tangible personal, utilities	16,699,920	0.85%	16,174,680	0.73%
Tangible personal, commercial	130,474,700	6.65%	127,511,850	5.72%
Tangible personal, industrial	32,101,270	1.64%	37,029,220	1.66%
Tangible, personal, mobile homes	1,505,490	0.08%	1,229,600	0.06%
Intangible personal	45,610	- %	14,880	- %
Inventory	<u>12,406,480</u>	<u>0.63%</u>	<u>13,787,850</u>	<u>0.62%</u>
Total personal property	193,233,470	9.85%	195,748,080	8.79%
Constitutional exempt ⁽³⁾	<u>-</u>	<u>- %</u>	<u>246,451,960</u>	<u>11.06%</u>
Total actual value	1,962,514,730	<u>100.00%</u>	2,229,072,310	<u>100.00%</u>
Less: exemptions/reductions	<u>156,813,562</u>		<u>408,409,581</u>	
Total	<u>\$ 1,805,701,168</u>		<u>\$ 1,820,662,729</u>	
Total direct rate ⁽²⁾	\$ 0.4636		\$ 0.4636	

Notes:

(1) Property is assessed at market value.

(2) Per \$100 of assessed value.

(3) Prior to 2012 Parker County Appraisal District reported categories net of constitutional exemptions.

Source: Parker County Appraisal District

TABLE 9

Fiscal Year					
2013		2014		2015	
Actual Value	Percentage of Total	Actual Value	Percentage of Total	Actual Value	Percentage of Total
\$ 982,550,650	43.23%	\$ 1,006,337,454	43.35%	\$ 1,034,971,854	43.80%
84,299,640	3.71%	90,319,170	3.89%	104,811,750	4.44%
34,086,840	1.50%	38,125,306	1.64%	33,652,737	1.42%
134,640,710	5.92%	94,742,100	4.08%	93,952,512	3.98%
22,225,190	0.98%	51,873,530	2.23%	54,556,426	2.31%
548,072,350	24.11%	571,460,670	24.62%	560,405,830	23.72%
12,501,170	0.55%	13,008,950	0.56%	13,008,950	0.55%
4,664,840	0.21%	2,275,350	0.10%	5,985,920	0.25%
<u>1,823,041,390</u>	80.21%	<u>1,868,142,530</u>	80.47%	<u>1,901,345,979</u>	80.47%
16,355,940	0.72%	17,262,560	0.74%	21,042,270	0.89%
126,788,970	5.58%	131,917,910	5.68%	138,816,860	5.87%
40,321,640	1.77%	39,526,310	1.70%	36,339,910	1.54%
1,213,240	0.05%	1,215,030	0.05%	1,349,900	0.06%
18,570	- %	42,500	- %	42,500	- %
<u>11,958,300</u>	0.53%	<u>12,057,760</u>	0.53%	<u>11,708,460</u>	0.51%
196,656,660	8.65%	202,022,070	8.70%	209,299,900	8.86%
<u>253,109,550</u>	11.14%	<u>251,257,370</u>	10.83%	<u>252,218,540</u>	10.67%
2,272,807,600	<u>100.00%</u>	2,321,421,970	<u>100.00%</u>	2,362,864,419	<u>100.00%</u>
<u>418,378,500</u>		<u>412,152,600</u>		<u>413,851,642</u>	
\$ <u>1,854,429,100</u>		\$ <u>1,909,269,370</u>		\$ <u>1,949,012,777</u>	
\$ 0.4636		\$ 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
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
2012	0.2920	0.1716	0.4636	0.4102	1.4000	0.1130	0.1119	1.3528
2013	0.2920	0.1716	0.4636	0.4123	1.4000	0.1120	0.1129	1.3528
2014	0.2920	0.1716	0.4636	0.4123	1.3900	0.1179	0.1146	1.3528
2015	0.3150	0.1716	0.4866	0.4183	1.3800	0.1118	0.1074	1.4000

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

TABLE 11

CITY OF WEATHERFORD, TEXAS

PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2015	
	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value
Parker County Hospital	\$ 59,602,320	2.80%
Weatherford Dunhill	32,791,000	1.60%
Power Service Products	22,558,650	1.10%
Weatherford Capitol	18,666,040	0.90%
Wal-Mart	18,505,700	0.90%
Holland Lake Partners	16,478,740	0.80%
Brown Southlake Glen	15,731,300	0.70%
Target Stores	11,521,640	0.50%
Lowes Home Center	11,427,110	0.50%
Weatherford Regional Medical	10,838,670	0.50%
Total	<u>\$ 218,121,170</u>	<u>10.30%</u>

