

**COMPREHENSIVE  
ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED  
SEPTEMBER 30, 2013**

**Created by:  
Finance Office**

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**CITY OF WEATHERFORD, TEXAS**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

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# **INTRODUCTORY SECTION**

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March 25, 2014

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, 2013, 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, 2013, 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, 2013, 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 26,385. The City is empowered to levy a property tax on both real and personal properties located within its boundaries. It is also empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the City Council.

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

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

The annual budget serves as the foundation for the City's financial planning and control. All departments of the City are required to submit requests for appropriation to the City Manager prior to June 1 of each year. These requests are reviewed, prioritized and, based upon projected revenue availability, included in a proposed budget. The City Manager then presents the proposed budget to the City Council and Municipal Utility Board, respectively, for review prior to August 31. The Council and Board are required to hold public hearings on the proposed budget and to adopt a final budget by no later than September 30, the close of the City's fiscal year. The budget is prepared and appropriated by fund and department. Upon approval of the City Manager, department directors may make line-item transfers of appropriations within a department; however, appropriation transfers between departments require approval of the Council or Board. A summary budget-to-actual comparison for the General Fund is provided on pages 60 – 61 of this report. Budget-to-actual comparisons for budgeted non-major governmental funds are found on pages 75 – 87.

## **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 2013, the City of Weatherford continued in a third strong-year of recovery, as the moderate recovery of 2011-2012 gained stability. 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. Additionally, the state of Texas as well as the Dallas-Fort Worth-Arlington Metropolitan Statistical Area unemployment rate decreased slightly from 2012 to 2013 while consumer confidence rose significantly in our region. Regional retail shopping, health care/physician recruitment, and service businesses are the current leading sectors in the local economy, with residential development/sales continuing an established recovery, back to a leading sector. Cutting-horse and cattle ranching, and agricultural crop production are still significant economic contributors to the area. In addition, 45 to 50 percent of local residents make the short commute 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 2013 was the historic high in sales tax revenue collections for the City of Weatherford. The 2013 City sales tax was about 3.3 percent above 2012's previous annual high of \$9.65 million, at over \$9.9 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 in the last couple of years, but have continued to see growth in output and recovery in jobs through 2013. The natural gas drilling rig count has declined significantly in Parker County, to about 32 percent of the peak, and will continue to decline as the Barnett Shale matures. The City of Weatherford has experienced a similar decline, although the city continues to see revenue from drilling, as it accounts for 12% of Parker County's active wells. Employment in the natural resource and mining production and services sectors has grown to a historic high of 9.8 percent during the first two quarters of 2013 of total county employment, up from 8.3% in 2012.

The number of commercial construction permits increased from 2009 through 2011, decline slightly in 2012, but the 2012 count still exceeded 2010. The 2012 "adjusted" core total-value of permits for 2012 was actually higher than 2011, even with fewer permits. The 2013 fiscal year continued the year-over-year increase in core total-value of commercial permits, while also showing a modest increase in the actual number of commercial permits requested. While the City has developed 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, it also saw substantial development in other areas of the City in 2013. The Weatherford Marketplace Center at the south east intersection of IH-20 and S. Main St. (State Highways 51/171) has been fully leased. In 2007, the new Weatherford Ridge Center (north east intersection of IH-20 and S. Main St.) was started and rapidly built-out, and by September 2012, 45,000 square feet was constructed and occupied, anchored by a new 25,000 square foot TJ Maxx with the remaining 20,000 square feet of shop-space of the center leased, making the center shop-space leased at 100 percent. Additionally, a 39,000 square-foot vacant property was redeveloped into 55,000 square-foot of new retail shop/back-office space with two anchor-corners. This was occupied in November of 2012 by the 5,000 SF Rio Mambo franchise restaurant and a by the 3,500 SF Sunny Street Café franchise. This center contains a 20,000 sq. ft. "back-office" space now for lease.

In 2013, Economic development agreements and four Reinvestment Zones were approved in FY 2013 for 6 new business developments with an estimated \$28.2MM capital investment. This

included 188,800 new sq. ft. on 27-plus acres, with the possibility of creating up to 280 new jobs. These developments included a 26,000 square-foot IP Rehab hospital, and a new 30 acre capital investment P3 business park with potential for additional 100 jobs and up to 9 new businesses. Corresponding with commercial development, residential permits increased significantly in 2013 over the 2011 and 2012 levels. Values per permit fluctuated downward from 2011 and 2012, however, as smaller and more duplex-housing units were constructed. The Multiple Listing Service has the median home value up approximately 3% year-over-year.

The local unemployment rate has declined and fluctuated monthly for two years. The current rate is near the 2008 average rate of 5.1%. 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 2012 general obligation refunding bonds, during FY13.

**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 fund at 90 days of operations. At fiscal year end the General Fund had met this requirement of the policy statement as well as had a healthy unassigned fund balance in the general fund, which was a desire of the City Council to have during this challenging and unpredictable time.

The City Council 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 just adopted during February of 2013 and implemented for FY14. 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 provided 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 has undergone a pavement condition survey 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. In early 2013, the City implemented a new municipal storm water fee to meet storm water drainage needs around the City. The first such project is already underway with a Water Shed study. Once completed, staff will discuss a priority list for drainage projects and recommend possible funding sources, including revenue bonds. Staff is currently undergoing a water plant master plan for future need evaluations. This plan is anticipated to be complete at the end of FY14. The utility has already had a wastewater treatment plant master plan done and that is in the implementation process. A wastewater master plan does need to be done in the upcoming future but work is continuing on the Black Warrior Creek project. Funding for these needs as well as a possible new list from the Capital Committee are never easy but the City has already incorporated the use of some excess reserves and working capital. Additionally, FY13 was the last year of authorized rate changes, and the will update its cost of service study and recommend possible rate changes in FY14. Finally, a master plan was recently adopted for the redevelopment of Weatherford's downtown. Currently, staff is discussing possible funding sources to begin that initiative.

### **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, 2012. This was the 25th 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; and Accounting Clerk, Betty Hopson. Credit also must be given to the Mayor, City Council members, and Municipal Utility Board Trustees for their unfailing support in maintaining the highest standards of professionalism in the management of the City of Weatherford's finances.

Respectfully submitted,

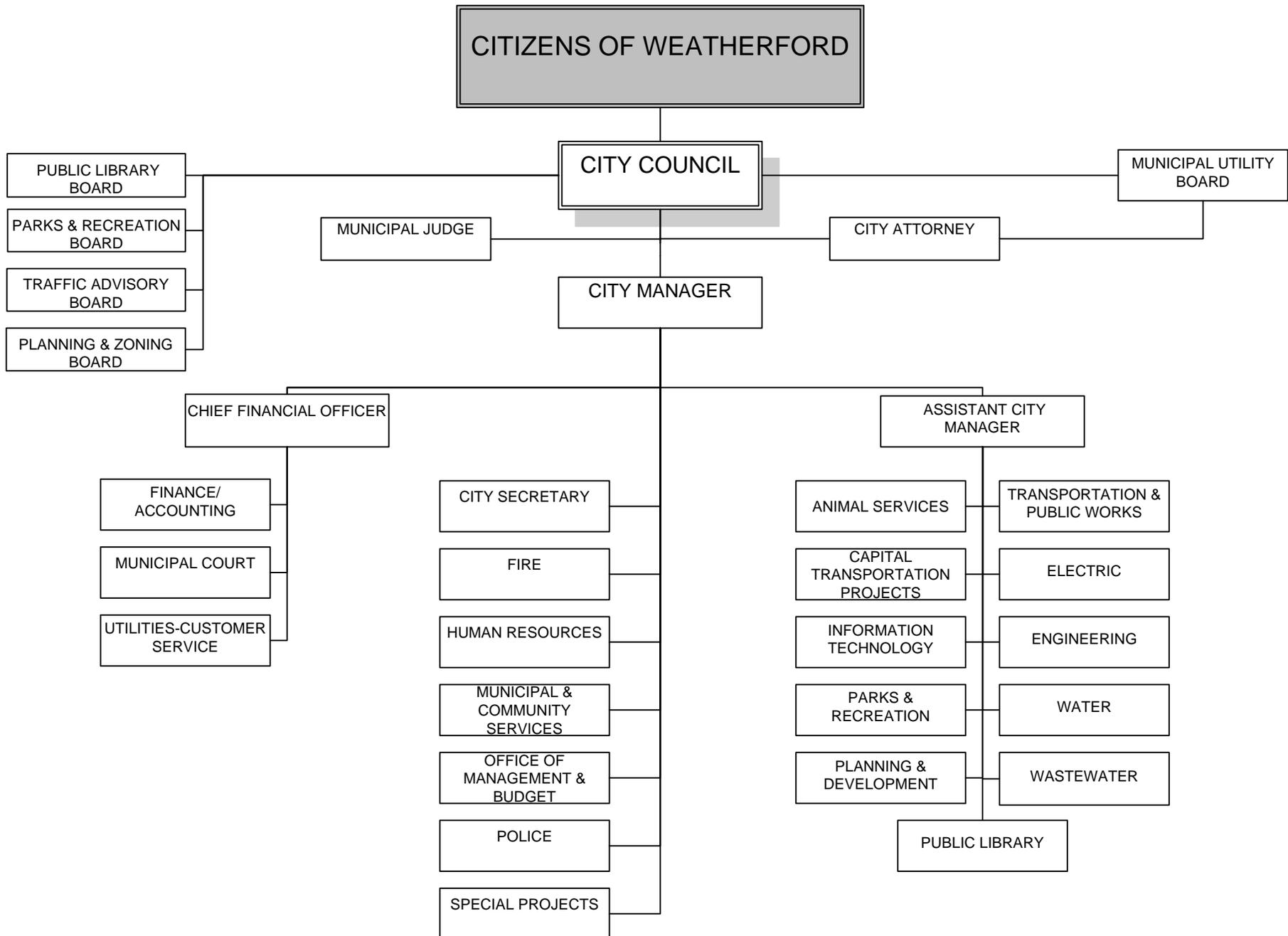


Jerry Blaisdell  
City Manager



Sidney Kirk  
Interim Finance Director

# CITY OF WEATHERFORD, TEXAS ORGANIZATION CHART



**THE CITY OF  
WEATHERFORD, TEXAS**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**YEAR ENDED  
SEPTEMBER 30, 2013**

**ELECTED  
CITY COUNCIL**

Dennis Hooks – Mayor

Craig Swancy – Mayor Pro Tem/Council Member

Waymon Hamilton – 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

**SENIOR STAFF**

Jerry Blaisdell – City Manager

Sharon Hayes – Assistant City Manager

Malinda Nowell – City Secretary Ed Zellers – City Attorney

Diana Allen – Human Resources Director

Steve Bates – Municipal & Community Services Director

Dustin Deel – Animal Services Director

Craig Farmer – Planning & Development Director

Danielle Felts – Parks & Recreation Director

Dale Fleeger – Library Director

Troy Garvin – Information Technology Director

Terry Hughes – Capital Transportation Projects Director

Chad Janicek – Office of Management & Budget Director

Sidney Kirk – Interim Finance Director

Mike Manning – Police Chief

Manny Palacios – Transportation & Public Works Director

Paul Rust – Fire Chief

Brent Smith – Special Projects Director



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
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Presented to

**City of Weatherford  
Texas**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2012**

Executive Director/CEO

# **FINANCIAL SECTION**

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PATTILLO, 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, 2013, 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, 2013, 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.

### ***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 and schedules of funding progress on pages 4 through 16 and 60 through 64 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***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 26, 2014, 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.

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

Waco, Texas  
March 26, 2014

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**MANAGEMENT'S  
DISCUSSION AND ANALYSIS**

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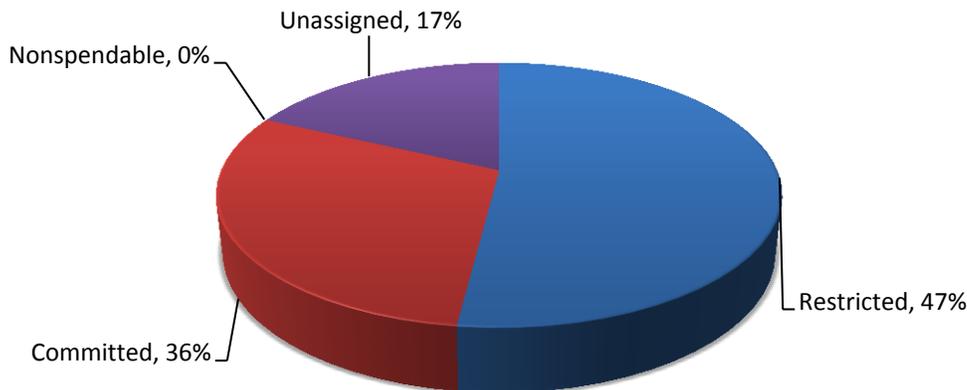
## Management's Discussion and Analysis

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, 2013. 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 of resources of the City of Weatherford exceeded its liabilities at the close of the most recent fiscal year by \$150,233,874 (net position). Of this amount, \$33,814,410 (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 \$7,701,509. 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 \$5,294,392. Net position related to governmental activities increased by \$2,407,117, as a result of a combination of multiple increases and decreases.
- As of the close of the current fiscal year, the City of Weatherford's governmental funds reported combined ending fund balances of \$31,938,509, a decrease of \$4,744,171 in comparison with the prior year. A variety of increases and decreases combine to make this decrease. This decrease is contributed to the new construction and maintenance of roads.
- At the end of the current fiscal year, fund balance for all governmental funds totaled \$31,938,509. Approximately 17% of that total, \$5,363,522, is unassigned, all of which is in the general fund. This is about 19.5% of total general fund expenditures.

### Government Funds Fund Balance by Type



- The City of Weatherford's total debt decreased by \$8,033,765 (6.9%) during the current fiscal year as a result of normal principal retirement and the refunding of three general debt issuances. The total refunded of \$27,325,000 was offset by General Obligation Refunding Bonds of \$25,110,000.

## 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, liabilities and deferred inflows/outflows of resources with the difference 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, storm water 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 17 – 20 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-four 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, the general debt service fund, and the Series 2011 C. O. 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 schedule has been provided in this report to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 21 – 23 of this report.

**Proprietary Funds.** Proprietary funds can be further classified into two different types of funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Weatherford uses enterprise funds to account for its combined electric, water and wastewater operations and for its solid waste collection and storm water utility 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 the municipal utility system fund which includes electric, water, and waste water operations, the solid waste fund, and the storm water utility, all of which are considered to be major funds of the City. The basic proprietary fund financial statements can be found on pages 25 - 29 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 30 - 59 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 60 - 61 of this report. Required supplementary Information of pension and other post employee benefit funding progress are also included on pages 63 and 64.

## 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 of resources exceeded liabilities by \$150,233,874 at the close of the most recent fiscal year.

### CITY OF WEATHERFORD'S NET POSITION

	Governmental Activities		Business-type Activities		Totals	
	2013	2012	2013	2012	2013	2012
Current and other assets	\$ 36,445,271	\$ 40,952,447	\$ 43,879,739	\$ 41,852,384	\$ 80,325,010	\$ 82,804,831
Capital assets	85,669,231	81,199,067	115,841,004	113,786,462	201,510,235	194,985,529
Total assets	<u>122,114,502</u>	<u>122,151,514</u>	<u>159,720,743</u>	<u>155,638,846</u>	<u>281,835,245</u>	<u>277,790,360</u>
Total deferred outflows of resources	<u>1,593,520</u>	<u>-</u>	<u>328,267</u>	<u>-</u>	<u>1,921,787</u>	<u>-</u>
Long-term liabilities outstanding	80,869,734	82,305,916	39,651,698	42,254,160	120,521,432	124,560,076
Other liabilities	4,374,889	2,994,993	8,626,837	6,543,779	13,001,726	9,538,772
Total liabilities	<u>85,244,623</u>	<u>85,300,909</u>	<u>48,278,535</u>	<u>48,797,939</u>	<u>133,523,158</u>	<u>134,098,848</u>
Net position:						
Net investment in capital assets	20,530,809	17,007,106	79,820,405	75,402,883	100,351,214	92,409,989
Restricted	6,571,469	5,331,525	9,496,781	8,841,879	16,068,250	14,173,404
Unrestricted	<u>11,361,121</u>	<u>14,511,974</u>	<u>22,453,289</u>	<u>22,596,145</u>	<u>33,814,410</u>	<u>37,108,119</u>
Total net position	<u>\$ 38,463,399</u>	<u>\$ 36,850,605</u>	<u>\$ 111,770,475</u>	<u>\$ 106,840,907</u>	<u>\$ 150,233,874</u>	<u>\$ 143,691,512</u>

By far the largest portion of the City of Weatherford's net position (66.8%) 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 (10.7%) represents resources that are subject to external restrictions on how they may be used. All restricted assets of the City relating to both governmental activities and business-type activities are being held for purposes established by state and local laws, future construction, and debt service/reserve requirements on the City's outstanding debt. The remaining \$33,814,410 (22.5%) 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 \$6,542,362 during the current fiscal year. Net position related to business-type activities increased by \$4,929,568. This increase is largely attributable to positive operating results as well as capital grants and contributions from developers. Net position related to governmental activities increased by \$1,612,794, as a result of a combination of multiple increases and decreases.