Taxpayer	2006	
	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value
Wal-mart Stores, Inc.	\$ 17,961,960	1.40%
Lowes Home Centers	16,868,000	1.32%
SPC Weatherford Ltd.	14,527,440	1.13%
JAMAK, Inc.	12,285,250	0.96%
Home Depot	12,278,500	0.96%
Holland Lake Partners	11,267,090	0.88%
Southwestern Bell	9,311,300	0.73%
Albertsons, Inc.	7,895,750	0.62%
Power Service Products	7,707,160	0.60%
Southgate Glen Apartments	7,028,480	0.55%
Total	<u>\$ 117,130,930</u>	<u>9.15%</u>

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CITY OF WEATHERFORD, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
LAST NINE 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
2006	\$ 4,315,877	\$(21,086)	4,294,791	\$ 4,215,124	97.67%	\$ 73,254	\$ 4,288,378	99.85%
2007	4,696,326	(21,322)	4,675,004	4,590,807	97.75%	78,189	4,668,996	99.87%
2008	6,919,281	(63,520)	6,855,761	6,759,210	97.69%	85,995	6,845,205	99.85%
2009	7,366,860	(40,082)	7,326,778	7,218,875	97.99%	96,918	7,315,793	99.85%
2010	8,016,933	(45,429)	7,971,504	7,837,978	97.77%	120,769	7,958,747	99.84%
2011	8,085,420	(41,983)	8,043,437	7,942,051	98.23%	88,986	8,031,037	99.85%
2012	8,201,957	(47,693)	8,154,264	8,074,208	98.44%	63,985	8,138,193	99.80%
2013	8,351,358	(29,060)	8,322,298	8,237,331	98.63%	62,355	8,299,686	99.73%
2014	8,616,369	(26,105)	8,590,264	8,537,374	99.08%	22,827	8,560,201	99.65%
2015	9,217,917	(27,679)	9,190,238	9,118,352	98.92%	-	9,118,352	99.22%

Source: Parker County Appraisal District

CITY OF WEATHERFORD, TEXAS

TAXABLE SALES BY CATEGORY

LAST TEN FISCAL YEARS

	Fiscal Year			
	2006	2007	2008	2009
Agriculture/Forestry/Fishing/Hunting	\$ -	\$ -	\$ -	\$ -
Mining/Quarrying/Oil and Gas Extraction	2,347,140	1,244,207	1,252,092	14,326,698
Utilities	-	-	-	-
Construction	8,813,942	7,275,865	6,957,885	4,357,116
Manufacturing	12,266,814	10,892,575	11,006,653	8,052,901
Wholesale Trade	19,404,659	20,932,822	22,472,139	18,984,569
Retail Trade	274,468,277	307,054,524	319,784,449	306,397,750
Transportation/Warehousing	114,637	299,029	298,219	-
Information	2,269,814	1,902,312	2,056,382	2,168,761
Finance/Insurance	2,643,196	2,744,766	2,173,493	1,238,663
Real Estate/Rental/Leasing	5,988,307	12,909,665	10,905,094	5,856,372
Professional/Scientific/Technical Services	3,435,823	2,492,222	3,351,088	3,173,971
Admin/Support/Waste Mgmt/Remediation Services	3,184,939	2,974,145	3,855,420	3,966,809
Educational Services	369,212	339,063	331,207	388,591
Health Care/Social Assistance	331,275	53,634	53,933	4,169
Arts/Entertainment/Recreation	1,689,930	1,423,230	1,202,157	1,199,394
Accommodations/Food Services	59,244,910	63,045,572	67,976,752	69,513,396
Other Services (except Public Administration)	13,628,435	14,648,835	19,215,998	18,010,209
Public Administration	9,624,417	3,019,642	3,228,818	16,587,342
Other Services	22,410	19,874	18,261	-
Unclassified	<u>5,869,106</u>	<u>12,328,558</u>	<u>16,359,816</u>	<u>2,696,208</u>
Total	\$ <u>425,717,243</u>	\$ <u>465,600,540</u>	\$ <u>492,499,856</u>	\$ <u>476,922,919</u>
City direct sales tax rate	1.50%	1.50%	1.50%	1.50%

Source: Texas Comptroller

⁽¹⁾ The third quarter (July 2015 - September 2015) was not available at the time of issuing this document.