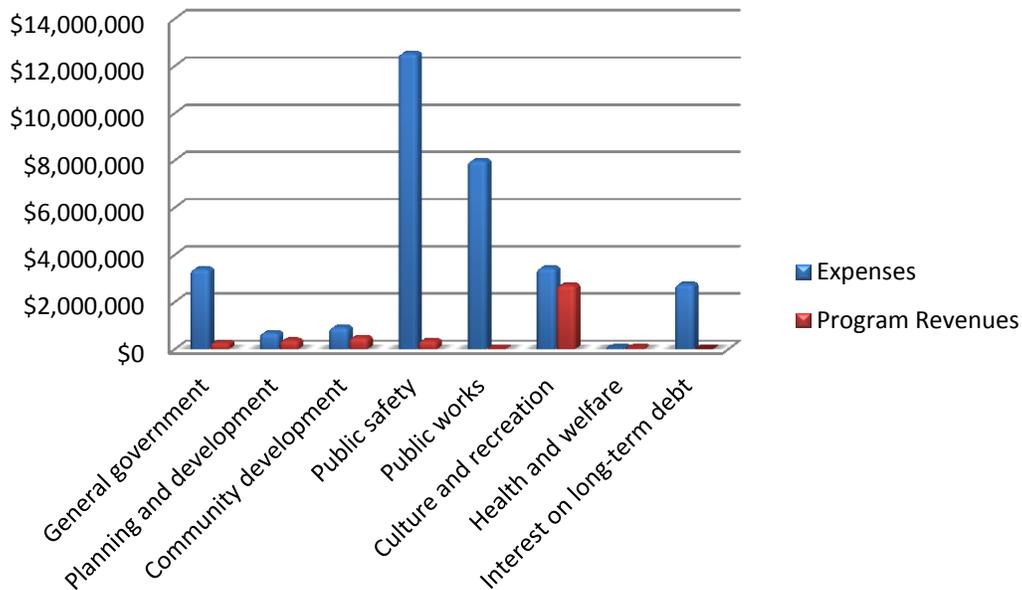
## CITY OF WEATHERFORD'S CHANGES IN NET POSITION

	Governmental Activities		Business-type Activities		Totals	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program revenues:						
Charges for services	\$ 2,905,297	\$ 2,346,854	\$ 48,674,908	\$ 44,239,712	\$ 51,580,205	\$ 46,586,566
Operating grants and contributions	196,248	584,783	-	-	196,248	584,783
Capital grants and contributions	3,873,294	4,114,054	912,459	409,143	4,785,753	4,523,197
General revenues:						
Property taxes	8,396,517	8,232,881	-	-	8,396,517	8,232,881
Sales taxes	9,969,043	9,648,458	-	-	9,969,043	9,648,458
Other taxes	1,410,028	1,357,755	-	-	1,410,028	1,357,755
Other	299,211	341,114	643,824	572,872	943,035	913,986
Total revenues	<u>27,049,638</u>	<u>26,625,899</u>	<u>50,231,191</u>	<u>45,221,727</u>	<u>77,280,829</u>	<u>71,847,626</u>
Expenses:						
General government	5,464,305	4,688,501	-	-	5,464,305	4,688,501
Public safety	12,951,140	12,426,881	-	-	12,951,140	12,426,881
Public works	5,032,489	4,116,662	-	-	5,032,489	4,116,662
Planning and development	755,272	738,534	-	-	755,272	738,534
Community development	1,031,282	991,922	-	-	1,031,282	991,922
Health and welfare	152,181	160,169	-	-	152,181	160,169
Culture and recreational	4,217,332	3,579,674	-	-	4,217,332	3,579,674
Interest on long-term debt	2,633,532	3,584,869	-	-	2,633,532	3,584,869
Electric	-	-	25,082,339	21,532,861	25,082,339	21,532,861
Water	-	-	7,384,830	6,441,878	7,384,830	6,441,878
Wastewater	-	-	3,321,956	3,195,794	3,321,956	3,195,794
Stormwater	-	-	24,532	-	24,532	-
Solid waste	-	-	1,528,130	1,481,557	1,528,130	1,481,557
Total expenses	<u>32,237,533</u>	<u>30,287,212</u>	<u>37,341,787</u>	<u>32,652,090</u>	<u>69,579,320</u>	<u>62,939,302</u>
Increase (decrease) in net position before transfers	( 5,187,895)	( 3,661,313)	12,889,404	12,569,637	7,701,509	8,908,324
Transfers	<u>7,595,012</u>	<u>6,400,415</u>	<u>( 7,595,012)</u>	<u>( 6,400,415)</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	2,407,117	2,739,102	5,294,392	6,169,222	7,701,509	8,908,324
Net position, beginning	<u>36,850,605</u>	<u>34,111,503</u>	<u>106,840,907</u>	<u>100,671,685</u>	<u>143,691,512</u>	<u>134,783,188</u>
Change in accounting principle	<u>( 794,323)</u>	<u>-</u>	<u>( 364,824)</u>	<u>-</u>	<u>( 1,159,147)</u>	<u>-</u>
Net position, ending	<u>\$ 38,463,399</u>	<u>\$ 36,850,605</u>	<u>\$ 111,770,475</u>	<u>\$ 106,840,907</u>	<u>\$ 150,233,874</u>	<u>\$ 143,691,512</u>

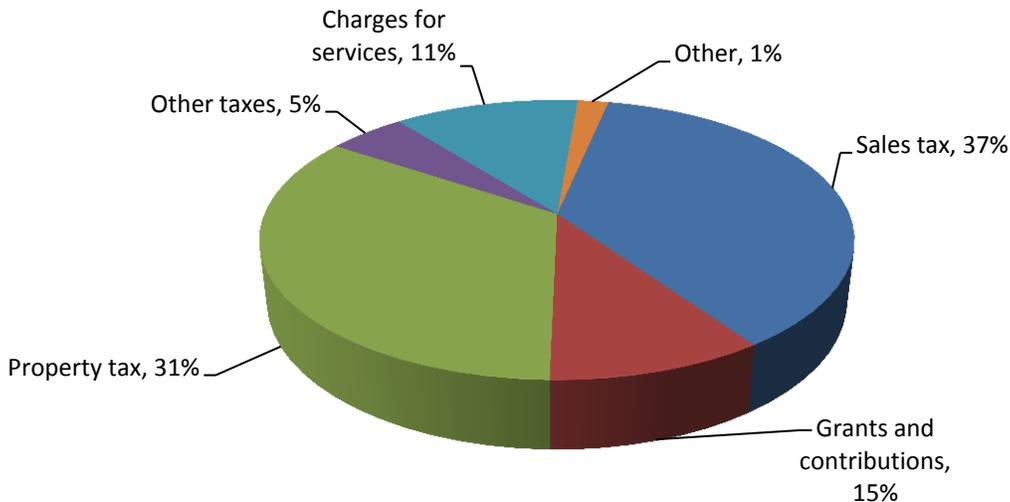
**Governmental Activities.** The City of Weatherford’s total net position related to governmental activities increased by \$1,612,794. Key elements of this increase are as follows:

- The minimal increase of 1.6% in revenues is primarily due to the slowly rebounding economy and grant/contractual agreements. A decrease in operational and capital grants and contributions offset the increase in charges for services. The increase in revenues is attributed to the increase in sales tax revenues of \$320,585 (3.3%) as well as property tax assessed value increases giving an increase of \$163,636 (2.0%).
- Helping with the increase in governmental activity net position was due to an increase in transfers of \$1,194,597 and other operating revenues.

### Expenses and Program Revenues – Governmental Activities



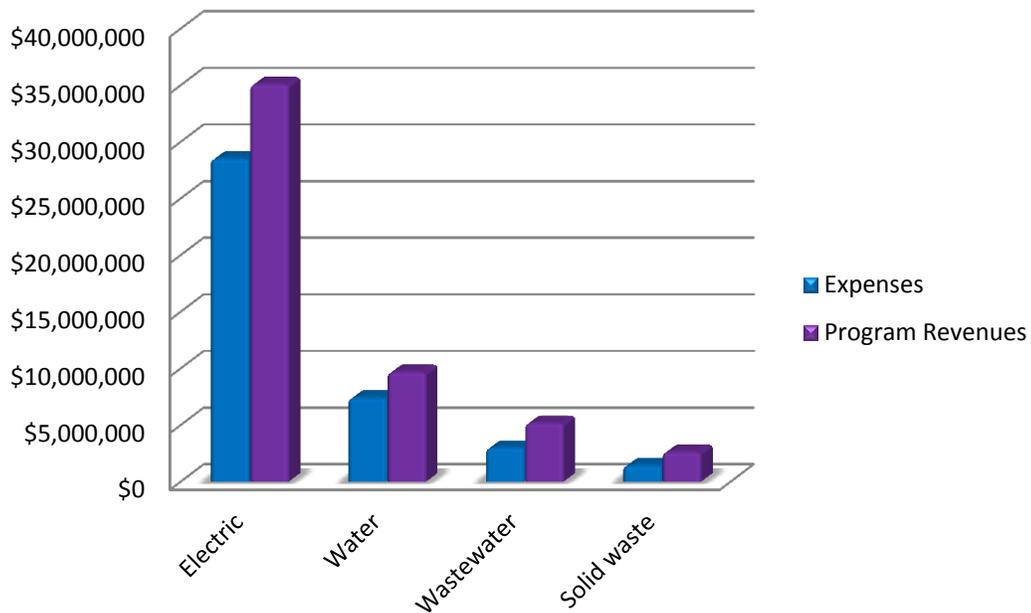
### Revenues by Source – Governmental Activities



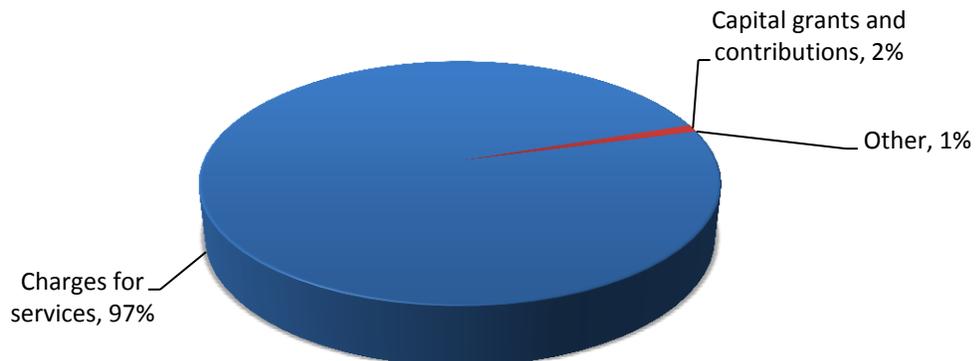
**Business-Type Activities.** Business-type activities increased the City of Weatherford’s net position by \$4,929,568. Key elements of this increase are as follows:

- Revenues increased \$5,009,464 or 11.1% over prior year revenues. This is primarily due the increased consumption in electric revenues and the creation of a storm water utility fund. There was a modest increase in contributions.
- Overall expenses increased \$4,689,697 (14.4%) compared to prior year for the business-type activities. The cost of power saw the largest increase of \$3,549,478 (16.5%) due to increased consumption. Other utilities saw a nominal increase.

### Expenses and Program Revenues – Business-type Activities



### Revenues by Source – Business-type Activities



## Financial Analysis of the City's Funds

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

**Governmental Funds.** The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of Weatherford's governmental funds reported combined ending fund balances of \$31,938,509, a decrease of \$4,744,171 in comparison with the prior year. A variety of increases and decreases combine to make this decrease. A decrease in fund balance of \$4,687,127 in capital project accounts due to the normal infrastructure capital improvements decreasing debt proceeds. A nominal increase in revenues were offset with increased expenses overall in the governmental type funds. Approximately 52.5% (\$16,782,921) 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 \$5,363,522 (16.8%) of the total is unassigned. Of the committed funds \$1,250,884 is designated for net OPEB obligation costs to date as detailed in Note 4, \$3,478,081 is committed to capital projects, \$277,245 is for Parks development, \$143,712 is for culture and recreation, \$124,670 is for community development and \$6,144,807 is the desired stabilization fund of 90 days' worth of general fund operation the Council retains for emergencies or unforeseen situations. The other \$15,155,588 (47.5%) 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 \$12,759,213, while total fund balance was \$12,803,689. 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 46.5%, or approximately 170 days of total general fund expenditures.

The fund balance of the City's general fund decreased overall by \$1,315,990 during the current fiscal year. This decrease in fund balance is due to an increase in operational expenses within public works, cultural and recreation and general government functions.

The debt service fund has a total fund balance of \$5,209,096, all of which is reserved for the payment of debt service. The net increase in fund balance during the current year in the debt service fund was \$893,003. This is due to a bond refunding and the increase of debt service payments.

The series 2011 C.O. bond fund was classified as a non-major fund in the prior year. This fund has a total fund balance of \$1,958,450. The fund had a decrease of \$4,579,423 due to capital projects being substantially completed.

At the end of the fiscal year, the City's thirteen 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, and court juvenile case manager) had combined fund balances totaling \$1,692,731, compared to prior year balances of \$1,326,736.

The seven active capital projects funds (general capital, park capital, park development, series 2006 c.o., series 2007 G.O. bond, series 2007 C.O., and series 2008 C.O.) had combined ending fund balances of \$10,224,474 compared to prior year balances of \$16,870,051, all of which is reserved for transportation, building, and park improvement projects. The decrease in the capital projects funds is contributed to the reclassification of the series 2011 C.O. bond to a major fund.

The Doss permanent library fund had an ending fund balance of \$50,069, compared to the prior year balance of \$50,121.

**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 \$20,645,374, compared to the prior year balance of \$21,444,285. The total decrease in unrestricted net position for the municipal utility fund was \$798,911. Unrestricted net position of the solid waste fund amounted to \$1,656,027 compared to \$1,451,860 in the prior year. Unrestricted net position for the newly created storm water utility fund amounted to \$151,888.

### **General Fund Budgetary Highlights.**

Increasing amendments to the original 2012-13 general fund annual expenditure appropriations netted to \$1,210,472, or less than 4.5% of the original budget. The majority of the budget amendments were to roll over unspent funds for 2011-12 approved projects into 2012-13. The largest such shift was \$280,750 for Police technology equipment that, due to project delays, could not be spent in 2011-12. Additionally, there were some mid-year adjustments for unforeseen pressures to the city, such as a large retirement payout expense in the Fire Department, \$25,000 for mosquito testing after instances of Malaria arose in the Dallas-Fort Worth area, and over \$600,000 to temporarily assist the newly created Storm Water Utility Fund to begin a Watershed Study and Parcel Database Study before sufficient Storm Water Fee revenue came in (both of these projects included plans for the Storm Water Utility Fund to reimburse the General Fund, but ultimately only a small amount of the Study dollars were spent.)

### **Capital Assets and Debt Administration**

**Capital Assets.** The City of Weatherford's investment in total capital assets for its governmental and business-type activities as of September 30, 2013 amounts to \$201,510,235 (net of accumulated depreciation) compared to \$194,940,529 in the prior year. Investment in capital assets related to governmental activities (\$85,669,231) 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 (\$115,841,004) 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:

- Road construction of \$4,711,462 was the largest capital asset event for the City. This was for infrastructure improvements on FM 51 (South Main) and the I-20 corridor.
- Vehicle and equipment purchases, including a new fire truck, amounted to \$1,258,994.
- Land acquisition and ongoing improvements for Heritage Park totaled \$1,212,096.
- Various system extensions and improvements to the City’s water, wastewater, and electric distribution system, as well as, equipment purchases totaled \$662,291.

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

	Governmental Activities		Business-type Activities		Totals	
	2013	2012	2013	2012	2013	2012
Land	\$ 5,488,126	\$ 4,689,899	\$ 2,514,254	\$ 2,249,797	\$ 8,002,380	\$ 6,939,696
Buildings and systems	8,975,093	9,244,985	10,521,979	10,949,392	19,497,072	20,194,377
Improvements other than buildings	25,993,109	27,437,864	97,564,024	96,996,781	123,557,133	124,434,645
Machinery and equipment	2,863,827	2,154,697	2,531,077	2,477,804	5,394,904	4,632,501
Infrastructure	4,626,960	5,103,214	-	-	-	-
Construction in progress	<u>37,722,116</u>	<u>32,568,408</u>	<u>2,709,670</u>	<u>1,112,688</u>	<u>40,431,786</u>	<u>33,681,096</u>
Total capital assets	<u>\$ 85,669,231</u>	<u>\$ 81,199,067</u>	<u>\$ 115,841,004</u>	<u>\$ 113,786,462</u>	<u>\$ 201,510,235</u>	<u>\$ 194,985,529</u>

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, notes payable, and leases payable of \$107,933,433. Of this amount, \$56,610,000 comprises general obligation debt secured by property tax collections and backed by the full faith and credit of the City, \$14,035,000 represents combination tax and revenue certificates of obligation debt, \$34,585,000 represents bonds secured solely by revenue from the City’s combined electric, water and wastewater utility system, \$215,000 in notes payable to be paid from utility revenues, \$690,267 in State infrastructure loans payable from the utility system revenues. \$1,798,166 is lease payable for performance contracting improvements, ball field lighting, and computers. \$1,266,483 is charged to governmental type funds and \$531,683 is payable from utility revenues.

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

	Governmental Activities		Business-type Activities		Totals	
	2013	2012	2013	2012	2013	2012
General obligation bonds	\$ 56,610,000	\$ 33,895,000	\$ -	\$ -	\$ 56,610,000	\$ 33,895,000
Certificates of obligation	14,035,000	41,655,000	-	-	14,035,000	41,655,000
Revenue bonds	-	-	34,585,000	37,425,000	34,585,000	37,425,000
Notes payable	-	-	905,267	1,161,416	905,267	1,161,416
Lease obligations	1,266,483	1,241,765	531,683	589,017	1,798,166	1,830,782
	<u>\$ 71,911,483</u>	<u>\$ 76,791,765</u>	<u>\$ 36,021,950</u>	<u>\$ 39,175,433</u>	<u>\$ 107,933,433</u>	<u>\$ 115,967,198</u>

The City of Weatherford's total debt decreased by \$8,033,765 (6.9%) during the current fiscal year as a result of normal principal retirement offset by the issuance of \$25,110,000 general obligation refunding bonds and \$354,290 for computer leases.

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, 2013. The City's combined utility system revenue debt is rated "A1" by Moody's Investors Service and "A" by Standard and Poor's Corporation at September 30, 2013.

State statutes limit the total property tax rate to \$2.50 per \$100 assessed valuation. The City's total property tax rate for 2012-13 was \$0.4636 per \$100 assessed valuation, of which \$0.1716 was for annual debt service. As a condition for issuance of additional debt, utility revenue bond covenants require net revenues of the system to be not less than 1.25 times average annual debt requirements and 1.10 times maximum annual requirements.

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 the City of Weatherford as of the fiscal year-end was 5.8%, down slightly from 7.0% in the prior year. As of the printing of this document rates were down to 5.2% for Weatherford's metropolitan area. This continues to compare favorably to national average unemployment rates.
- Sales tax collections for 2012-13 were up 3.3% from the prior year. Except for December and March, every month during the fiscal year had increased retail sales receipts compared to the prior year. As of the printing of this document, collections for 2013-14 are above prior levels.
- New construction building permits issued increased to 211 permits for 2012-13, after decreasing last year.
- The final total taxable assessed value of property within the City for the 2013 tax year increased by 3.0% from the 2012 assessed values, from almost \$1.855 billion to \$1.910 billion. This total includes new construction.

- As a result of transportation developments with TxDOT at the intersection of Interstate Highway 20 and State Highways 51/171, we expect increased economic activity.

All of the above factors were considered in preparing the City of Weatherford's budget for the 2013-14 fiscal year. The property tax rate remained the same at \$0.4636 per \$100 of assessed value. Sales tax collections, accounting for approximately 37.8% of general fund revenues and other financing sources, were projected to be slightly higher (1.0%) than fiscal year 2012-13 after accounting for expected rebates for economic development incentive agreements. One-time approved expenditures in the general fund total \$1,267,710. There is a planned draw down of fund balance of \$915,710, which covers these mentioned one-time expenses. This still leaves the City with fund balance covering more than 120 days of operating costs, which well exceeds our target of 90 days of general fund expenditures.