TABLE 13

Fiscal Year					
2010	2011	2012	2013	2014	2015 ⁽¹⁾
\$ -	\$ 17,350	\$ 24,360	\$ 18,470	\$ 20,710	\$ 16,965
88,530,759	2,708,174	2,553,162	2,340,426	5,581,565	7,394,421
-	1,564	9,523	11,992	14,806	10,060
4,005,474	4,473,269	4,148,485	8,418,496	8,525,422	7,654,026
9,179,698	10,344,074	9,891,554	14,542,183	22,889,147	13,334,109
17,613,952	20,606,904	23,196,315	22,230,671	24,108,087	20,445,684
296,338,740	318,942,141	343,180,554	363,367,515	371,925,862	293,178,924
-	-	868	27,302	18,396	31,832
3,007,895	5,614,520	4,177,775	3,752,266	7,149,200	8,333,720
1,007,196	884,706	754,614	733,579	729,685	606,889
3,398,093	3,083,776	4,792,747	7,236,213	7,252,145	6,389,369
2,525,977	2,248,780	1,947,381	2,343,895	2,669,527	2,282,778
4,142,197	4,641,626	4,759,341	4,898,493	5,820,476	4,934,467
2,053,012	1,569,743	646,524	663,346	320,397	319,190
189,402	55,855	85,603	42,094	129,698	150,339
1,333,491	1,278,258	1,606,896	1,447,586	975,763	1,361,979
66,627,927	72,763,277	77,272,234	82,452,449	88,209,831	72,498,110
17,911,085	20,237,260	19,899,170	21,063,717	23,228,121	17,722,802
13,610,308	12,573,279	11,017,187	11,691,775	13,479,254	9,352,558
-	-	-	-	-	-
<u>1,163,476</u>	<u>9,584</u>	<u>3,920</u>	<u>24,998</u>	<u>358,691</u>	<u>209,406</u>
<u>\$ 532,638,682</u>	<u>\$ 482,054,140</u>	<u>\$ 509,968,213</u>	<u>\$ 547,307,466</u>	<u>\$ 583,406,783</u>	<u>\$ 466,227,628</u>
1.50%	1.50%	1.50%	1.50%	1.50%	1.50%

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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	Capital Leases	Revenue Bonds	Tax Note	Term Loan	Capital Leases			
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	11.00%	4,156
2011	34,465,000	42,225,000	-	-	41,098,654	415,000	353,933	71,916	118,629,503	12.18%	4,698
2012	34,041,416	42,067,031	-	1,241,765	38,502,473	315,000	846,416	589,017	116,853,705	9.49%	4,431
2013	58,571,448	14,185,531	-	1,266,484	35,537,670	215,000	690,281	531,669	110,998,083	10.09%	4,199
2014	55,338,662	13,627,476	-	1,058,560	32,427,865	110,000	553,428	499,670	103,615,661	8.39%	3,846
2015	52,146,413	13,054,421	869,915	1,103,399	50,125,280	110,000	297,819	466,830	118,174,077	8.84%	4,256

⁽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				Less: Amounts Available in Debt Service Fund ⁽²⁾	Net Bonded Debt
	General Obligation Bonds	Certificates of Obligation	Tax Note	Total		
2006	\$ 840,000	\$ 9,690,000	\$ -	\$ 10,530,000	\$ 484,855	\$ 10,045,145
2007	11,450,000	55,920,000	-	67,370,000	1,563,613	65,806,387
2008	11,060,000	58,605,000	-	69,665,000	707,853	68,957,147
2009	10,650,000	58,130,000	-	68,780,000	751,802	68,028,198
2010	10,215,000	57,500,000	-	67,715,000	1,271,889	66,443,111
2011	34,465,000	42,225,000	-	76,690,000	1,857,403	74,832,597
2012	34,041,416	42,067,031	-	76,108,447	4,130,215	71,978,232
2013	58,571,448	14,185,531	-	72,756,979	5,068,393	67,688,586
2014	55,338,662	13,627,476	-	68,966,138	1,618,603	67,347,535
2015	52,146,413	13,054,421	869,915	66,070,749	2,069,856	64,000,893