### **Requests for Information**

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

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**BASIC  
FINANCIAL STATEMENTS**

**CITY OF WEATHERFORD, TEXAS**

**STATEMENT OF NET POSITION**

**SEPTEMBER 30, 2013**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and investments	\$ 33,905,950	\$ 21,886,806	\$ 55,792,756
Receivables (net of allowance for uncollectibles):			
Taxes	398,214	-	398,214
Accounts	464,889	6,207,802	6,672,691
Other	-	21,653	21,653
Due from other governments	1,631,242	-	1,631,242
Prepays	1,244	-	1,244
Inventories	43,732	3,395,932	3,439,664
Restricted assets:			
Cash and investments	-	12,233,865	12,233,865
Accrued interest	-	49,587	49,587
Derivative instrument	-	84,094	84,094
Capital assets:			
Land	5,488,126	2,514,254	8,002,380
Buildings	14,168,442	19,702,739	33,871,181
Improvements other than buildings	31,841,409	149,094,758	180,936,167
Infrastructure	13,182,232	-	13,182,232
Machinery and equipment	9,905,507	7,309,452	17,214,959
Construction in progress	37,722,116	2,709,670	40,431,786
Less: accumulated depreciation	<u>( 26,638,601)</u>	<u>( 65,489,869)</u>	<u>( 92,128,470)</u>
Total capital assets	<u>85,669,231</u>	<u>115,841,004</u>	<u>201,510,235</u>
Total assets	<u>122,114,502</u>	<u>159,720,743</u>	<u>281,835,245</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred charge on refunding	1,593,520	142,071	1,735,591
Change in fair value of derivative	<u>-</u>	<u>186,196</u>	<u>186,196</u>
Total deferred outflows of resources	<u>1,593,520</u>	<u>328,267</u>	<u>1,921,787</u>

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>LIABILITIES</b>			
Accounts payable	1,938,892	3,437,855	5,376,747
Accrued liabilities	549,686	147,645	697,331
Retainage payable	1,526,869	25,957	1,552,826
Accrued interest	238,215	18,510	256,725
Due to other governments	87,703	-	87,703
Customer deposits and escrows	31,660	1,406,640	1,438,300
Derivative instrument	-	155,428	155,428
Unearned revenue	1,864	3,296,156	3,298,020
Payable from restricted assets:			
Accrued interest	-	138,646	138,646
Noncurrent liabilities:			
Due within one year-payable from restricted assets	-	250,000	250,000
Due within one year	4,420,059	3,281,954	7,702,013
Due in more than one year	76,449,675	36,119,744	112,569,419
Total liabilities	<u>85,244,623</u>	<u>48,278,535</u>	<u>133,523,158</u>
<b>NET POSITION</b>			
Net investment in capital assets	20,530,809	79,820,405	100,351,214
Restricted for:			
Construction	-	5,023,217	5,023,217
Debt service	5,068,393	4,473,564	9,541,957
Culture and recreation:			
Expendable	69	-	69
Nonexpendable	50,000	-	50,000
Public safety	776,860	-	776,860
Community development	676,147	-	676,147
Unrestricted	<u>11,361,121</u>	<u>22,453,289</u>	<u>33,814,410</u>
Total net position	<u>\$ 38,463,399</u>	<u>\$ 111,770,475</u>	<u>\$ 150,233,874</u>

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

**CITY OF WEATHERFORD, TEXAS**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 5,464,305	\$ 202,029	\$ -	\$ -
Public safety	12,951,140	944,532	146,186	-
Public works	5,032,489	177,938	-	3,832,156
Planning and development	755,272	370,782	-	-
Community development	1,031,282	422,703	-	-
Health and welfare	152,181	51,813	-	-
Cultural and recreation	4,217,332	735,500	50,062	41,138
Interest on long-term debt	2,633,532	-	-	-
Total governmental activities	<u>32,237,533</u>	<u>2,905,297</u>	<u>196,248</u>	<u>3,873,294</u>
Business-type activities:				
Electric	25,082,339	31,300,347	-	116,988
Water	7,384,830	10,058,874	-	406,216
Wastewater	3,321,956	4,663,157	-	389,255
Sanitation	1,528,130	2,058,004	-	-
Stormwater utility	24,532	594,526	-	-
Total business-type activities	<u>37,341,787</u>	<u>48,674,908</u>	<u>-</u>	<u>912,459</u>
Total primary government	<u>\$ 69,579,320</u>	<u>\$ 51,580,205</u>	<u>\$ 196,248</u>	<u>\$ 4,785,753</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  
Change in accounting principle  
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
\$( 5,262,276)	\$ -	\$( 5,262,276)
( 11,860,422)	-	( 11,860,422)
( 1,022,395)	-	( 1,022,395)
( 384,490)	-	( 384,490)
( 608,579)	-	( 608,579)
( 100,368)	-	( 100,368)
( 3,390,632)	-	( 3,390,632)
( 2,633,532)	-	( 2,633,532)
<u>( 25,262,694)</u>	<u>-</u>	<u>( 25,262,694)</u>
-	6,334,996	6,334,996
-	3,080,260	3,080,260
-	1,730,456	1,730,456
-	529,874	529,874
-	569,994	569,994
<u>-</u>	<u>12,245,580</u>	<u>12,245,580</u>
<u>( 25,262,694)</u>	<u>12,245,580</u>	<u>( 13,017,114)</u>
8,396,517	-	8,396,517
9,969,043	-	9,969,043
1,410,028	-	1,410,028
21,637	-	21,637
39,617	46,514	86,131
173,353	544,617	717,970
64,604	52,693	117,297
<u>7,595,012</u>	<u>( 7,595,012)</u>	<u>-</u>
<u>27,669,811</u>	<u>( 6,951,188)</u>	<u>20,718,623</u>
2,407,117	5,294,392	7,701,509
<u>36,850,605</u>	<u>106,840,907</u>	<u>143,691,512</u>
<u>( 794,323)</u>	<u>( 364,824)</u>	<u>( 1,159,147)</u>
<u>\$ 38,463,399</u>	<u>\$ 111,770,475</u>	<u>\$ 150,233,874</u>

**CITY OF WEATHERFORD, TEXAS**

**BALANCE SHEET**

**GOVERNMENTAL FUNDS**

**SEPTEMBER 30, 2013**

	<u>General</u>	<u>Debt Service</u>	<u>Series 2011 C. O.</u>	<u>Other Governmental</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and investments	\$ 12,287,438	\$ 5,205,752	\$ 3,213,868	\$ 13,198,892	\$ 33,905,950
Receivables (net of allowance for uncollectibles of \$300,092):					
Taxes	300,703	97,511	-	-	398,214
Accounts	271,723	-	82	193,084	464,889
Due from other governments	1,631,242	-	-	-	1,631,242
Prepays	744	-	-	500	1,244
Due from other funds	-	3,345	-	-	3,345
Inventories	43,732	-	-	-	43,732
Total assets	<u>\$ 14,535,582</u>	<u>\$ 5,306,608</u>	<u>\$ 3,213,950</u>	<u>\$ 13,392,476</u>	<u>\$ 36,448,616</u>
<b>LIABILITIES</b>					
Accounts payable	825,489	-	941,982	171,421	1,938,892
Retainage payable	-	-	313,518	1,213,351	1,526,869
Accrued liabilities	519,370	-	-	30,316	549,686
Deposits and escrows	23,410	-	-	8,250	31,660
Due to other governments	87,703	-	-	-	87,703
Due to other funds	3,345	-	-	-	3,345
Unearned revenue	-	-	-	1,864	1,864
Total liabilities	<u>1,459,317</u>	<u>-</u>	<u>1,255,500</u>	<u>1,425,202</u>	<u>4,140,019</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue	<u>272,576</u>	<u>97,512</u>	<u>-</u>	<u>-</u>	<u>370,088</u>
Total deferred inflows of resources	<u>272,576</u>	<u>97,512</u>	<u>-</u>	<u>-</u>	<u>370,088</u>
<b>FUND BALANCES</b>					
Nonspendable					
Doss library	-	-	-	50,000	50,000
Prepays	744	-	-	-	744
Inventory	43,732	-	-	-	43,732
Restricted for:					
Capital projects	-	-	1,958,450	6,440,490	8,398,940
Debt service	-	5,209,096	-	-	5,209,096
Culture and recreation	-	-	-	69	69
Public safety	-	-	-	776,860	776,860
Community development	-	-	-	676,147	676,147
Committed:					
Other post employee benefits	1,250,884	-	-	-	1,250,884
Stabilization arrangement	6,144,807	-	-	-	6,144,807
Capital projects	-	-	-	3,478,081	3,478,081
Park development	-	-	-	277,245	277,245
Culture and recreation	-	-	-	143,712	143,712
Community development	-	-	-	124,670	124,670
Unassigned	<u>5,363,522</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,363,522</u>
Total fund balances	<u>12,803,689</u>	<u>5,209,096</u>	<u>1,958,450</u>	<u>11,967,274</u>	<u>31,938,509</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 14,535,582</u>	<u>\$ 5,306,608</u>	<u>\$ 3,213,950</u>	<u>\$ 13,392,476</u>	<u>\$ 36,448,616</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, 2013**

Total fund balances - governmental funds balance sheet	\$ 31,938,509
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.	85,669,231
Certain items are not available to pay for current period expenditures, and, therefore are deferred inflows of resources in the funds.	370,088
Some liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>( 79,514,429)</u>
Net position of governmental activities - statement of net position	\$ <u>38,463,399</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, 2013**

	General	Debt Service	Series 2011 C. O.	Other Governmental	Total Governmental Funds
<b>REVENUES</b>					
Taxes	\$ 16,035,038	\$ 3,104,204	\$ -	\$ 659,759	\$ 19,799,001
Licenses and permits	524,009	-	-	-	524,009
Intergovernmental	407,852	3,832,156	-	-	4,240,008
Charges for services	1,204,576	-	-	131,613	1,336,189
Fines and forfeitures	498,697	-	-	352,391	851,088
Contributions	24,898	-	-	38,584	63,482
Royalties and rental	-	-	-	176,713	176,713
Investment earnings	16,157	4,248	6,043	13,169	39,617
Miscellaneous	76,063	-	-	101,153	177,216
Total revenues	18,787,290	6,940,608	6,043	1,473,382	27,207,323
<b>EXPENDITURES</b>					
Current:					
General government	5,008,602	-	-	219,509	5,228,111
Public safety	12,167,418	-	-	67,104	12,234,522
Public works	3,218,004	-	-	61,507	3,279,511
Planning and development	716,295	-	-	-	716,295
Community development	974,479	-	-	5,629	980,108
Health and welfare	150,072	-	-	-	150,072
Cultural and recreation	3,035,586	-	-	460,800	3,496,386
Capital outlay	2,115,027	-	4,585,466	615,039	7,315,532
Debt service:					
Principal	50,065	2,745,602	-	38,981	2,834,648
Interest and other	5,799	2,778,702	-	1,881	2,786,382
Total expenditures	27,441,347	5,524,304	4,585,466	1,470,450	39,021,567
<b>EXCESS (DEFICIENCY) OF REVENUES</b>					
<b>OVER (UNDER) EXPENDITURES</b>	( 8,654,057)	1,416,304	( 4,579,423)	2,932	( 11,814,244)
<b>OTHER FINANCING SOURCES (USES)</b>					
Refunding bonds issued	-	25,110,000	-	-	25,110,000
Capital lease	169,367	-	-	-	169,367
Premium on refunding bonds issued	-	2,052,817	-	-	2,052,817
Sale of general capital assets	73,611	-	-	2,625	76,236
Insurance recoveries	6,875	-	-	-	6,875
Transfers in	7,133,967	143,555	-	781,212	8,058,734
Transfers out	( 45,753)	-	-	( 528,530)	( 574,283)
Payment to refunded bond escrow agent	-	( 27,829,673)	-	-	( 27,829,673)
Total other financing sources and uses	7,338,067	( 523,301)	-	255,307	7,070,073
<b>NET CHANGE IN FUND BALANCES</b>	( 1,315,990)	893,003	( 4,579,423)	258,239	( 4,744,171)
<b>FUND BALANCES, BEGINNING</b>	14,119,679	4,316,093	6,537,873	11,709,035	36,682,680
<b>FUND BALANCES, ENDING</b>	\$ 12,803,689	\$ 5,209,096	\$ 1,958,450	\$ 11,967,274	\$ 31,938,509

**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, 2013

Net change in fund balances - total governmental funds:			\$( 4,744,171)
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.			4,359,603
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position.			110,561
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
Property taxes	( 23,413)		
Court fines	<u>( 134,272)</u>		
		( 157,685)	
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.			3,484,987
Some expenses reported in the governmental activities statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.			<u>( 646,178)</u>
Change in net position of governmental activities			<u>\$ 2,407,117</u>

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

**CITY OF WEATHERFORD, TEXAS**

**STATEMENT OF NET POSITION**

**ENTERPRISE FUNDS**

**SEPTEMBER 30, 2013**

	Business-type Activities - Enterprise Funds			
	Municipal Utility System	Solid Waste	Stormwater Utility	Total
<b>ASSETS</b>				
Current assets				
Unrestricted assets				
Cash and cash equivalents	\$ 16,086,723	\$ 1,884,000	\$ 156,632	\$ 18,127,355
Investments	3,759,451	-	-	3,759,451
Receivables:				
Accounts, net of allowances for uncollectible accounts of \$2,580,045	3,655,988	398	-	3,656,386
Earned but unbilled customer accounts	2,411,249	99,798	40,369	2,551,416
Other	21,653	-	-	21,653
Inventory	3,372,761	23,171	-	3,395,932
Derivative instrument	84,094	-	-	84,094
Restricted assets				
Cash and cash equivalents	8,280,817	-	-	8,280,817
Investments	3,953,048	-	-	3,953,048
Accrued interest	49,587	-	-	49,587
Total current assets	41,675,371	2,007,367	197,001	43,879,739
Noncurrent assets				
Capital assets				
Land	2,514,254	-	-	2,514,254
Construction in progress	2,398,515	-	311,155	2,709,670
Buildings and improvements	19,505,130	197,609	-	19,702,739
Other improvements	149,084,181	10,577	-	149,094,758
Machinery and equipment	6,340,329	969,123	-	7,309,452
Less: accumulated depreciation	( 64,779,834)	( 710,035)	-	( 65,489,869)
Total noncurrent assets	115,062,575	467,274	311,155	115,841,004
Total assets	156,737,946	2,474,641	508,156	159,720,743
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred charge on refunding	142,071	-	-	142,071
Change in fair value of derivatives	186,196	-	-	186,196
Total deferred outflows of resources	328,267	-	-	328,267

Business-type Activities - Enterprise Funds

	Municipal Utility System	Solid Waste	Storm water Utility	Total
<b>LIABILITIES</b>				
Current liabilities (payable from current assets):				
Accounts payable	\$ 3,352,861	\$ 39,881	\$ 45,113	\$ 3,437,855
Accrued wages	123,215	24,430	-	147,645
Retainage payable	25,957	-	-	25,957
Accrued interest	18,510	-	-	18,510
Derivative instrument	155,428	-	-	155,428
Unearned revenue	3,296,156	-	-	3,296,156
Customer deposits	1,406,640	-	-	1,406,640
Notes payable	241,852	-	-	241,852
Capital lease payable	16,267	-	-	16,267
Revenue bonds payable	2,859,805	-	-	2,859,805
Compensated absences	152,502	11,528	-	164,030
Current liabilities (payable from restricted assets):				
Accrued interest	138,646	-	-	138,646
Revenue bonds payable- current	250,000	-	-	250,000
Total current liabilities	<u>12,037,839</u>	<u>75,839</u>	<u>45,113</u>	<u>12,158,791</u>
Noncurrent liabilities				
Notes payable	663,429	-	-	663,429
Capital lease payable	515,402	-	-	515,402
Revenue bonds payable	32,427,865	-	-	32,427,865
Compensated absences	864,181	65,324	-	929,505
Net pension obligation	535,765	60,625	-	596,390
Net OPEB obligation	837,601	149,552	-	987,153
Total noncurrent liabilities	<u>35,844,243</u>	<u>275,501</u>	<u>-</u>	<u>36,119,744</u>
Total liabilities	<u>47,882,082</u>	<u>351,340</u>	<u>45,113</u>	<u>48,278,535</u>
<b>NET POSITION</b>				
Net investment in capital assets	79,041,976	467,274	311,155	79,820,405
Restricted for:				
Construction	5,023,217	-	-	5,023,217
Debt service	4,473,564	-	-	4,473,564
Unrestricted	<u>20,645,374</u>	<u>1,656,027</u>	<u>151,888</u>	<u>22,453,289</u>
Total net position	<u>\$ 109,184,131</u>	<u>\$ 2,123,301</u>	<u>\$ 463,043</u>	<u>\$ 111,770,475</u>

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

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**CITY OF WEATHERFORD, TEXAS**

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

**ENTERPRISE FUNDS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	Business-type Activities - Enterprise Funds			
	Municipal Utility System	Solid Waste	Storm Water Utility	Total
<b>OPERATING REVENUES</b>				
Electric sales	\$ 30,611,410	\$ -	\$ -	\$ 30,611,410
Electric services	576,504	-	-	576,504
Water sales	9,045,213	-	-	9,045,213
Water services	28,230	-	-	28,230
Wastewater services	4,663,157	-	-	4,663,157
Sanitation services	-	2,055,729	-	2,055,729
Stormwater fees	-	-	594,526	594,526
Total operating revenues	<u>44,924,514</u>	<u>2,055,729</u>	<u>594,526</u>	<u>47,574,769</u>
<b>OPERATING EXPENSES</b>				
Personal services	4,849,724	889,003	-	5,738,727
Contractual services	3,991,863	202,297	24,532	4,218,692
Purchased power	18,635,708	-	-	18,635,708
Materials and supplies	1,951,900	304,162	-	2,256,062
Depreciation	4,634,673	132,668	-	4,767,341
Total operating expenses	<u>34,063,868</u>	<u>1,528,130</u>	<u>24,532</u>	<u>35,616,530</u>
<b>OPERATING INCOME</b>	<u>10,860,646</u>	<u>527,599</u>	<u>569,994</u>	<u>11,958,239</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment earnings	44,564	1,901	49	46,514
Miscellaneous	50,349	544	-	50,893
Rentals	1,047,515	-	-	1,047,515
Royalties	-	544,617	-	544,617
Loss on disposal of assets	( 56,137)	-	-	( 56,137)
Interest and other	( 1,725,257)	-	-	( 1,725,257)
Total nonoperating revenues (expenses)	<u>( 638,966)</u>	<u>547,062</u>	<u>49</u>	<u>( 91,855)</u>
<b>INCOME BEFORE CONTRIBUTIONS AND TRANSFERS</b>	10,221,680	1,074,661	570,043	11,866,384
Capital contributions	912,459	-	-	912,459
Transfers in	191,097	-	-	191,097
Transfers out	( 6,565,386)	( 1,003,162)	( 107,000)	( 7,675,548)
<b>CHANGE IN NET POSITION</b>	4,759,850	71,499	463,043	5,294,392
<b>NET POSITION, BEGINNING</b>	104,789,105	2,051,802	-	106,840,907
<b>CHANGE IN ACCOUNTING PRINCIPLE</b>	( 364,824)	-	-	( 364,824)
<b>NET POSITION, ENDING</b>	<u>\$ 109,184,131</u>	<u>\$ 2,123,301</u>	<u>\$ 463,043</u>	<u>\$ 111,770,475</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, 2013**

	Business-type Activities - Enterprise Funds			
	Municipal Utility System	Solid Waste	Stormwater Utility	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from customers	\$ 44,680,359	\$ 2,056,782	\$ 554,157	\$ 47,291,298
Cash paid to employees for services	( 4,619,897)	( 884,473)	-	( 5,504,370)
Cash paid to suppliers for goods and services	( 22,993,774)	( 508,596)	-	( 23,502,370)
Net cash provided by operating activities	<u>17,066,688</u>	<u>663,713</u>	<u>554,157</u>	<u>18,284,558</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Cash received from rentals	1,047,515	-	-	1,047,515
Cash received from royalties	-	544,617	-	544,617
Cash received from miscellaneous items	50,349	544	-	50,893
Transfers from other funds	191,097	-	-	191,097
Transfers to other funds	( 6,565,386)	( 1,003,162)	( 107,000)	( 7,675,548)
Net cash used by noncapital financing activities	<u>( 5,276,425)</u>	<u>( 458,001)</u>	<u>( 107,000)</u>	<u>( 5,841,426)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Proceeds from disposal of capital assets	54,424	-	-	54,424
Proceeds from developers for contributions in aid of construction	853,774	-	-	853,774
Principal payments on long-term debt	( 3,153,469)	-	-	( 3,153,469)
Acquisition and construction of capital assets	( 6,536,647)	-	( 290,574)	( 6,827,221)
Interest and other charges on debt	( 2,002,608)	-	-	( 2,002,608)
Net cash used by capital and related financing activities	<u>( 10,784,526)</u>	<u>-</u>	<u>( 290,574)</u>	<u>( 11,075,100)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest received	48,687	1,901	49	50,637
Purchase of investments	( 2,484,883)	-	-	( 2,484,883)
Net cash provided (used) by investing activities	<u>( 2,436,196)</u>	<u>1,901</u>	<u>49</u>	<u>( 2,434,246)</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	( 1,430,459)	207,613	156,632	( 1,066,214)
<b>CASH AND CASH EQUIVALENTS, BEGINNING</b>	<u>25,797,999</u>	<u>1,676,387</u>	<u>-</u>	<u>27,474,386</u>
<b>CASH AND CASH EQUIVALENTS, ENDING</b>	<u>\$ 24,367,540</u>	<u>\$ 1,884,000</u>	<u>\$ 156,632</u>	<u>\$ 26,408,172</u>
<b>RECONCILIATION OF TOTAL CASH AND CASH EQUIVALENTS</b>				
Current assets - cash and cash equivalents	\$ 16,086,723	\$ 1,884,000	\$ 156,632	\$ 18,127,355
Restricted assets - cash and cash equivalents	<u>8,280,817</u>	<u>-</u>	<u>-</u>	<u>8,280,817</u>
Total cash and cash equivalents	<u>\$ 24,367,540</u>	<u>\$ 1,884,000</u>	<u>\$ 156,632</u>	<u>\$ 26,408,172</u>

Business-type Activities - Enterprise Funds

	Municipal Utility System	Solid Waste	Stormwater Utility	Total
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>				
Operating income	\$ 10,860,646	\$ 527,599	\$ 569,994	\$ 11,958,239
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	4,634,673	132,668	-	4,767,341
(Increase) decrease in accounts receivable	( 445,652)	1,053	-	( 444,599)
(Increase) decrease in unbilled accounts	( 415,080)	2,091	( 40,369)	( 453,358)
(Increase) decrease in inventory	9,261	( 4,942)	-	4,319
(Increase) decrease in prepaids	100	-	-	100
(Increase) decrease in other assets	( 84,094)	-	-	( 84,094)
Increase (decrease) in accounts payable	1,660,430	714	24,532	1,685,676
Increase (decrease) in accrued wages payable	( 8,411)	( 4,590)	-	( 13,001)
Increase (decrease) in unearned revenue	377,192	-	-	377,192
Increase (decrease) in customer deposits	239,385	-	-	239,385
Increase (decrease) in compensated absences	46,356	( 24,458)	-	21,898
Increase (decrease) in net pension obligation	19,363	2,706	-	22,069
Increase (decrease) in net OPEB obligation	<u>172,519</u>	<u>30,872</u>	<u>-</u>	<u>203,391</u>
Net cash provided by operating activities	<u>\$ 17,066,688</u>	<u>\$ 663,713</u>	<u>\$ 554,157</u>	<u>\$ 18,284,558</u>
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</b>				
Contributions of capital assets	\$ 58,685	\$ -	\$ -	\$ 58,685
Change in fair value of investments	44,564	-	-	44,564

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

# CITY OF WEATHERFORD, TEXAS

## NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2013

### I. 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 **Series 2011 C.O. 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.

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 and Net Position or Equity**

##### **1. Cash, Cash Equivalents, and Investments**

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

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

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

##### **2. Property Taxes**

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

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

The City is permitted by Article XI, Section 5 of the State of Texas Constitution to levy taxes up to \$2.50 per \$100 of assessed valuation for general governmental services including the payment of principal and interest. The combined tax rate to finance general governmental service and debt service for the year ended September 30, 2013, was \$.4636 per \$100 of assessed valuation. The assessed value upon which the completed 2012 levy was based was approximately \$1,854,429,100.

3. Restricted assets

Certain resources set aside for repayment of bonds are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable bond ordinances.

4. Inventory

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

5. Capital Assets

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

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

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

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

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. Utility Deferred Expenses or Credits

The City's electric funds are allowed to recover fuel and purchased power costs through fuel charges to its electric customers. The City defers and accrues any under/over recovered fuel and purchased power costs in excess of the fuel charges until such costs are reflected in billings to customers. This fuel recovery allows for the pass-through of fuel costs to customers and has no impact on the change in net position.

7. 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.

8. 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.

9. 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."

10. 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.

## 11. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, 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 is reporting balances for deferred losses on bond refundings in both the government-wide Statement of Net Position and the Statement of Net Position – Proprietary Funds. A deferred loss on a bond refunding results when the reacquisition price of the refunded debt exceeds the carrying value. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *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 government has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

## 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 a 20% of operating budget in restricted fund balance. This 20% fund balance should only be used in emergency situations where mid-year unanticipated budgetary shortfalls in excess of 10% of fund revenues arise. Should the use reduce the balance below the appropriate level, recommendations will be made to restore the fund balance to its appropriate level within one fiscal year.

- 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.
- 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.

### 13. Net Position

Net position represents the difference between assets 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 are reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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. Change in Accounting Principles

As the result of implementing GASB Statement Nos. 63 and 65, the City has restated the beginning net position, effectively decreasing net position as of October 1, 2012 by \$794,323 for the governmental activities, by \$364,824 for the business-type activities and proprietary funds. These decreases result from no longer deferring and amortizing bond issuance costs.

Further, the City has restated its long-term liabilities to reflect that components of those liabilities as of October 1, 2012, deferred loss on bond refunding and deferred gain on bond refunding, are now reported as deferred outflows and deferred inflows of resources in the government-wide and proprietary fund financial statements. The effect of this change increases the long-term liabilities of the governmental activities by \$1,244,389, and increases long-term liabilities of the business-type activities by \$190,966. These increases in long-term liabilities correspond to an increase in deferred outflows and deferred inflows of resources.

## 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 \$79,514,429 difference are as follows:

Bonds payable	\$( 70,645,000)
Capital lease	( 1,266,484)
Deferred loss on refunding	1,593,520
Issuance premium (to be amortized as interest expense)	( 2,111,979)
Accrued interest payable	( 238,215)
Compensated absences	( 3,230,400)
Net pension obligation	( 1,504,381)
Net OPEB obligation	<u>( 2,111,490)</u>
 Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	          <u>\$( 79,514,429)</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 \$4,359,603 difference are as follows:

Capital outlay	\$ 7,410,509
Depreciation expense	<u>( 3,050,906)</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>\$ 4,359,603</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 \$110,561 difference are as follows:

Transfer of capital assets from business-type activities	\$ <u>110,561</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><u>110,561</u></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 \$3,484,987 difference are as follows:

Principal repayments	\$ 2,834,648
Issuance of capital lease	( 169,367)
Payment to escrow agent for refunding	27,829,673
Premium on bond issuance	( 2,052,817)
Issuance of refunding debt	( 25,110,000)
Accrued interest	43,979
Amortization of deferred loss on refunding	( 136,970)
Amortization of bond premium	<u>245,841</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><u>3,484,987</u></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 \$646,178 difference are as follows:

Compensated absences	\$( 154,820)
Pension cost	( 65,510)
OPEB cost	<u>( 425,848)</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><u>646,178</u></u> )

### III. DETAILED NOTES ON ALL FUNDS

#### A. Deposits and Investments

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

Description	Maturity Date	Fair Value 09/30/12	% of Total	Weighted Average Maturity (Days)
Local Government Investment				
Pools (2a-7 like pools):				
TexPool	N/A	\$ 25,136,735	41.17%	60
TexStar	N/A	25,168,148	41.22%	52
U. S. Government Securities:				
U.S. Treasury Note	08/13/14	2,041,250	3.34%	335
U.S. Treasury Note	05/31/15	1,959,090	3.21%	608
Federal Home Loan Mortgage Corp	03/21/14	1,000,500	1.64%	172
Federal National Mortgage Association	04/15/14	3,064,980	5.02%	197
Federal Home Loan Mortgage Corp	08/20/14	656,799	1.08%	324
Federal National Mortgage Association	08/28/14	1,005,000	1.65%	332
Federal Home Loan Bank	05/27/15	<u>1,028,700</u>	<u>1.68%</u>	604
Total		<u>10,756,319</u>	<u>17.62%</u>	
Total all investments		<u>\$ 61,061,202</u>	<u>100.00%</u>	

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

*Credit Risk:* 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, 2013, the City’s investment in TexPool and TexStar were rated AAAM by Standard & Poor’s and the U. S. Government Securities were rated AAA by Moody.

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

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, 2013, the City held restricted cash and investments of \$12,233,865 for the following purposes:

Business-type activities:	
Revenue bond debt service	\$ 843,744
Revenue bond reserve	3,996,540
Construction	2,349,022
Water impact fee	3,031,021
Wastewater impact fee	<u>2,013,538</u>
Total business-type activities	<u>12,233,865</u>
Total restricted cash and investments	<u><u>\$ 12,233,865</u></u>

**B. Interfund Receivables, Payables and Transfers**

The composition of interfund balances as of September 30, 2013, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Debt service	General	\$ 3,345

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

Interfund transfers during the year were as follows:

	<u>Transfers In</u>				<u>Total</u>
	<u>General</u>	<u>Debt Service</u>	<u>Other Governmental</u>	<u>Municipal Utility System</u>	
<b>Transfers Out:</b>					
General	\$ -	\$ -	\$ 45,753	\$ -	\$ 45,753
Municipal utility system	6,565,386	-	-	-	6,565,386
Solid waste	461,581	-	500,000	41,581	1,003,162
Stormwater utility	107,000	-	-	-	107,000
Other governmental	<u>-</u>	<u>143,555</u>	<u>235,459</u>	<u>149,516</u>	<u>528,530</u>
<b>Total Transfers</b>	<u>\$ 7,133,967</u>	<u>\$ 143,555</u>	<u>\$ 781,212</u>	<u>\$ 191,097</u>	<u>\$ 8,249,831</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; and 5) to transfer funds from the proprietary funds to the General Fund for administrative services provided by the General Fund.

## C. Capital Assets

Capital asset activity for the year ended September 30, 2013, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Transfers/ Retirements</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 4,689,899	\$ 798,227	\$ -	\$ 5,488,126
Construction in progress	<u>32,568,408</u>	<u>5,153,708</u>	<u>-</u>	<u>37,722,116</u>
Total assets not being depreciated	<u>37,258,307</u>	<u>5,951,935</u>	<u>-</u>	<u>43,210,242</u>
Capital assets, being depreciated:				
Buildings and improvements	14,087,042	81,400	-	14,168,442
Infrastructure	13,159,199	23,033	-	13,182,232
Other improvements	31,740,853	95,147	5,409	31,841,409
Machinery and equipment	<u>8,220,245</u>	<u>1,258,994</u>	<u>426,268</u>	<u>9,905,507</u>
Total capital assets being depreciated	<u>67,207,339</u>	<u>1,458,574</u>	<u>431,677</u>	<u>69,097,590</u>
Less accumulated depreciation:				
Buildings and improvements	( 4,842,057)	( 351,292)	-	( 5,193,349)
Infrastructure	( 8,055,985)	( 499,287)	-	( 8,555,272)
Other improvements	( 4,302,989)	( 1,545,311)	-	( 5,848,300)
Machinery and equipment	<u>( 6,065,548)</u>	<u>( 655,016)</u>	<u>( 321,116)</u>	<u>( 7,041,680)</u>
Total accumulated depreciation	<u>( 23,266,579)</u>	<u>( 3,050,906)</u>	<u>( 321,116)</u>	<u>( 26,638,601)</u>
Total capital assets being depreciated, net	<u>43,940,760</u>	<u>( 1,592,332)</u>	<u>110,561</u>	<u>42,458,989</u>
Governmental activities capital assets, net	<u>\$ 81,199,067</u>	<u>\$ 4,359,603</u>	<u>\$ 110,561</u>	<u>\$ 85,669,231</u>

	Beginning Balance	Additions	Transfers/ Retirements	Ending Balance
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 2,249,797	\$ 264,457	\$ -	\$ 2,514,254
Construction in progress	1,112,688	1,883,744	( 286,762)	2,709,670
Total assets not being depreciated	<u>3,362,485</u>	<u>2,148,201</u>	<u>( 286,762)</u>	<u>5,223,924</u>
Capital assets, being depreciated:				
Buildings and improvements	19,674,290	28,449	-	19,702,739
Other improvements	144,824,026	3,989,378	281,354	149,094,758
Machinery and equipment	<u>7,842,286</u>	<u>766,416</u>	<u>( 1,299,250)</u>	<u>7,309,452</u>
Total capital assets being depreciated	<u>172,340,602</u>	<u>4,784,243</u>	<u>( 1,017,896)</u>	<u>176,106,949</u>
Less accumulated depreciation:				
Buildings and improvements	( 8,724,898)	( 455,862)	-	( 9,180,760)
Other improvements	( 47,827,245)	( 3,703,489)	-	( 51,530,734)
Machinery and equipment	<u>( 5,364,482)</u>	<u>( 607,990)</u>	<u>1,194,097</u>	<u>( 4,778,375)</u>
Total accumulated depreciation	<u>( 61,916,625)</u>	<u>( 4,767,341)</u>	<u>1,194,097</u>	<u>( 65,489,869)</u>
Total capital assets being depreciated, net	<u>110,423,977</u>	<u>16,902</u>	<u>176,201</u>	<u>110,617,080</u>
Business-type activities capital assets, net	<u>\$ 113,786,462</u>	<u>\$ 2,165,103</u>	<u>\$ ( 110,561)</u>	<u>\$ 115,841,004</u>

The City capitalized interest expense of \$26,194 on various construction projects in progress during the year. For the year ended September 30, 2013, the Municipal Utility System's total amount of interest expense was \$1,938,542.

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

Governmental activities:	
General government	\$ 248,318
Public safety	418,365
Public works	1,691,608
Planning and development	3,379
Community development	31,628
Cultural and recreational	<u>657,608</u>
Total depreciation expense - governmental activities	<u>\$ 3,050,906</u>
Business-type activities:	
Electric	\$ 1,820,462
Water	1,918,740
Wastewater	895,471
Sanitation	<u>132,668</u>
Total depreciation expense - business-type activities	<u>\$ 4,767,341</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	\$ 149,972	\$ 97,512	\$ 247,484
Court fines	<u>122,604</u>	<u>-</u>	<u>122,604</u>
Totals	<u>\$ 272,576</u>	<u>\$ 97,512</u>	<u>\$ 370,088</u>

#### **E. Bonds and Certificates of Obligation Payable**

Bonds and certificates of obligation payable at September 30, 2013, 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%.	\$ 3,330,000
\$10,800,000 2007 General Obligation Bonds, for constructing and equipping Fire Station 4 and street improvements, due in annual installments through March 1, 2027, 4.00% - 5.00%.	8,640,000
\$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%.	2,465,000
\$25,130,000 2010 General Obligation Refunding Bonds, to refund and restructure the City's General Obligation Bonds, Series 2000, Tax and Utility System Surplus Revenue Certificates of Obligation, Series 2001, and a portion of the Tax and Utility System Revenue Certificates of Obligation, Series 2007, due in annual installments through March 1, 2028, 2.00% - 4.35%.	24,665,000
\$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%.	8,240,000
\$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%.	<u>23,305,000</u>
Total governmental activities	<u>\$ 70,645,000</u>

**Business-type activities**

\$21,055,000 2005 Utility System Refunding Bonds, to refund a portion of the 1999 Utility System Revenue Bonds, due in annual installments through September 1, 2018, 3.00% - 5.00% .	\$ 12,195,000
\$20,000,000 2006 Utility System Revenue Bonds, for improvements and extensions to the City's water, wastewater, and electric systems, due in annual installments through September 1, 2026, 4.00% - 5.125%.	19,105,000
\$6,575,000 2008 Utility System Refunding Bonds, to refund a portion of the 1996 Utility System Refunding Bonds and to refund the 1999 Utility System Refunding/Improvement Bonds due in annual installments through September 1, 2018, 3.46%.	<u>3,285,000</u>
	<u>\$ 34,585,000</u>

The annual debt payment requirements for bonds payable as of September 30, 2013, are as follows:

**Governmental Activities**

Fiscal Year	General Obligation		Certificates of Obligation		Total
	Principal	Interest	Principal	Interest	
2014	\$ 2,995,000	\$ 2,045,640	\$ 550,000	\$ 574,949	\$ 6,165,589
2015	3,100,000	1,970,321	565,000	555,325	6,190,646
2016	3,345,000	1,865,537	590,000	534,912	6,335,449
2017	3,475,000	1,729,721	650,000	512,836	6,367,557
2018	3,735,000	1,601,471	675,000	489,084	6,500,555
2019-2023	19,150,000	6,130,488	3,810,000	2,004,240	31,094,728
2024-2028	20,810,000	1,812,090	4,280,000	1,085,796	27,987,886
2029-2033	-	-	2,615,000	367,762	2,982,762
2034-2038	-	-	300,000	6,750	306,750
	<u>\$ 56,610,000</u>	<u>\$ 17,155,268</u>	<u>\$ 14,035,000</u>	<u>\$ 6,131,654</u>	<u>\$ 93,931,922</u>

**Business-type Activities**

Fiscal Year	Revenue Bonds		
	Principal	Interest	Total
2014	\$ 2,985,000	\$ 1,655,752	\$ 4,640,752
2015	3,115,000	1,517,523	4,632,523
2016	3,255,000	1,372,909	4,627,909
2017	3,390,000	1,243,486	4,633,486
2018	3,545,000	1,085,733	4,630,733
2019-2023	11,780,000	3,405,315	15,185,315
2024-2028	<u>6,515,000</u>	<u>676,226</u>	<u>7,191,226</u>
	<u>\$ 34,585,000</u>	<u>\$ 10,956,944</u>	<u>\$ 45,541,944</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, 2013.

	<u>Required</u>	<u>Actual</u>
Reserve fund	\$ <u>3,987,280</u>	\$ <u>3,996,540</u>
Total, September 30, 2013	\$ <u><u>3,987,280</u></u>	\$ <u><u>3,996,540</u></u>
Bond fund	\$ <u>448,646</u>	\$ <u>843,744</u>
Total, September 30, 2013	\$ <u><u>448,646</u></u>	\$ <u><u>843,744</u></u>

### **Bond Refunding**

The City issued \$25,110,000 of general obligation refunding bonds to refund and defease certain maturities of its existing outstanding bond issuances. The refunding allowed the City to restructure future debt payments in order to extend their maturities. The refunding resulted in a decrease in total debt service payments in the next 10 years by \$5,172,693 which equates to a \$3,734,455 economic gain. The refunding provided resources to purchase direct obligations of the U.S. Government that were placed in a separate irrevocable trust for the purpose of generating resources for all future debt service payments of the debt being refunded. As a result, the bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net position in the government-wide financial statements. The difference between the reacquisition price and the net carrying amount of the old debt (deferred amount on refunding of \$486,101) 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, 2013, no bonds were defeased.

**F. Notes Payable**

Business-type activity notes payable at September 30, 2013, consisted of the following:

Bank of America:

2009 Tax Notes, for improvements to the City's electric system due in annual installments through March 1, 2015, 3.63%. \$ 215,000

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. 206,105

March 2009, the City received a State Infrastructure Bank Loan in the amount of \$70,000. Payable in five annual installments of \$15,504, including interest at 3.5% for sewer line relocation along FM 51. 14,979

February 2012, the City received a State Infrastructure Bank Loan in the amount of \$650,000. Payable in five annual installments of \$101,034, including interest at 2.45% for sewer line relocation along FM 51/SH 171. 469,197

\$ 905,281

The annual debt payment requirements for the business-type activity notes payable as of September 30, 2013, are as follows:

Fiscal Year	Notes Payable		
	Principal	Interest	Totals
2014	\$ 241,852	\$ 24,646	\$ 266,498
2015	235,308	16,784	252,092
2016	128,844	11,252	140,096
2017	132,483	7,612	140,095
2018	129,163	3,949	133,112
2019-2023	<u>37,631</u>	<u>1,430</u>	<u>39,061</u>
	<u>\$ 905,281</u>	<u>\$ 65,673</u>	<u>\$ 970,954</u>

## **G. Capital Lease Obligation**

The City has entered into lease agreements as lessee for financing the acquisition of computers and building improvements. 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 computers were acquired through a capital lease and were below the City's capitalization threshold; therefore, the computers were not capitalized. The building improvements were capitalized in the governmental and business-type activities for \$963,023 and \$540,526, respectively. As of September 30, 2013, the building improvements have accumulated depreciation of \$26,082 and \$14,639, respectively, and have a book value of \$936,941 and \$525,887, respectively.