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

(2) This is the amount restricted for debt service principal payments

TABLE 15

Actual Taxable Value of Property	Percentage of Actual Taxable Value of Property	Per Capita ⁽¹⁾
\$ 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	3.69%	2,456
1,805,701,168	4.14%	2,964
1,820,662,729	3.95%	2,730
1,854,429,100	3.65%	2,613
1,909,269,370	3.53%	2,500
1,949,012,777	3.28%	2,305

CITY OF WEATHERFORD, TEXAS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

SEPTEMBER 30, 2015

Government Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Debt repaid with property taxes			
Aledo Independent School District	\$ 185,620,843	0.46%	\$ 853,856
Parker County	91,243,675	19.82%	18,084,496
Parker County Junior College District	11,263,445	19.90%	2,241,426
Peaster Independent School District	19,206,930	2.53%	485,935
Weatherford Independent School District	129,196,627	46.21%	59,701,761
Other debt			
Parker County Junior College, note payable	5,897,739	19.90%	<u>1,173,650</u>
Subtotal overlapping debt			82,541,125
City of Weatherford direct debt	67,174,148	100.00%	<u>67,174,148</u>
Total direct and overlapping debt			<u>\$ 149,715,273</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 and Storm Water Utility Revenue Obligations					
	Gross Revenue ⁽¹⁾	Less: Operating Expenses ⁽²⁾	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2006	\$ 50,133,799	\$ 39,001,632	\$ 11,132,167	\$ 2,215,000	\$ 2,089,058	2.70%
2007	47,313,004	37,605,675	9,707,329	2,300,000	2,495,105	2.06%
2008	60,783,520	49,251,229	11,532,291	2,400,000	2,408,986	2.45%
2009	55,326,626	46,126,060	9,200,566	2,605,000	2,235,174	1.95%
2010	44,648,091	34,190,600	10,457,491	2,615,000	2,121,884	2.21%
2011	48,143,263	32,655,996	15,487,267	2,715,000	2,015,352	3.34%
2012	40,639,256	24,787,800	15,851,456	2,840,000	1,912,988	3.43%
2013	44,969,078	29,429,195	15,539,883	2,985,000	1,787,416	3.36%
2014	51,923,460	37,140,069	14,783,391	3,115,000	1,517,523	3.19%
2015	51,902,458	31,326,472	20,575,986	3,830,000	2,049,007	3.50%

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⁾
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%
2012	26,370	1,230,977,970	46,681	7,529	7.0%
2013	25,900	1,100,465,100	42,489	7,741	5.8%
2014	26,940	1,235,348,257	45,856	7,709	4.2%
2015	27,769	1,336,184,153	48,118	7,734	4.2%

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	2015		
	Employees	Rank	Percentage of Total City Employment
Weatherford ISD	1,500	1	12.55%
Weatherford Regional Medical Center	585	2	4.90%
Wal-Mart	480	3	4.02%
Weatherford College	350	4	2.93%
C.D. Hartnett	276	5	2.31%
JAMAK, Inc.	250	6	2.09%
Weatehrford Utilities Adm	200	7	1.67%
Hobson Air Conditioning	150	8	1.26%
Lowe's Home Improvement	150	9	1.26%
Weatherford High School	150	10	1.26%
Total	4,091		34.25%

Employer	2006		
	Employees	Rank	Percentage of Total City Employment
Weatherford ISD	955	1	9.29%
Campbell Health System	560	2	5.44%
Compass Bank	460	3	4.47%
Weatherford College	450	4	4.38%
Wal-Mart Stores, Inc.	447	5	4.35%
JAMAK, Inc.	350	6	3.40%
City of Weatherford	348	7	3.38%
Parker County	334	8	3.25%
C.D. Hartnett	296	9	2.88%
Target	245	10	2.38%
Total	4,445		43.22%

Source: Weatherford Economic Development Authority

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TABLE 20

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,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General government	22	22	23	24	24	24	24	24	25	30
Public safety	119	124	128	130	130	132	138	137	133	133
Public works	19	18	20	22	22	23	26	27	21	21
Planning and development	13	16	16	10	10	10	9	10	8	8
Community development	8	9	9	24	24	23	21	23	26	37
Cultural and recreational	48	52	55	50	51	52	56	56	49	50
Electric	49	54	55	54	54	55	55	55	45	33
Water	27	27	25	28	28	28	28	28	28	23
Wastewater	15	15	16	16	16	16	16	16	12	17
Sanitation	13	13	15	19	19	19	19	17	17	9
Total	<u>333</u>	<u>350</u>	<u>362</u>	<u>377</u>	<u>378</u>	<u>382</u>	<u>392</u>	<u>393</u>	<u>364</u>	<u>361</u>