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2013, were as follows:

	<u>Governmental Activities</u>
2014	\$ 178,201
2015	237,258
2016	122,145
2017	122,337
2018	81,476
2019-2023	407,526
2024-2028	<u>326,095</u>
Total minimum lease payments	1,475,038
Less: amount representing interest	<u>( 208,554)</u>
Present value of minimum lease payments	<u>\$ 1,266,484</u>

	<u>Business-type Activities</u>
2014	\$ 45,731
2015	45,731
2016	45,731
2017	45,731
2018	45,731
2019-2023	228,736
2024-2028	<u>183,031</u>
Total minimum lease payments	640,422
Less: amount representing interest	<u>( 108,739)</u>
Present value of minimum lease payments	<u>\$ 531,683</u>

## H. Long-term Liability Activity

Long-term liability activity for the year ended September 30, 2013, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
Bonds payable:					
General obligations	\$ 33,895,000	\$ 25,110,000	\$ 2,395,000	\$ 56,610,000	\$ 2,995,000
Certificates of obligation	41,655,000	-	27,620,000	14,035,000	550,000
Issuance premium	<u>558,447</u>	<u>2,052,817</u>	<u>499,285</u>	<u>2,111,979</u>	<u>245,841</u>
Total bonds payable	76,108,447	27,162,817	30,514,285	72,756,979	3,790,841
Capital lease obligation	1,241,765	169,367	144,648	1,266,484	144,658
OPEB obligation	1,685,642	652,532	226,684	2,111,490	-
Pension obligation	1,438,871	2,254,936	2,189,426	1,504,381	-
Compensated absences	<u>3,075,580</u>	<u>1,452,930</u>	<u>1,298,110</u>	<u>3,230,400</u>	<u>484,560</u>
Governmental activities long-term liabilities	<u>\$ 83,550,305</u>	<u>\$ 31,692,582</u>	<u>\$ 34,373,153</u>	<u>\$ 80,869,734</u>	<u>\$ 4,420,059</u>

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Business-type activities:</b>					
Bonds payable:					
Revenue bonds	\$ 37,425,000	\$ -	\$ 2,840,000	\$ 34,585,000	\$ 2,985,000
Issuance premium	<u>1,077,473</u>	<u>-</u>	<u>124,803</u>	<u>952,670</u>	<u>124,805</u>
Total bonds payable	38,502,473	-	2,964,803	35,537,670	3,109,805
Tax note	315,000	-	100,000	215,000	105,000
State infrastructure loans	846,416	-	156,135	690,281	136,852
Capital lease obligation	589,017	-	57,348	531,669	16,267
OPEB obligation	783,762	305,068	101,677	987,153	-
Pension obligation	574,321	890,035	867,966	596,390	-
Compensated absences	<u>1,071,637</u>	<u>375,390</u>	<u>353,492</u>	<u>1,093,535</u>	<u>164,030</u>
Business-type activities long-term liabilities	<u>\$ 42,682,626</u>	<u>\$ 1,570,493</u>	<u>\$ 4,601,421</u>	<u>\$ 39,651,698</u>	<u>\$ 3,531,954</u>

## IV. OTHER INFORMATION

### A. Retirement Plan

#### Plan Description

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

TMRS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information (RSI) for TMRS; the report also provides detailed explanations of the contributions, benefits and actuarial methods and assumptions used by the System. This report may be obtained from TMRS' website at [www.TMRS.com](http://www.TMRS.com).

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

	<u>Plan Year 2012</u>	<u>Plan Year 2013</u>
Employee deposit rate	7.0%	7.0%
Matching ratio (city to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service retirement eligibility (expressed as age/years of service)	60/5, 0/20	60/5, 0/20
Updated service credit	100% repeating, transfers	100% repeating, transfers
Annuity increase (to retirees)	70% of CPI repeating	70% of CPI repeating

## Contributions

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

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

Fiscal Year	<u>2013</u>
Annual required contribution (ARC)	\$ 3,127,860
Interest on net pension obligation	140,923
Adjustment to ARC	<u>( 123,813)</u>
Annual pension cost	3,144,970
Contributions made	<u>( 3,057,391)</u>
Change in net pension obligation	87,579
Net pension obligation, beginning of year	<u>2,013,192</u>
Net pension obligation, end of year	<u>\$ 2,100,771</u>
Percentage of APC contributed	97%

### Three-year Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Annual Contribution Made	Percentage of APC Contributed	Net Pension Obligation
09/30/2011	\$ 3,476,369	\$ 2,857,839	82%	\$ 1,756,836
09/30/2012	3,165,797	2,909,441	92%	2,013,192
09/30/2013	3,144,970	3,057,391	97%	2,100,771

The required contribution rates for fiscal year 2013 were determined as part of the December 31, 2010 and 2011 actuarial valuations. Additional information as of the latest actuarial valuation, December 31, 2012, also follows:

Actuarial Valuation Date	12/31/10	12/31/11	12/31/12
Actuarial cost method	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
Amortization method	Level percent of payroll	Level percent of payroll	Level percent of payroll
GASB 25 equivalent single amortization period	27.2 years; closed period	26.2 years; closed period	25.2 years; closed period
Amortization period for new gains/losses	30 years	30 years	30 years
Asset valuation method	10-year smoothed market	10-year smoothed market	10-year smoothed market
Actuarial Assumptions:			
Investment rate of return*	7.5%	7.0%	7.0%
Projected salary increases*	varies by age and service	varies by age and service	varies by age and service
*Includes inflation at	3.0%	3.0%	3.0%
Cost-of-living adjustments	2.1%	2.1%	2.1%

### Funded Status and Funding Progress

The funded status as of December 31, 2012, the most recent actuarial date, is presented as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/12	\$ 70,899,980	\$ 87,798,347	\$ 16,898,367	80.8%	\$ 17,909,673	94.4%

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

Actuarial calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each valuation, and reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. The schedule of funding progress presented as Required Supplementary Information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability of benefits.

## **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, 2013, is as follows:

Annual required contribution	\$ 949,431
Interest on OPEB obligation	111,123
Adjustment to ARC	<u>( 102,954)</u>
Annual OPEB cost	957,600
Net estimated employer contributions	<u>( 328,361)</u>
Increase in net OPEB obligation	629,239
Net OPEB obligation, beginning of year	<u>2,469,404</u>
Net OPEB obligation, end of year	<u><u>\$ 3,098,643</u></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>
9/30/2011	\$ 900,509	\$ 295,480	33.8%	\$ 1,850,684
9/30/2012	929,403	310,683	33.4%	2,469,404
9/30/2013	957,600	328,361	34.3%	3,098,643

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>
12/31/2012	\$ -	\$ 11,451,759	\$ 11,451,759	- %	\$ 17,909,673	63.94%

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 2012 actuarial valuation is the most recent actuarial valuation available, and the 2008, 2010, and 2012 actuarial valuations are the only one's performed.

Actuarial Methods and Assumptions

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

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

Inflation rate	3.00% per annum
Investment rate of return	4.50%, 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 7.50% declining to an ultimate rate of 4.50% after 8 years

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the 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 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 2013, 2012 and 2011, were \$29,374, \$31,129 and \$37,773, 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	5,000
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. Commitments**

On February 24, 2009, the City Council approved a contract with Ed Bell Construction in the amount of \$24,849,879 for the Interstate 20 west and east bound frontage roads between Highway 171/FM51 to FM 2552 and ramps, U-turns and a bridge for Holland Lake Road. This project is being funded with certificate of obligation bonds and is scheduled for completion in November 2013. As of September 30, 2013, work completed and billed totaled \$24,267,028.

On November 22, 2011, the City Council approved a contract with Jay Mills Contracting in the amount of \$7,675,026 for the widening of State Highway 171, South Main Street from Interstate Highway 20 to a point 0.127 miles north of Farm to Market Highway 1884. This project is being funded with certificate of obligation bonds and is scheduled for completion in October 2014. As of September 30, 2013, work completed and billed totaled \$6,270,364.

## **G. Derivative Instruments**

The City owns and operates its own electric distribution system and purchases all of its power from a wholesale supplier with the exception of small amounts generated by City-owned gas/diesel-fired generators during emergencies. In an effort to mitigate the financial and market risk associated with the purchase of energy and congestion price volatility, the City has established a Risk Management Program. This program was authorized by the Weatherford Municipal Utility Board and is led by the 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. These contracts are typically settled in cash. In order to hedge the City's 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, annually and monthly at market value. These instruments exhibit all three of the characteristics of settlement, leverage, and net settlement to classify them as derivative instruments. As of September 30, 2013, the CRRs had a fair value of \$84,094 and are reported as a derivative instrument. The fair value is an estimate of the forward mark-to-market value of CRR options held based on weighted CRR auction clearing prices and day-ahead market prices. The change in fair value of \$30,768 is reported as a deferred outflow of resources.

*Credit Risk.* The City's over-the-counter agreements for natural gas and energy expose the City to credit risk. In the event of default, the City's operations will not be materially affected. However, the City does not expect the wholesale power supplier to fail to meet their obligations. The City maintains contracts with contractual provisions under the ISDA (International Swaps and Derivatives Association), EEI (Edison Electric Institute), and NAESB (North American Energy Standards Board) agreements. As of September 30, 2013, the City had outstanding forward purchase contracts extending through January 31, 2014 that are expected to be settled in cash. The City monitors the credit ratings of all of its wholesale power suppliers to adhere to the City's Risk Management Policy. Any wholesale power supplier that does not have at least a BBB- credit rating must be approved by the Risk Management Committee. The congestion revenue rights expose the City to custodial credit risk in the event of default or nonperformance by ERCOT. In the event of default or nonperformance, the City's operations will not be materially affected. However, the City does not expect ERCOT to fail in meeting their obligations as they are a regulatory entity of the State of Texas.

*Basis Risk.* The City is exposed to basis risk on its natural gas hedges because the expected commodity purchases being hedged will price based on NYMEX (Henry Hub) and the financial hedging contract is based on a fixed price. At September 30, 2013, the City has natural gas hedges outstanding that extend to January 31, 2014. As of September 30, 2013, the NYMEX price per MMBtu was \$3.56, and the locked rate was \$4.34 and \$4.42 for the month of December 2013 and January 2014, respectively. The volume for each month was 8,265 MWh and 10,214 MWh. Changes in the fair value of the hedging instrument was \$155,428 and reported as a deferred outflow of resources.

*Termination Risk.* Termination risk is the risk that a derivative will terminate prior to its scheduled maturity date due to a contractual event. Contractual events include illegality, tax and credit events upon merger and other events. The City’s exposure to termination risk for over-the counter agreements is minimal due to the high credit rating of the counterparties, and the contractual provisions under the ISDA, EEI, and NAESB agreements applied to these contracts. Termination risk is associated with all of the City’s derivatives up to their fair value of the instrument.

During the year ended September 30, 2013, the total KWHs purchased, total cost, and cost per KWH were as follows:

<u>Power Supplier</u>	<u>KWH Purchased</u>	<u>Total Cost</u>	<u>Cost Per KWH</u>
American Electric Power	<u>398,321,449</u>	<u>\$ 18,312,494</u>	<u>\$ 0.0460</u>

**H. New Accounting Principles**

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

Statement No. 68 (“GASB 68”), Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27, is effective for periods beginning after June 15, 2014. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

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**REQUIRED  
SUPPLEMENTARY INFORMATION**

**CITY OF WEATHERFORD, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 15,547,610	\$ 15,547,610	\$ 16,035,038	\$ 487,428
Licenses and permits	442,964	442,964	524,009	81,045
Intergovernmental	396,624	396,624	407,852	11,228
Charges for services	1,178,371	1,178,371	1,204,576	26,205
Fines and forfeitures	564,600	564,600	498,697	( 65,903)
Contributions	-	-	24,898	24,898
Investment earnings	15,000	15,000	16,157	1,157
Miscellaneous	212,000	214,026	76,063	( 137,963)
Total revenues	<u>18,357,169</u>	<u>18,359,195</u>	<u>18,787,290</u>	<u>428,095</u>
<b>EXPENDITURES</b>				
Current:				
General government				
City council	74,550	109,550	44,765	64,785
Administration	644,861	689,861	639,662	50,199
Economic development	188,614	188,614	172,599	16,015
Human resources	331,362	331,362	322,802	8,560
Management and budget	238,681	236,681	232,734	3,947
Finance	485,208	485,208	453,756	31,452
Facilities maintenance	533,976	523,976	494,272	29,704
City attorney	151,490	146,490	81,999	64,491
Municipal court	350,240	350,240	331,733	18,507
Information technology	1,583,433	1,864,183	1,813,589	50,594
Non-departmental	883,185	1,299,156	604,573	694,583
Total general government	<u>5,465,600</u>	<u>6,225,321</u>	<u>5,192,484</u>	<u>1,032,837</u>
Public safety				
Police services	7,448,057	7,512,782	7,181,725	331,057
Fire	5,540,996	5,580,996	5,682,838	( 101,842)
Total public safety	<u>12,989,053</u>	<u>13,093,778</u>	<u>12,864,563</u>	<u>229,215</u>
Public works				
Transportation and public works	458,424	765,424	617,576	147,848
Field operations/inspections	121,953	121,953	120,986	967
Traffic control	180,444	180,444	179,626	818
Street maintenance	2,343,990	2,348,016	2,350,942	( 2,926)
Vehicle/equipment maintenance	172,407	172,407	162,464	9,943
Total public works	<u>3,277,218</u>	<u>3,588,244</u>	<u>3,431,594</u>	<u>156,650</u>
Planning and development	734,207	734,207	716,295	17,912

**CITY OF WEATHERFORD, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		(Negative)
Community development				
Animal control	\$ 974,730	\$ 974,730	\$ 875,668	\$ 99,062
Code/Health enforcement	195,844	195,844	177,799	18,045
Total community development	<u>1,170,574</u>	<u>1,170,574</u>	<u>1,053,467</u>	<u>117,107</u>
Health and welfare				
Environmental health	88,423	113,423	95,072	18,351
Parker County committee on aging	56,000	56,000	55,000	1,000
Total health and welfare	<u>144,423</u>	<u>169,423</u>	<u>150,072</u>	<u>19,351</u>
Cultural and recreation				
Parks	1,326,174	1,323,174	1,337,707	( 14,533)
Recreation	421,581	421,581	429,686	( 8,105)
Municipal and community services	130,990	130,990	236,625	( 105,635)
Library	1,094,111	1,094,111	1,097,200	( 3,089)
First Monday	923,872	936,872	931,556	5,316
Public market	-	-	98	( 98)
Total cultural and recreation	<u>3,896,728</u>	<u>3,906,728</u>	<u>4,032,872</u>	<u>( 126,144)</u>
Total expenditures	<u>27,677,803</u>	<u>28,888,275</u>	<u>27,441,347</u>	<u>1,446,928</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>( 9,320,634)</u>	<u>( 10,529,080)</u>	<u>( 8,654,057)</u>	<u>1,875,023</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Capital lease	-	-	169,367	169,367
Sale of general capital assets	1,000	1,000	73,611	72,611
Insurance recoveries	-	-	6,875	6,875
Transfers in	7,059,474	7,676,474	7,133,967	( 542,507)
Transfers out	<u>( 75,753)</u>	<u>( 75,753)</u>	<u>( 45,753)</u>	<u>30,000</u>
Total other financing sources and uses	<u>6,984,721</u>	<u>7,601,721</u>	<u>7,338,067</u>	<u>( 263,654)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>( 2,335,913)</u>	<u>( 2,927,359)</u>	<u>( 1,315,990)</u>	<u>1,611,369</u>
<b>FUND BALANCE, BEGINNING</b>	<u>14,119,679</u>	<u>14,119,679</u>	<u>14,119,679</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 11,783,766</u>	<u>\$ 11,192,320</u>	<u>\$ 12,803,689</u>	<u>\$ 1,611,369</u>

**CITY OF WEATHERFORD, TEXAS**

**NOTES TO BUDGETARY SCHEDULES**

**SEPTEMBER 30, 2013**

**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, 2013, the City incurred expenditures in excess of appropriations within the following funds:

General fund:	
Fire	\$ 101,842
Street maintenance	2,926
Parks	14,533
Recreation	8,105
Municipal and community services	105,635
Library	3,089
Public market	98
Special revenue fund:	
State foreclosure fund	2,240

**CITY OF WEATHERFORD, TEXAS**

**REQUIRED SUPPLEMENTARY INFORMATION  
TEXAS MUNICIPAL RETIREMENT SYSTEM  
SCHEDULE OF FUNDING PROGRESS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

<u>Year</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Annual Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll ((b-a)/c)</u>
12/31/2010	59,110,509	78,326,714	19,216,205	75.5%	18,077,202	106.3%
12/31/2011	64,824,032	83,255,041	18,431,009	77.9%	17,280,980	106.7%
12/31/2012	70,899,980	87,798,347	16,898,367	80.8%	17,909,673	94.4%

**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, 2013**

<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>
12/31/2008	\$ -	\$ 10,339,130	\$ 10,339,130	0.0%	\$ 16,311,246	63.39%
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%

**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.

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

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

*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.

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

*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.

## **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, 2013**

	Special Revenue Funds		
	State Forfeiture	Federal Forfeiture	Weatherford Beautification
<b>ASSETS</b>			
Cash and investments	\$ 64,600	\$ 659,385	\$ 2,401
Accounts receivable	-	-	-
Prepays	-	-	-
Total assets	\$ 64,600	\$ 659,385	\$ 2,401
<b>LIABILITIES</b>			
Accounts payable	\$ 165	\$ 22,505	\$ -
Retainage payable	-	-	-
Accrued liabilities	-	-	-
Deposits and escrows	-	-	-
Unearned revenue	-	-	-
Total liabilities	165	22,505	-
<b>FUND BALANCES</b>			
Nonspendable- Doss library	-	-	-
Restricted:			
Capital projects	-	-	-
Culture and recreation	-	-	-
Public safety	64,435	636,880	-
Community development	-	-	2,401
Committed:			
Capital projects	-	-	-
Park development	-	-	-
Culture and recreation	-	-	-
Community development	-	-	-
Total fund balances	64,435	636,880	2,401
Total liabilities and fund balances	\$ 64,600	\$ 659,385	\$ 2,401

Special Revenue Funds

Hotel/Motel Tax	Chandor Gardens	SFX Grant	Weatherford Aerospace Grant	Court Technology	Main Street Project	Court Security
\$ 527,334	\$ 117,938	\$ -	\$ -	\$ 33,021	\$ 4,625	\$ 39,245
160,093	-	3,728	-	-	-	-
500	-	-	-	-	-	-
<u>\$ 687,927</u>	<u>\$ 117,938</u>	<u>\$ 3,728</u>	<u>\$ -</u>	<u>\$ 33,021</u>	<u>\$ 4,625</u>	<u>\$ 39,245</u>
\$ 6,013	\$ 2,723	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
14,657	10,953	-	-	-	-	-
-	8,250	-	-	-	-	-
-	-	1,864	-	-	-	-
<u>20,670</u>	<u>21,926</u>	<u>1,864</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	33,021	-	39,245
667,257	-	1,864	-	-	4,625	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	96,012	-	-	-	-	-
<u>667,257</u>	<u>96,012</u>	<u>1,864</u>	<u>-</u>	<u>33,021</u>	<u>4,625</u>	<u>39,245</u>
<u>\$ 687,927</u>	<u>\$ 117,938</u>	<u>\$ 3,728</u>	<u>\$ -</u>	<u>\$ 33,021</u>	<u>\$ 4,625</u>	<u>\$ 39,245</u>

**CITY OF WEATHERFORD, TEXAS**

**COMBINING BALANCE SHEET**

**NONMAJOR GOVERNMENTAL FUNDS**

**SEPTEMBER 30, 2013**

	Special Revenue Funds		
	Library	Animal Shelter	Juvenile Case Manager
<b>ASSETS</b>			
Cash and investments	\$ 75,740	\$ 67,988	\$ 3,279
Accounts receivable	-	-	-
Prepays	-	-	-
Total assets	\$ 75,740	\$ 67,988	\$ 3,279
<b>LIABILITIES</b>			
Accounts payable	\$ 16	\$ -	\$ -
Retainage payable	-	-	-
Accrued liabilities	-	-	-
Deposits and escrows	-	-	-
Unearned revenue	-	-	-
Total liabilities	16	-	-
<b>FUND BALANCES</b>			
Nonspendable- Doss library	-	-	-
Restricted:			
Capital projects	-	-	-
Culture and recreation	-	-	-
Public safety	-	-	3,279
Community development	-	-	-
Committed:			
Capital projects	-	-	-
Park development	-	-	-
Culture and recreation	75,724	67,988	-
Community development	-	-	-
Total fund balances	75,724	67,988	3,279
Total liabilities and fund balances	\$ 75,740	\$ 67,988	\$ 3,279

Capital Projects Funds

Capital Projects	Park	Park Development	Series 2006 C. O.	Series 2007 C. O.	Series 2007 G. O.	Series 2008 C. O.
\$ 3,590,024	\$ 28,658	\$ 284,844	\$ 354,386	\$ 4,855,228	\$ 1,619,924	\$ 820,203
29,263	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 3,619,287</u>	<u>\$ 28,658</u>	<u>\$ 284,844</u>	<u>\$ 354,386</u>	<u>\$ 4,855,228</u>	<u>\$ 1,619,924</u>	<u>\$ 820,203</u>
\$ 131,706	\$ -	\$ 7,599	\$ -	\$ 694	\$ -	\$ -
8,048	-	-	-	1,205,303	-	-
1,452	-	-	-	3,254	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>141,206</u>	<u>-</u>	<u>7,599</u>	<u>-</u>	<u>1,209,251</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	354,386	3,645,977	1,619,924	820,203
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
3,478,081	-	-	-	-	-	-
-	-	277,245	-	-	-	-
-	-	-	-	-	-	-
-	28,658	-	-	-	-	-
<u>3,478,081</u>	<u>28,658</u>	<u>277,245</u>	<u>354,386</u>	<u>3,645,977</u>	<u>1,619,924</u>	<u>820,203</u>
<u>\$ 3,619,287</u>	<u>\$ 28,658</u>	<u>\$ 284,844</u>	<u>\$ 354,386</u>	<u>\$ 4,855,228</u>	<u>\$ 1,619,924</u>	<u>\$ 820,203</u>

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**CITY OF WEATHERFORD, TEXAS**

**COMBINING BALANCE SHEET**

**NONMAJOR GOVERNMENTAL FUNDS**

**SEPTEMBER 30, 2013**

	<u>Permanent</u>	Total
	Doss	Nonmajor
	Library	Governmental
		<u>Funds</u>
<b>ASSETS</b>		
Cash and investments	\$ 50,069	\$ 13,198,892
Accounts receivable	-	193,084
Prepays	-	500
Total assets	<u>\$ 50,069</u>	<u>\$ 13,392,476</u>
<b>LIABILITIES</b>		
Accounts payable	\$ -	\$ 171,421
Retainage payable	-	1,213,351
Accrued liabilities	-	30,316
Deposits and escrows	-	8,250
Unearned revenue	-	1,864
Total liabilities	<u>-</u>	<u>1,425,202</u>
<b>FUND BALANCES</b>		
Nonspendable- Doss library	50,000	50,000
Restricted:		
Capital projects	-	6,440,490
Culture and recreation	69	69
Public safety	-	776,860
Community development	-	676,147
Committed:		
Capital projects	-	3,478,081
Park development	-	277,245
Culture and recreation	-	143,712
Community development	-	124,670
Total fund balances	<u>50,069</u>	<u>11,967,274</u>
Total liabilities and fund balances	<u>\$ 50,069</u>	<u>\$ 13,392,476</u>

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

**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	Special Revenue Funds		
	State Forfeiture	Federal Forfeiture	Weatherford Beautification
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ -
Charges for services	-	-	-
Fines and forfeitures	21,347	304,126	-
Contributions	-	-	-
Royalties and rental	-	-	-
Investment earnings	67	421	3
Miscellaneous	-	-	-
Total revenues	<u>21,414</u>	<u>304,547</u>	<u>3</u>
<b>EXPENDITURES</b>			
Current:			
General government	-	-	-
Public safety	17,240	49,864	-
Public works	-	-	-
Community development	-	-	-
Cultural and recreational	-	-	-
Capital outlay	-	22,620	-
Debt service:			
Principal	-	-	-
Interest and other	-	-	-
Total expenditures	<u>17,240</u>	<u>72,484</u>	<u>-</u>
<b>EXCESS (DEFICIENCY OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>4,174</u>	<u>232,063</u>	<u>3</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Sale of general capital assets	2,625	-	-
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>2,625</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	6,799	232,063	3
<b>FUND BALANCES, BEGINNING</b>	<u>57,636</u>	<u>404,817</u>	<u>2,398</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 64,435</u>	<u>\$ 636,880</u>	<u>\$ 2,401</u>

Special Revenue Funds

Hotel/Motel Tax	Chandor Gardens	SFX Grant	Weatherford Aerospace Grant	Court Technology	Main Street Project	Court Security
\$ 659,759	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	89,172	-	-	-	-	-
-	-	-	-	15,140	-	11,298
-	365	-	-	-	-	-
-	-	22,368	13,875	-	5,835	-
488	105	-	-	28	9	36
-	-	-	-	-	-	-
<u>660,247</u>	<u>89,642</u>	<u>22,368</u>	<u>13,875</u>	<u>15,168</u>	<u>5,844</u>	<u>11,334</u>
103,478	-	22,368	13,875	3,413	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	1,219	-
143,100	306,619	-	-	-	-	-
-	27,109	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>246,578</u>	<u>333,728</u>	<u>22,368</u>	<u>13,875</u>	<u>3,413</u>	<u>1,219</u>	<u>-</u>
<u>413,669</u>	<u>( 244,086)</u>	<u>-</u>	<u>-</u>	<u>11,755</u>	<u>4,625</u>	<u>11,334</u>
-	-	-	-	-	-	-
-	271,112	-	-	-	-	-
<u>( 378,914)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>( 378,914)</u>	<u>271,112</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
34,755	27,026	-	-	11,755	4,625	11,334
<u>632,502</u>	<u>68,986</u>	<u>1,864</u>	<u>-</u>	<u>21,266</u>	<u>-</u>	<u>27,911</u>
<u>\$ 667,257</u>	<u>\$ 96,012</u>	<u>\$ 1,864</u>	<u>\$ -</u>	<u>\$ 33,021</u>	<u>\$ 4,625</u>	<u>\$ 39,245</u>

**CITY OF WEATHERFORD, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	Special Revenue Funds		
	Library	Animal Shelter	Juvenile Case Manager
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ -
Charges for services	12,791	-	-
Fines and forfeitures	-	-	480
Contributions	4,597	33,622	-
Royalties and rental	-	-	-
Investment earnings	70	62	4
Miscellaneous	-	1,400	-
Total revenues	<u>17,458</u>	<u>35,084</u>	<u>484</u>
<b>EXPENDITURES</b>			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Community development	-	4,410	-
Cultural and recreational	11,081	-	-
Capital outlay	-	-	-
Debt service:			
Principal	-	-	-
Interest and other	-	-	-
Total expenditures	<u>11,081</u>	<u>4,410</u>	<u>-</u>
<b>EXCESS (DEFICIENCY OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>6,377</u>	<u>30,674</u>	<u>484</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Sale of general capital assets	-	-	-
Transfers in	100	-	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>100</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	6,477	30,674	484
<b>FUND BALANCES, BEGINNING</b>	<u>69,247</u>	<u>37,314</u>	<u>2,795</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 75,724</u>	<u>\$ 67,988</u>	<u>\$ 3,279</u>

Capital Project Funds

General Capital Projects	Park	Park Development	Series 2006 C. O.	Series 2007 C. O.	Series 2007 G. O.	Series 2008 C. O.
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	29,650	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
134,635	-	-	-	-	-	-
3,951	15	247	357	4,801	1,632	825
-	2,628	97,125	-	-	-	-
<u>138,586</u>	<u>32,293</u>	<u>97,372</u>	<u>357</u>	<u>4,801</u>	<u>1,632</u>	<u>825</u>
76,375	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	61,507	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
414,509	-	24,805	-	125,996	-	-
-	38,981	-	-	-	-	-
-	1,881	-	-	-	-	-
<u>490,884</u>	<u>40,862</u>	<u>24,805</u>	<u>-</u>	<u>187,503</u>	<u>-</u>	<u>-</u>
( 352,298)	( 8,569)	72,567	357	( 182,702)	1,632	825
-	-	-	-	-	-	-
500,000	10,000	-	-	-	-	-
( 149,516)	-	-	-	-	-	-
<u>350,484</u>	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
( 1,814)	1,431	72,567	357	( 182,702)	1,632	825
<u>3,479,895</u>	<u>27,227</u>	<u>204,678</u>	<u>354,029</u>	<u>3,828,679</u>	<u>1,618,292</u>	<u>819,378</u>
<u>\$ 3,478,081</u>	<u>\$ 28,658</u>	<u>\$ 277,245</u>	<u>\$ 354,386</u>	<u>\$ 3,645,977</u>	<u>\$ 1,619,924</u>	<u>\$ 820,203</u>

**CITY OF WEATHERFORD, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	Permanent	Total
	Doss	Nonmajor
	Library	Governmental
		Funds
<b>REVENUES</b>		
Taxes	\$ -	\$ 659,759
Charges for services	-	131,613
Fines and forfeitures	-	352,391
Contributions	-	38,584
Royalties and rental	-	176,713
Investment earnings	48	13,169
Miscellaneous	-	101,153
Total revenues	48	1,473,382
<b>EXPENDITURES</b>		
Current:		
General government	-	219,509
Public safety	-	67,104
Public works	-	61,507
Community development	-	5,629
Cultural and recreational	-	460,800
Capital outlay	-	615,039
Debt service:		
Principal	-	38,981
Interest and other	-	1,881
Total expenditures	-	1,470,450
<b>EXCESS (DEFICIENCY OF REVENUES</b>		
<b>OVER (UNDER) EXPENDITURES</b>	48	2,932
<b>OTHER FINANCING SOURCES (USES)</b>		
Sale of general capital assets	-	2,625
Transfers in	-	781,212
Transfers out	( 100)	( 528,530)
Total other financing sources (uses)	( 100)	255,307
<b>NET CHANGE IN FUND BALANCES</b>	( 52)	258,239
<b>FUND BALANCES, BEGINNING</b>	50,121	11,709,035
<b>FUND BALANCES, ENDING</b>	\$ 50,069	\$ 11,967,274

**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, 2013**

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Fines and forfeitures	\$ 5,000	\$ 5,000	\$ 21,347	\$ 16,347
Investment earnings	<u>80</u>	<u>80</u>	<u>67</u>	<u>( 13)</u>
Total revenues	<u>5,080</u>	<u>5,080</u>	<u>21,414</u>	<u>16,334</u>
 <b>EXPENDITURES</b>				
Current:				
Public safety	<u>15,000</u>	<u>15,000</u>	<u>17,240</u>	<u>( 2,240)</u>
Total expenditures	<u>15,000</u>	<u>15,000</u>	<u>17,240</u>	<u>( 2,240)</u>
 <b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	 <u>( 9,920)</u>	 <u>( 9,920)</u>	 <u>4,174</u>	 <u>14,094</u>
 <b>OTHER FINANCING SOURCES</b>				
Sale of capital assets	<u>-</u>	<u>-</u>	<u>2,625</u>	<u>2,625</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>2,625</u>	<u>2,625</u>
 <b>NET CHANGE IN FUND BALANCE</b>	 <u>( 9,920)</u>	 <u>( 9,920)</u>	 <u>6,799</u>	 <u>16,719</u>
 <b>FUND BALANCE, BEGINNING</b>	 <u>57,636</u>	 <u>57,636</u>	 <u>57,636</u>	 <u>-</u>
 <b>FUND BALANCE, ENDING</b>	 <u>\$ 47,716</u>	 <u>\$ 47,716</u>	 <u>\$ 64,435</u>	 <u>\$ 16,719</u>

**CITY OF WEATHERFORD, TEXAS**

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

**FEDERAL FORFEITURE FUND**

**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Fines and forfeitures	\$ 30,000	\$ 30,000	\$ 304,126	\$ 274,126
Investment earnings	<u>500</u>	<u>500</u>	<u>421</u>	<u>( 79)</u>
Total revenues	<u>30,500</u>	<u>30,500</u>	<u>304,547</u>	<u>274,047</u>
 <b>EXPENDITURES</b>				
Current:				
Public safety	-	-	49,864	( 49,864)
Capital outlay	<u>250,000</u>	<u>250,000</u>	<u>22,620</u>	<u>227,380</u>
Total expenditures	<u>250,000</u>	<u>250,000</u>	<u>72,484</u>	<u>177,516</u>
 <b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	 ( 219,500)	 ( 219,500)	 232,063	 451,563
 <b>FUND BALANCE, BEGINNING</b>	 <u>404,817</u>	 <u>404,817</u>	 <u>404,817</u>	 <u>-</u>
 <b>FUND BALANCE, ENDING</b>	 <u>\$ 185,317</u>	 <u>\$ 185,317</u>	 <u>\$ 636,880</u>	 <u>\$ 451,563</u>

**CITY OF WEATHERFORD, TEXAS**

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

**WEATHERFORD BEAUTIFICATION FUND**

**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment earnings	\$ -	\$ -	\$ 3	\$ 3
Total revenues	-	-	3	3
<b>EXPENDITURES</b>				
Current:				
Community development	2,398	2,398	-	2,398
Total expenditures	2,398	2,398	-	2,398
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	( 2,398)	( 2,398)	3	2,401
<b>FUND BALANCE, BEGINNING</b>	2,398	2,398	2,398	-
<b>FUND BALANCE, ENDING</b>	\$ -	\$ -	\$ 2,401	\$ 2,401

**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, 2013**

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 555,000	\$ 555,000	\$ 659,759	\$ 104,759
Investment earnings	450	450	488	38
Total revenues	<u>555,450</u>	<u>555,450</u>	<u>660,247</u>	<u>104,797</u>
<b>EXPENDITURES</b>				
Current:				
General government	104,430	104,430	103,478	952
Cultural and recreational:				
Tourism program	121,400	121,400	121,400	-
Doss Historic and Cultural Center	21,700	21,700	21,700	-
Total expenditures	<u>247,530</u>	<u>247,530</u>	<u>246,578</u>	<u>952</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>307,920</u>	<u>307,920</u>	<u>413,669</u>	<u>105,749</u>
<b>OTHER FINANCING USES</b>				
Transfers out	( 303,914)	( 378,914)	( 378,914)	-
Total other financing uses	<u>( 303,914)</u>	<u>( 378,914)</u>	<u>( 378,914)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	4,006	( 70,994)	34,755	105,749
<b>FUND BALANCE, BEGINNING</b>	<u>632,502</u>	<u>632,502</u>	<u>632,502</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 636,508</u>	<u>\$ 561,508</u>	<u>\$ 667,257</u>	<u>\$ 105,749</u>

**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, 2013**

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ 157,700	\$ 157,700	\$ 89,172	\$( 68,528)
Contributions	-	-	365	365
Investment earnings	<u>300</u>	<u>300</u>	<u>105</u>	<u>( 195)</u>
Total revenues	<u>158,000</u>	<u>158,000</u>	<u>89,642</u>	<u>( 68,358)</u>
<b>EXPENDITURES</b>				
Current:				
Cultural and recreational	328,231	328,231	306,619	21,612
Capital outlay	<u>30,000</u>	<u>30,000</u>	<u>27,109</u>	<u>2,891</u>
Total expenditures	<u>358,231</u>	<u>358,231</u>	<u>333,728</u>	<u>24,503</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>( 200,231)</u>	<u>( 200,231)</u>	<u>( 244,086)</u>	<u>( 43,855)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	<u>196,112</u>	<u>196,112</u>	<u>271,112</u>	<u>75,000</u>
Total other financing sources	<u>196,112</u>	<u>196,112</u>	<u>271,112</u>	<u>75,000</u>
<b>NET CHANGE IN FUND BALANCE</b>	( 4,119)	( 4,119)	27,026	31,145
<b>FUND BALANCE, BEGINNING</b>	<u>68,986</u>	<u>68,986</u>	<u>68,986</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 64,867</u>	<u>\$ 64,867</u>	<u>\$ 96,012</u>	<u>\$ 31,145</u>

**CITY OF WEATHERFORD, TEXAS**

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

**SFX DESIGN GRANT FUND**

**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

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

**CITY OF WEATHERFORD, TEXAS**

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

**WEATHERFORD AEROSPACE GRANT FUND**

**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

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

**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, 2013**

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Fines and forfeitures	\$ 16,300	\$ 16,300	\$ 15,140	\$ ( 1,160)
Investment earnings	<u>20</u>	<u>20</u>	<u>28</u>	<u>8</u>
Total revenues	<u>16,320</u>	<u>16,320</u>	<u>15,168</u>	<u>( 1,152)</u>
<b>EXPENDITURES</b>				
Current:				
General government	<u>16,300</u>	<u>16,300</u>	<u>3,413</u>	<u>12,887</u>
Total expenditures	<u>16,300</u>	<u>16,300</u>	<u>3,413</u>	<u>12,887</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	20	20	11,755	11,735
<b>FUND BALANCE, BEGINNING</b>	<u>21,266</u>	<u>21,266</u>	<u>21,266</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 21,286</u>	<u>\$ 21,286</u>	<u>\$ 33,021</u>	<u>\$ 11,735</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, 2013**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance With Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Fines and forfeitures	\$ 14,058	\$ 14,058	\$ 11,298	\$( 2,760)
Investment earnings	<u>50</u>	<u>50</u>	<u>36</u>	<u>( 14)</u>
Total revenues	<u>14,108</u>	<u>14,108</u>	<u>11,334</u>	<u>( 2,774)</u>
<b>EXPENDITURES</b>				
Current:				
General government	<u>13,500</u>	<u>13,500</u>	<u>-</u>	<u>13,500</u>
Total expenditures	<u>13,500</u>	<u>13,500</u>	<u>-</u>	<u>13,500</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	608	608	11,334	10,726
<b>FUND BALANCE, BEGINNING</b>	<u>27,911</u>	<u>27,911</u>	<u>27,911</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 28,519</u>	<u>\$ 28,519</u>	<u>\$ 39,245</u>	<u>\$ 10,726</u>