Source: City's Human Resource Department

CITY OF WEATHERFORD, TEXAS

OPERATING INDICATORS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

Function/Program	Fiscal Year			
	2006	2007	2008	2009
Public safety				
Police				
Police personnel and officers	71	75	79	77
Arrests	1,689	1,512	1,597	1,604
Violations other than parking	9,744	10,160	10,078	7,823
Parking violations	193	281	231	114
Fire				
Paid fire personnel and officers	473	43	52	51
Calls answered	3,724	3,505	3,167	3,897
Planning and development				
New construction permits issued	345	289	341	143
Cultural and recreation				
Library holdings	91,422	90,745	97,232	98,596
Electric				
Service connections	12,443	12,823	13,166	13,297
Total system peak demand (KW)	82,721	81,859	82,317	83,385
Annual kilo-watt hour sales (KWH)	338,176,662	334,246,819	354,818,755	341,457,244
Water				
Service connections	9,769	10,108	10,418	10,507
Daily average consumption (thousands of gallons)	4,142	3,091	3,555	3,494
Annual water sales (thousands of gallons)	1,511,964	1,128,377	1,297,535	1,275,433
Wastewater				
Service connections	8,835	9,254	9,902	(2) 9,660
Daily average consumption (thousands of gallons)	2,118	2,223	2,079	1,936
Sanitation				
Refuse collected (tons)	8,865	9,130	9,189	8,780
Brush pickups (tons)	1,016	509	2,459	1,832
Special pickups (tons)	1,154	1,541	(1)	(1)

(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.

Source: Various City Departments

TABLE 21

Fiscal Year						
2010	2011	2012	2013	2014	2015	
76	80	80	80	78	78	
1,591	1,104	957	1,132	1,302	1,404	
6,855	6,628	4,455	5,691	4,488	4,675	
88	71	87	133	57	89	
51	55	58	66	56	56	
3,985	4,142	4,360	4,505	5,201	4,660	
120	186	116	211	220	204	
98,241	102,847	101,404	104,834	104,834	103,028	
13,418	13,560	13,767	13,953	14,115	14,161	
90,289	96,681	92,466	94,161	96,681	94,249	
365,673,529	381,826,440	371,081,397	371,982,863	389,421,402	386,452,762	
10,604	10,722	10,845	11,084	11,138	11,350	
3,072	3,884	3,649	3,493	3,277	3,058	
1,121,197	1,417,482	1,331,738	1,227,698	1,179,691	1,116,010	
(2) 9,769	(2) 9,881	(2) 9,994	10,201	10,251	10,481	
2,261	2,133	2,242	2,115	2,148	2,195	
8,951	8,789	8,881	9,239	9,565	10,218	
1,601	1,936	1,882	1,792	1,612	1,605	
(1)	(1)	(1)	(1)	(1)	(1)	

TABLE 22

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

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Public safety										
Police										
Police stations	1	1	1	1	1	1	1	1	1	1
Police patrol units	22	21	22	22	22	22	22	22	22	23
Fire										
Fire stations	3	3	4	4	4	4	4	4	4	3
Fire trucks	11	12	14	16	17	18	18	18	18	17
Fire boat	-	-	-	-	-	-	-	-	-	1
Cultural and recreation										
Parks and recreation										
Community centers	2	2	2	2	2	2	2	2	2	2
Parks	10	10	10	10	10	10	10	10	10	10
Park acreage	300	300	300	300	300	301	301	301	301	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	7	7	10	10	13	11	11	12	12	12
Multipurpose fields and courts	8	8	9	9	9	7	7	3	3	3
Electric										
Miles of distribution lines	288	302	304	313	316	326	326	326	342	342
Water										
Miles of water mains	236	236	241	249	254	266	272	272	268	275
Number of fire hydrants	1,123	1,170	1,213	1,244	1,320	1,342	1,355	1,384	1,447	1,450
Maximum daily capacity of plant (thousands of gallons)	14,000	14,000	14,000	14,000	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	7,600	7,600	7,600	7,600	7,600	7,600	7,600
Wastewater										
Miles of sanitary sewers	180	182	187	192	195	202	207	233	233	208
Permitted daily capacity of plant (thousands of gallons)	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500

Source: Various City Departments