**CITY OF WEATHERFORD, TEXAS**

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

**LIBRARY FUND**

**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ 10,500	\$ 10,500	\$ 12,791	\$ 2,291
Contributions	3,000	3,000	4,597	1,597
Investment earnings	<u>150</u>	<u>150</u>	<u>70</u>	<u>( 80)</u>
Total revenues	<u>13,650</u>	<u>13,650</u>	<u>17,458</u>	<u>3,808</u>
<b>EXPENDITURES</b>				
Current:				
Cultural and recreational	<u>13,750</u>	<u>13,750</u>	<u>11,081</u>	<u>2,669</u>
Total expenditures	<u>13,750</u>	<u>13,750</u>	<u>11,081</u>	<u>2,669</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>( 100)</u>	<u>( 100)</u>	<u>6,377</u>	<u>6,477</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	<u>100</u>	<u>100</u>	<u>100</u>	<u>-</u>
Total other financing sources	<u>100</u>	<u>100</u>	<u>100</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	6,477	6,477
<b>FUND BALANCE, BEGINNING</b>	<u>69,247</u>	<u>69,247</u>	<u>69,247</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 69,247</u>	<u>\$ 69,247</u>	<u>\$ 75,724</u>	<u>\$ 6,477</u>

**CITY OF WEATHERFORD, TEXAS**

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

**ANIMAL SHELTER FUND**

**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Contributions	\$ -	\$ -	\$ 33,622	\$ 33,622
Investment earnings	40	40	62	22
Miscellaneous	<u>-</u>	<u>-</u>	<u>1,400</u>	<u>1,400</u>
Total revenues	<u>40</u>	<u>40</u>	<u>35,084</u>	<u>35,044</u>
<b>EXPENDITURES</b>				
Current:				
Community development	-	-	4,410	( 4,410)
Capital outlay	<u>6,000</u>	<u>6,000</u>	<u>-</u>	<u>6,000</u>
Total expenditures	<u>6,000</u>	<u>6,000</u>	<u>4,410</u>	<u>1,590</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	( 5,960)	( 5,960)	30,674	36,634
<b>FUND BALANCE, BEGINNING</b>	<u>37,314</u>	<u>37,314</u>	<u>37,314</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 31,354</u>	<u>\$ 31,354</u>	<u>\$ 67,988</u>	<u>\$ 36,634</u>

**CITY OF WEATHERFORD, TEXAS**

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

**DOSS LIBRARY PERMANENT FUND**

**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment earnings	\$ <u>100</u>	\$ <u>100</u>	\$ <u>48</u>	\$( <u>52</u> )
Total revenues	<u>100</u>	<u>100</u>	<u>48</u>	( <u>52</u> )
<b>EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>100</u>	<u>100</u>	<u>48</u>	( <u>52</u> )
<b>OTHER FINANCING USES</b>				
Transfers out	( <u>100</u> )	( <u>100</u> )	( <u>100</u> )	<u>-</u>
Total other financing uses	( <u>100</u> )	( <u>100</u> )	( <u>100</u> )	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	( <u>52</u> )	( <u>52</u> )
<b>FUND BALANCE, BEGINNING</b>	<u>50,121</u>	<u>50,121</u>	<u>50,121</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	\$ <u><u>50,121</u></u>	\$ <u><u>50,121</u></u>	\$ <u><u>50,069</u></u>	\$( <u><u>52</u></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, 2013**

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 3,117,208	\$ 3,117,208	\$ 3,104,204	\$ ( 13,004)
Intergovernmental	4,000,000	4,000,000	3,832,156	( 167,844)
Investment earnings	<u>4,000</u>	<u>4,000</u>	<u>4,248</u>	<u>248</u>
Total revenues	<u>7,121,208</u>	<u>7,121,208</u>	<u>6,940,608</u>	<u>( 180,600)</u>
<b>EXPENDITURES</b>				
Debt service:				
Principal	3,462,207	3,462,207	2,745,602	716,605
Interest and other	<u>3,165,851</u>	<u>3,165,851</u>	<u>2,778,702</u>	<u>387,149</u>
Total expenditures	<u>6,628,058</u>	<u>6,628,058</u>	<u>5,524,304</u>	<u>1,103,754</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>				
	<u>493,150</u>	<u>493,150</u>	<u>1,416,304</u>	<u>923,154</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Refunding bonds issued	-	-	25,110,000	25,110,000
Premium on refunding bonds issued	-	-	2,052,817	2,052,817
Transfers in	143,555	143,555	143,555	-
Payment to refunded bond escrow agent	<u>-</u>	<u>-</u>	<u>( 27,829,673)</u>	<u>( 27,829,673)</u>
Total other financing sources (uses)	<u>143,555</u>	<u>143,555</u>	<u>( 523,301)</u>	<u>( 666,856)</u>
<b>NET CHANGE IN FUND BALANCE</b>	636,705	636,705	893,003	256,298
<b>FUND BALANCE, BEGINNING</b>	<u>4,316,093</u>	<u>4,316,093</u>	<u>4,316,093</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 4,952,798</u>	<u>\$ 4,952,798</u>	<u>\$ 5,209,096</u>	<u>\$ 256,298</u>

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# **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, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
<b>GOVERNMENTAL FUNDS CAPITAL ASSETS</b>		
Land	\$ 5,488,126	\$ 4,689,899
Buildings and improvements	14,168,442	14,087,042
Infrastructure	13,182,232	13,159,199
Other improvements	31,841,409	31,740,853
Machinery and equipment	9,905,507	8,220,245
Construction in progress	<u>37,722,116</u>	<u>32,568,408</u>
Total governmental funds capital assets	<u>\$ 112,307,832</u>	<u>\$ 104,465,646</u>
<b>INVESTMENTS IN GOVERNMENTAL FUNDS</b>		
<b>CAPITAL ASSETS BY SOURCE</b>		
General fund revenues	\$ 26,383,595	\$ 23,145,875
Special revenue fund revenues	81,804	81,804
Capital projects fund general obligation bonds	75,741,625	71,155,028
Contributions	7,131,665	7,136,416
Grants	<u>2,969,143</u>	<u>2,946,523</u>
Total governmental funds capital assets	<u>\$ 112,307,832</u>	<u>\$ 104,465,646</u>

**CITY OF WEATHERFORD, TEXAS**

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**

**SCHEDULE BY FUNCTION AND ACTIVITY**

**SEPTEMBER 30, 2013**

<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>
<b>General government</b>						
City Council	\$ 7,183,365	\$ 176,762	\$ 5,714,125	\$ 36,986	\$ 1,255,492	\$ -
Finance	51,348	-	-	-	51,348	-
Facilities maintenance	104,343	-	-	-	104,343	-
Municipal court	21,536	-	-	-	21,536	-
Total	<u>7,360,592</u>	<u>176,762</u>	<u>5,714,125</u>	<u>36,986</u>	<u>1,432,719</u>	<u>-</u>
<b>Public works</b>						
Administration	1,659,660	-	1,406,378	14,840	238,442	-
Street maintenance	73,961,602	2,353,354	6,077	33,338,687	2,139,531	36,123,953
Vehicle/equipment maintenance	118,218	-	50,833	23,007	44,378	-
Total	<u>75,739,480</u>	<u>2,353,354</u>	<u>1,463,288</u>	<u>33,376,534</u>	<u>2,422,351</u>	<u>36,123,953</u>
Planning and development	<u>63,432</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>63,432</u>	<u>-</u>
Community development	<u>1,041,532</u>	<u>-</u>	<u>847,872</u>	<u>15,552</u>	<u>178,108</u>	<u>-</u>
Police	<u>3,210,240</u>	<u>16,619</u>	<u>1,318,317</u>	<u>-</u>	<u>1,875,304</u>	<u>-</u>
Health & Welfare	<u>11,050</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,050</u>	<u>-</u>
Fire	<u>6,133,869</u>	<u>467,885</u>	<u>2,665,843</u>	<u>12,467</u>	<u>2,987,674</u>	<u>-</u>
<b>Parks and recreation</b>						
First Monday	2,608,312	1,341,778	80,469	22,692	26,984	1,136,389
Public market	24,792	-	-	24,792	-	-
Parks and properties	14,999,127	1,123,878	1,177,974	11,511,143	724,358	461,774
Recreation	46,175	-	-	-	46,175	-
Total	<u>17,678,406</u>	<u>2,465,656</u>	<u>1,258,443</u>	<u>11,558,627</u>	<u>797,517</u>	<u>1,598,163</u>
Library	<u>1,069,231</u>	<u>7,850</u>	<u>900,554</u>	<u>23,475</u>	<u>137,352</u>	<u>-</u>
Total governmental funds capital assets	<u>\$ 112,307,832</u>	<u>\$ 5,488,126</u>	<u>\$ 14,168,442</u>	<u>\$ 45,023,641</u>	<u>\$ 9,905,507</u>	<u>\$ 37,722,116</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, 2013**

<u>Function and Activity</u>	<u>Balance 09/30/2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 09/30/2013</u>
General government				
City Council	\$ 6,356,383	\$ 840,826	\$( 13,844)	\$ 7,183,365
Finance	104,343	-	-	104,343
Facilities maintenance	51,348	-	-	51,348
Municipal court	21,536	-	-	21,536
Total	<u>6,533,610</u>	<u>840,826</u>	<u>( 13,844)</u>	<u>7,360,592</u>
Public works				
Administration	1,659,658	-	-	1,659,658
Street maintenance	69,111,948	4,951,451	( 101,795)	73,961,604
Vehicle/equipment maintenance	118,218	-	-	118,218
Total	<u>70,889,824</u>	<u>4,951,451</u>	<u>( 101,795)</u>	<u>75,739,480</u>
Planning and development	<u>74,484</u>	<u>-</u>	<u>( 11,052)</u>	<u>63,432</u>
Community development	<u>962,545</u>	<u>78,987</u>	<u>-</u>	<u>1,041,532</u>
Police	<u>3,047,566</u>	<u>176,624</u>	<u>( 13,950)</u>	<u>3,210,240</u>
Health & Welfare	<u>-</u>	<u>11,050</u>	<u>-</u>	<u>11,050</u>
Fire	<u>5,784,640</u>	<u>547,812</u>	<u>( 198,583)</u>	<u>6,133,869</u>
Parks and recreation				
First Monday	1,778,352	830,494	-	2,608,846
Public market	24,792	-	-	24,792
Parks and properties	14,259,982	825,515	( 86,903)	14,998,594
Recreation	40,620	5,554	-	46,174
Total	<u>16,103,746</u>	<u>1,661,563</u>	<u>( 86,903)</u>	<u>17,678,406</u>
Library	<u>1,069,231</u>	<u>-</u>	<u>-</u>	<u>1,069,231</u>
Total governmental funds capital assets	<u>\$ 104,465,646</u>	<u>\$ 8,268,313</u>	<u>\$( 426,127)</u>	<u>\$ 112,307,832</u>

**CITY OF WEATHERFORD, TEXAS**

**MUNICIPAL UTILITY SYSTEM**

**SCHEDULES OF CAPITAL ASSETS**

**SEPTEMBER 30, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
Land	\$ 2,514,254	\$ 2,249,797
Buildings and improvements	19,505,130	19,476,681
Other improvements	149,084,181	144,813,449
Machinery and equipment	6,340,329	6,862,309
Construction in progress	<u>2,398,515</u>	<u>1,112,688</u>
	179,842,409	174,514,924
Less accumulated depreciation	<u>( 64,779,834)</u>	<u>( 61,328,404)</u>
	<u>\$ 115,062,575</u>	<u>\$ 113,186,520</u>

**CITY OF WEATHERFORD, TEXAS**  
**MUNICIPAL UTILITY SYSTEM**  
**SCHEDULE OF CHANGES IN CAPITAL ASSETS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

Function and Activity	Balance 09/30/2012	Additions	Deletions	Balance 09/30/2013
Administration	\$ 5,778,637	\$ 153,949	\$( 681,493)	\$ 5,251,093
Water production	25,782,798	674,185	( 291,423)	26,165,560
Water distribution	53,279,984	1,143,169	( 311,038)	54,112,115
Wastewater	37,472,213	1,683,441	( 41,116)	39,114,538
Electric production	1,192,893	-	-	1,192,893
Electric distribution	<u>51,008,399</u>	<u>3,322,811</u>	<u>( 325,000)</u>	<u>54,006,210</u>
Total municipal utility capital assets	<u>\$ 174,514,924</u>	<u>\$ 6,977,555</u>	<u>\$( 1,650,070)</u>	<u>\$ 179,842,409</u>

**CITY OF WEATHERFORD, TEXAS**

**MUNICIPAL UTILITY SYSTEM**

**SCHEDULE OF CAPITAL ASSETS BY FUNCTION AND ACTIVITY**

**SEPTEMBER 30, 2013**

<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	\$ 5,251,093	\$ 326,764	\$ 3,346,266	\$ 1,108,248	\$ 469,815	\$ -
Water production	26,165,560	1,055,502	12,534,984	11,905,811	531,098	138,165
Water distribution	54,112,115	663,699	55,619	52,437,564	584,233	371,000
Wastewater	39,114,538	142,477	3,231,643	31,973,822	1,877,246	1,889,350
Electric production	1,192,893	11,334	336,618	13,203	831,738	-
Electric distribution	<u>54,006,210</u>	<u>314,478</u>	<u>-</u>	<u>51,645,533</u>	<u>2,046,199</u>	<u>-</u>
Total Municipal Utility System capital assets	<u>\$ 179,842,409</u>	<u>\$ 2,514,254</u>	<u>\$ 19,505,130</u>	<u>\$ 149,084,181</u>	<u>\$ 6,340,329</u>	<u>\$ 2,398,515</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.

<b>Contents</b>	<b>Page</b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the City's financial performance has changed over time.	94 – 102
<b>Revenue Capacity</b> 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.	103 – 116
<b>Debt Capacity</b> 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.	117 – 121
<b>Economic and Demographic Indicators</b> These schedules contain economic and demographic information to help the reader understand the environment within which the City's financial activities take place.	122 – 124
<b>Operating Information</b> These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	125 – 127

**CITY OF WEATHERFORD, TEXAS**

**NET POSITION BY COMPONENT**

**LAST TEN FISCAL YEARS**

	Fiscal Year			
	2004	2005	2006	2007
Governmental activities:				
Net investment in capital assets	\$ 11,125,732	\$ 11,681,836	\$ 12,874,433	\$ 15,219,107
Restricted	2,547,731	2,502,827	9,520,793	10,318,427
Unrestricted	<u>2,972,594</u>	<u>4,040,021</u>	<u>5,555,691</u>	<u>5,758,023</u>
Total governmental activities net position	<u>\$ 16,646,057</u>	<u>\$ 18,224,684</u>	<u>\$ 27,950,917</u>	<u>\$ 31,295,557</u>
Business-type activities:				
Net investment in capital assets	\$ 52,257,166	\$ 55,677,157	\$ 59,676,685	\$ 61,396,213
Restricted	5,752,573	5,480,674	6,221,761	7,291,875
Unrestricted	<u>14,502,848</u>	<u>17,183,561</u>	<u>13,774,237</u>	<u>14,845,101</u>
Total business-type activities net position	<u>\$ 72,512,587</u>	<u>\$ 78,341,392</u>	<u>\$ 79,672,683</u>	<u>\$ 83,533,189</u>
Primary government:				
Net investment in capital assets	\$ 63,382,898	\$ 67,358,993	\$ 72,551,118	\$ 76,615,320
Restricted	8,300,304	7,983,501	15,742,554	17,610,302
Unrestricted	<u>17,475,442</u>	<u>21,223,582</u>	<u>19,329,928</u>	<u>20,603,124</u>
Total primary government net position	<u>\$ 89,158,644</u>	<u>\$ 96,566,076</u>	<u>\$ 107,623,600</u>	<u>\$ 114,828,746</u>

TABLE 1

Fiscal Year					
2008	2009	2010	2011	2012	2013
\$ 18,027,712	\$ 21,410,012	\$ 19,852,401	\$ 17,759,659	\$ 17,007,106	\$ 20,530,809
9,041,116	6,381,977	6,101,207	2,933,914	5,331,525	6,571,469
<u>6,522,915</u>	<u>5,775,100</u>	<u>8,725,158</u>	<u>13,417,930</u>	<u>14,511,974</u>	<u>11,361,121</u>
<u>\$ 33,591,743</u>	<u>\$ 33,567,089</u>	<u>\$ 34,678,766</u>	<u>\$ 34,111,503</u>	<u>\$ 36,850,605</u>	<u>\$ 38,463,399</u>
\$ 64,453,828	\$ 68,649,354	\$ 67,232,594	\$ 70,468,654	\$ 75,402,883	\$ 79,820,405
7,563,464	7,628,531	13,003,448	8,363,543	8,841,879	9,496,781
<u>16,261,373</u>	<u>16,550,266</u>	<u>15,069,828</u>	<u>21,839,839</u>	<u>22,596,145</u>	<u>22,453,289</u>
<u>\$ 88,278,665</u>	<u>\$ 92,828,151</u>	<u>\$ 95,305,870</u>	<u>\$ 100,672,036</u>	<u>\$ 106,840,907</u>	<u>\$ 111,770,475</u>
\$ 82,481,540	\$ 90,059,366	\$ 87,084,995	\$ 88,228,313	\$ 92,409,989	\$ 100,351,214
16,604,580	14,010,508	19,104,655	11,297,457	14,173,404	16,068,250
<u>22,784,288</u>	<u>22,325,366</u>	<u>23,794,986</u>	<u>35,257,769</u>	<u>37,108,119</u>	<u>33,814,410</u>
<u>\$ 121,870,408</u>	<u>\$ 126,395,240</u>	<u>\$ 129,984,636</u>	<u>\$ 134,783,539</u>	<u>\$ 143,691,512</u>	<u>\$ 150,233,874</u>

# CITY OF WEATHERFORD, TEXAS

## CHANGES IN NET POSITION LAST TEN FISCAL YEARS

	Fiscal Year			
	2004	2005	2006	2007
<b>EXPENSES</b>				
Governmental activities:				
General government	\$ 1,848,399	\$ 2,320,668	\$ 2,320,569	\$ 2,466,022
Public safety	8,424,444	9,181,870	9,340,908	10,602,348
Public works	2,331,718	2,161,749	2,743,092	2,790,615
Planning and development	614,529	776,426	616,598	973,236
Community development	508,310	530,473	773,029	698,315
Health and welfare	48,000	35,000	35,000	40,000
Cultural and recreation	3,000,985	2,981,119	3,193,738	3,626,826
Interest on long-term debt	416,381	422,013	346,758	600,668
Total governmental activities expenses	<u>17,192,766</u>	<u>18,409,318</u>	<u>19,369,692</u>	<u>21,798,030</u>
Business-type activities:				
Electric	24,167,228	29,522,755	35,636,539	33,712,309
Water	5,209,604	5,174,495	5,737,688	6,947,460
Wastewater	2,576,454	2,649,235	2,816,465	2,887,183
Sanitation	938,603	1,050,072	1,019,713	1,094,631
Stormwater utility	-	-	-	-
Total business-type activities expenses	<u>32,891,889</u>	<u>38,396,557</u>	<u>45,210,405</u>	<u>44,641,583</u>
Total primary government program expenses	<u>\$ 50,084,655</u>	<u>\$ 56,805,875</u>	<u>\$ 64,580,097</u>	<u>\$ 66,439,613</u>
<b>PROGRAM REVENUES</b>				
Governmental activities:				
Charges for services:				
General government	\$ 84,252	\$ 228,809	\$ 1,712,909	\$ 234,430
Public safety	734,678	751,447	861,969	1,208,676
Public works	180,472	-	-	-
Planning and development	579,248	559,971	623,468	642,624
Community development	-	-	-	-
Health and welfare	-	-	-	-
Cultural and recreational	678,716	583,179	652,519	689,070
Operating grants and contributions	593,895	728,420	488,795	292,214
Capital grants and contributions	259,637	369,678	308,755	298,032
Total governmental activities program revenues	<u>3,110,898</u>	<u>3,221,504</u>	<u>4,648,415</u>	<u>3,365,046</u>
Business-type activities:				
Charges for services:				
Electric	27,615,959	34,016,204	38,781,055	36,441,699
Water	4,948,134	5,882,325	7,698,682	6,553,467
Wastewater	3,029,033	3,436,449	3,845,422	3,926,120
Sanitation	1,664,656	1,697,366	1,765,007	1,824,906
Stormwater utility	-	-	-	-
Operating grants and contributions	-	-	-	477,013
Capital grants and contributions	838,489	1,723,027	1,610,619	788,632
Total business-type activities program revenues	<u>38,096,271</u>	<u>46,755,371</u>	<u>53,700,785</u>	<u>50,011,837</u>
Total primary government program revenues	<u>\$ 41,207,169</u>	<u>\$ 49,976,875</u>	<u>\$ 58,349,200</u>	<u>\$ 53,376,883</u>

**TABLE 2**

		Fiscal Year									
		2008	2009	2010	2011	2012	2013				
\$	2,866,557	\$	2,928,150	\$	3,160,927	\$	3,398,442	\$	4,688,501	\$	5,464,305
	11,179,288		12,081,348		11,877,757		12,532,399		12,426,881		12,951,140
	2,973,277		2,920,416		2,997,970		7,985,977		4,116,662		5,032,489
	1,094,289		825,967		677,682		698,162		738,534		755,272
	798,054		1,627,371		1,314,302		926,855		991,922		1,031,282
	40,000		45,000		45,000		46,764		160,169		152,181
	4,490,038		3,681,961		4,088,694		3,442,335		3,579,674		4,217,332
	<u>3,749,754</u>		<u>3,109,094</u>		<u>2,996,869</u>		<u>2,758,163</u>		<u>3,584,869</u>		<u>2,633,532</u>
	<u>27,191,257</u>		<u>27,219,307</u>		<u>27,159,201</u>		<u>31,789,097</u>		<u>30,287,212</u>		<u>32,237,533</u>
	45,275,598		41,197,102		30,670,906		28,530,839		21,532,861		25,082,339
	6,969,907		7,899,776		6,433,439		7,404,975		6,441,878		7,384,830
	2,998,193		2,888,556		3,281,199		2,994,124		3,195,794		3,321,956
	1,443,132		1,464,621		1,434,931		1,450,234		1,481,557		1,528,130
	-		-		-		-		-		24,532
	<u>56,686,830</u>		<u>53,450,055</u>		<u>41,820,475</u>		<u>40,380,172</u>		<u>32,652,090</u>		<u>37,341,787</u>
\$	<u>83,878,087</u>	\$	<u>80,669,362</u>	\$	<u>68,979,676</u>	\$	<u>72,169,269</u>	\$	<u>62,939,302</u>	\$	<u>69,579,320</u>
\$	240,282	\$	247,258	\$	260,293	\$	275,022	\$	195,897	\$	202,029
	1,316,499		1,269,329		1,112,838		1,008,551		770,585		944,532
	-		-		25,603		21,278		7,240		177,938
	652,314		395,846		256,563		385,256		263,220		370,782
	-		-		427,224		496,987		438,947		422,703
	-		-		31,607		49,660		49,010		51,813
	725,635		636,811		636,120		675,256		621,955		735,500
	546,231		401,357		234,710		218,060		584,783		196,248
	<u>150,087</u>		<u>707,935</u>		<u>1,191,580</u>		<u>2,244,834</u>		<u>4,114,054</u>		<u>3,873,294</u>
	<u>3,631,048</u>		<u>3,658,536</u>		<u>4,176,538</u>		<u>5,374,904</u>		<u>7,045,691</u>		<u>6,974,839</u>
	49,463,235		44,153,842		35,217,275		35,024,442		27,763,091		31,300,347
	7,313,082		8,078,376		6,592,204		9,427,936		9,675,600		10,058,874
	4,168,752		4,035,449		3,858,895		5,031,535		4,719,203		4,663,157
	1,930,313		2,189,772		2,560,822		2,636,671		2,081,818		2,058,004
	-		-		-		-		-		594,526
	-		-		-		-		-		-
	<u>930,081</u>		<u>1,820,404</u>		<u>1,068,437</u>		<u>485,997</u>		<u>409,143</u>		<u>912,459</u>
	<u>63,805,463</u>		<u>60,277,843</u>		<u>49,297,633</u>		<u>52,606,581</u>		<u>44,648,855</u>		<u>49,587,367</u>
\$	<u>67,436,511</u>	\$	<u>63,936,379</u>	\$	<u>53,474,171</u>	\$	<u>57,981,485</u>	\$	<u>51,694,546</u>	\$	<u>56,562,206</u>

**CITY OF WEATHERFORD, TEXAS**

**CHANGES IN NET POSITION**

**LAST TEN FISCAL YEARS**

	Fiscal Year			
	2004	2005	2006	2007
<b>NET (EXPENSE) REVENUES</b>				
Governmental activities	\$( 14,081,868)	\$( 15,187,814)	\$( 14,721,277)	\$( 18,432,984)
Business-type activities	<u>5,204,382</u>	<u>8,358,814</u>	<u>8,490,380</u>	<u>5,370,254</u>
Total primary government net expense	<u>( 8,877,486)</u>	<u>( 6,829,000)</u>	<u>( 6,230,897)</u>	<u>( 13,062,730)</u>
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>				
Governmental activities:				
Taxes				
Property	3,574,036	3,791,801	4,351,788	4,749,712
Retail sales	5,943,635	6,932,094	7,628,658	8,097,754
Franchise	1,847,829	2,032,325	2,254,202	2,272,898
Hotel/motel	360,699	455,894	570,854	684,782
Mixed beverage	19,639	30,386	39,803	43,571
Unrestricted grants and contributions	6,378	18,750	17,963	9,021
Investment earnings	123,200	261,843	704,988	2,299,115
Gain on sale of capital assets	-	-	399,656	6,650
Miscellaneous	41,559	97,095	68,384	110,674
Special item	( 1,346,466)	-	-	-
Transfers	<u>2,925,267</u>	<u>3,146,253</u>	<u>8,411,214</u>	<u>3,503,447</u>
Total governmental activities	<u>13,495,776</u>	<u>16,766,441</u>	<u>24,447,510</u>	<u>21,777,624</u>
Business-type activities:				
Investment earnings	292,748	536,644	1,102,832	1,810,807
Miscellaneous	262,050	79,600	149,293	182,892
Special item	-	-	-	-
Transfers	<u>( 2,925,267)</u>	<u>( 3,146,253)</u>	<u>( 8,411,214)</u>	<u>( 3,503,447)</u>
Total business-type activities	<u>( 2,370,469)</u>	<u>( 2,530,009)</u>	<u>( 7,159,089)</u>	<u>( 1,509,748)</u>
Total primary government	<u>11,125,307</u>	<u>14,236,432</u>	<u>17,288,421</u>	<u>20,267,876</u>
<b>CHANGE IN NET POSITION</b>				
Governmental activities	( 586,092)	1,578,627	9,726,233	3,344,640
Business-type activities	<u>2,833,913</u>	<u>5,828,805</u>	<u>1,331,291</u>	<u>3,860,506</u>
Total primary government	<u>\$ 2,247,821</u>	<u>\$ 7,407,432</u>	<u>\$ 11,057,524</u>	<u>\$ 7,205,146</u>

Notes:

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

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

**TABLE 2**

Fiscal Year					
2008	2009	2010	2011	2012	2013
\$( 23,560,209)	\$( 23,560,771)	\$( 22,982,663)	\$( 26,414,193)	\$( 23,241,521)	\$( 25,262,694)
<u>7,118,633</u>	<u>6,827,788</u>	<u>7,477,158</u>	<u>12,226,409</u>	<u>11,996,765</u>	<u>12,245,580</u>
<u>( 16,441,576)</u>	<u>( 16,732,983)</u>	<u>( 15,505,505)</u>	<u>( 14,187,784)</u>	<u>( 11,244,756)</u>	<u>( 13,017,114)</u>
6,977,107	7,371,902	8,108,727	8,095,074	8,232,881	8,396,517
9,166,195	8,641,879	8,236,286	8,832,088	9,648,458	9,969,043
2,439,677	2,403,704	581,566	620,052	697,980	681,611
707,136	452,312	474,607	588,225	602,256	659,759
45,662	53,505	57,822	57,593	57,519	68,658
10,226	3,373	155,092	1,944	18,626	21,637
2,575,000	1,463,358	763,500	72,783	57,691	39,617
76,548	-	-	-	-	-
199,107	438,500	474,809	454,317	264,797	237,957
-	-	-	-	-	-
<u>3,659,737</u>	<u>2,707,584</u>	<u>5,241,931</u>	<u>7,124,854</u>	<u>6,400,415</u>	<u>7,595,012</u>
<u>25,856,395</u>	<u>23,536,117</u>	<u>24,094,340</u>	<u>25,846,930</u>	<u>25,980,623</u>	<u>27,669,811</u>
1,140,045	228,337	64,432	43,834	49,858	46,514
146,535	200,945	178,060	220,777	523,014	597,310
-	-	-	-	-	-
<u>( 3,659,737)</u>	<u>( 2,707,584)</u>	<u>( 5,241,931)</u>	<u>( 7,124,854)</u>	<u>( 6,400,415)</u>	<u>( 7,595,012)</u>
<u>( 2,373,157)</u>	<u>( 2,278,302)</u>	<u>( 4,999,439)</u>	<u>( 6,860,243)</u>	<u>( 5,827,543)</u>	<u>( 6,951,188)</u>
<u>23,483,238</u>	<u>21,257,815</u>	<u>19,094,901</u>	<u>18,986,687</u>	<u>20,153,080</u>	<u>20,718,623</u>
2,296,186	( 24,654)	1,111,677	( 567,263)	2,739,102	2,407,117
<u>4,745,476</u>	<u>4,549,486</u>	<u>2,477,719</u>	<u>5,366,166</u>	<u>6,169,222</u>	<u>5,294,392</u>
<u>\$ 7,041,662</u>	<u>\$ 4,524,832</u>	<u>\$ 3,589,396</u>	<u>\$ 4,798,903</u>	<u>\$ 8,908,324</u>	<u>\$ 7,701,509</u>

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CITY OF WEATHERFORD, TEXAS

FUND BALANCES  
GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General fund:										
Reserved	\$ 47,929	\$ 44,393	\$ 51,821	\$ 71,041	\$ 60,372	\$ 30,975	\$ 39,512	\$ -	\$ -	\$ -
Unreserved	4,490,806	5,590,721	7,237,347	7,674,409	8,637,632	9,067,892	11,162,818	-	-	-
Nonspendable	-	-	-	-	-	-	-	132,112	75,623	44,476
Committed	-	-	-	-	-	-	-	6,989,273	7,350,364	7,395,691
Unassigned	-	-	-	-	-	-	-	6,517,546	6,693,692	5,363,522
Total general fund	<u>\$ 4,538,735</u>	<u>\$ 5,635,114</u>	<u>\$ 7,289,168</u>	<u>\$ 7,745,450</u>	<u>\$ 8,698,004</u>	<u>\$ 9,098,867</u>	<u>\$ 11,202,330</u>	<u>\$ 13,638,931</u>	<u>\$ 14,119,679</u>	<u>\$ 12,803,689</u>
All other governmental funds										
Reserved	\$ 5,205,557	\$ 4,172,001	\$ 13,592,170	\$ 70,250,798	\$ 66,257,136	\$ 40,533,598	\$ 21,061,652	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	456,382	701,240	1,086,524	1,351,075	1,129,821	1,089,249	1,187,400	-	-	-
Nonspendable	-	-	-	-	-	-	-	50,000	50,000	50,000
Restricted	-	-	-	-	-	-	-	19,057,261	18,625,654	15,061,112
Committed	-	-	-	-	-	-	-	3,807,639	3,887,347	4,023,708
Total all other governmental funds	<u>\$ 5,661,939</u>	<u>\$ 4,873,241</u>	<u>\$ 14,678,694</u>	<u>\$ 71,601,873</u>	<u>\$ 67,386,957</u>	<u>\$ 41,622,847</u>	<u>\$ 22,249,052</u>	<u>\$ 22,914,900</u>	<u>\$ 22,563,001</u>	<u>\$ 19,134,820</u>

**CITY OF WEATHERFORD, TEXAS**

**CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS**

**LAST TEN FISCAL YEARS**

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>REVENUES</b>										
Taxes	\$ 11,734,586	\$ 13,256,164	\$ 14,829,390	\$ 15,840,133	\$ 19,299,272	\$ 18,924,734	\$ 17,374,844	\$ 18,222,977	\$ 19,256,063	\$ 19,799,001
Licenses and permits	566,880	554,940	631,400	637,735	663,464	431,330	355,842	560,150	421,801	524,009
Intergovernmental	593,895	567,188	394,449	266,261	362,008	331,035	777,266	2,650,196	4,728,575	4,240,008
Charges for services	672,813	847,331	870,669	917,528	931,540	962,567	1,119,403	1,114,756	1,086,564	1,336,189
Fines and forfeitures	434,764	435,458	491,957	729,794	857,715	676,973	715,865	917,547	615,624	851,088
Contributions	-	-	-	-	-	-	34,546	22,344	125,387	63,482
Investment earnings	123,200	261,843	704,988	2,302,034	2,576,899	1,463,815	763,500	72,783	57,691	39,617
Miscellaneous	638,662	586,169	2,097,305	639,122	972,491	1,006,388	718,914	615,158	342,123	353,929
Total revenues	<u>14,764,800</u>	<u>16,509,093</u>	<u>20,020,158</u>	<u>21,332,607</u>	<u>25,663,389</u>	<u>23,796,842</u>	<u>21,860,180</u>	<u>24,175,911</u>	<u>26,633,828</u>	<u>27,207,323</u>
<b>EXPENDITURES</b>										
General government	1,764,420	1,967,561	2,163,428	2,370,333	2,947,667	2,749,341	2,836,078	3,174,872	4,474,348	5,228,111
Public safety	7,968,188	9,191,013	9,177,082	10,389,397	10,888,448	11,067,251	10,929,713	11,431,423	11,692,263	12,234,522
Public works	1,829,989	1,725,247	2,601,040	2,402,659	2,510,164	2,175,270	1,704,727	2,569,515	2,640,284	3,279,511
Planning and development	612,498	742,634	762,914	990,770	1,099,526	818,460	638,591	660,440	717,003	716,295
Community development	478,954	495,353	610,699	670,973	766,573	1,519,717	1,136,814	849,250	933,216	980,108
Health and welfare	48,000	35,000	35,000	40,000	40,000	45,000	45,000	45,000	122,774	150,072
Cultural and recreational	2,955,251	2,877,673	3,104,893	3,517,497	4,360,890	4,133,489	3,574,460	2,842,956	2,997,049	3,496,386
Debt service										
Principal	427,628	384,074	438,428	967,696	3,940,724	3,116,578	3,069,221	1,175,000	1,166,194	2,834,648
Interest	751,707	818,084	898,809	689,381	923,458	1,030,242	1,065,000	3,261,816	3,466,410	2,786,382
Capital outlay	<u>651,201</u>	<u>1,357,026</u>	<u>1,784,982</u>	<u>3,535,335</u>	<u>8,108,038</u>	<u>25,212,325</u>	<u>19,390,595</u>	<u>11,130,204</u>	<u>6,068,108</u>	<u>7,315,532</u>
Total expenditures	<u>17,487,836</u>	<u>19,593,665</u>	<u>21,577,275</u>	<u>25,574,041</u>	<u>35,585,488</u>	<u>51,867,673</u>	<u>44,390,199</u>	<u>37,140,476</u>	<u>34,277,649</u>	<u>39,021,567</u>

**CITY OF WEATHERFORD, TEXAS**

**CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS**

**LAST TEN FISCAL YEARS**

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>EXCESS OF REVENUES OVER (UNDER)</b>										
<b>EXPENDITURES</b>	\$( 2,723,036)	\$( 3,084,572)	\$( 1,557,117)	\$( 4,241,434)	\$( 9,922,099)	\$( 28,070,831)	\$( 22,530,019)	\$( 12,964,565)	\$( 7,643,821)	\$( 11,814,244)
<b>OTHER FINANCING SOURCES (USES)</b>										
Issuance of debt	-	-	4,000,000	57,290,000	3,000,000	-	-	33,475,000	1,267,959	25,279,367
Premium on debt issuance	-	-	34,543	827,448	-	-	-	255,694	-	2,052,817
Payment to escrow agent	-	-	-	-	-	-	-	( 24,793,931)	-	( 27,829,673)
Proceeds from insurance	-	-	-	-	-	-	-	-	93,842	6,875
Lease purchase proceeds	99,724	246,000	570,867	-	-	-	-	-	-	-
Sale of assets	-	-	-	-	-	-	17,756	5,397	10,454	76,236
Transfers in	3,443,072	3,740,638	9,041,701	5,293,472	6,115,459	5,850,469	7,276,196	7,882,888	6,849,355	8,058,734
Transfers out	( 517,805)	( 594,385)	( 630,487)	( 1,790,025)	( 2,455,722)	( 3,142,885)	( 2,034,265)	( 758,034)	( 448,940)	( 574,283)
Total other financing sources (uses)	3,024,991	3,392,253	13,016,624	61,620,895	6,659,737	2,707,584	5,259,687	16,067,014	7,772,670	7,070,073
<b>NET CHANGE IN FUND BALANCES</b>	\$ 301,955	\$ 307,681	\$ 11,459,507	\$ 57,379,461	\$( 3,262,362)	\$( 25,363,247)	\$( 17,270,332)	\$ 3,102,449	\$ 128,849	\$( 4,744,171)
<b>DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES</b>	7.17%	6.74%	7.02%	7.74%	18.18%	15.90%	16.57%	17.13%	16.55%	17.78%

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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 <sup>(1)</sup>	Hotel/Motel Occupancy Tax	Mixed Beverage Tax	Totals
2004	\$ 3,562,784	\$ 5,943,635	\$ 1,847,829	\$ 360,699	\$ 19,639	\$ 11,734,586
2005	3,805,465	6,932,094	2,032,325	455,894	30,386	13,256,164
2006	4,335,873	7,628,658	2,254,202	570,854	39,803	14,829,390
2007	4,741,128	8,097,754	2,272,898	684,782	43,571	15,840,133
2008	6,940,602	9,166,195	2,439,677	707,136	45,662	19,299,272
2009	7,373,334	8,641,879	2,403,704	452,312	53,505	18,924,734
2010	8,024,563	8,236,286	581,566	474,607	57,822	17,374,844
2011	8,125,019	8,832,088	620,052	588,225	57,593	18,222,977
2012	8,188,186	9,648,458	697,980	602,256	57,519	19,194,399
2013	8,481,945	9,969,043	554,707	659,759	68,658	19,734,112

(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			
	2004	2005	2006	2007
<b>Residential</b>				
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
<b>Residential - All Electric</b>				
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
<b>Small General Service</b> (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
<b>Large General Service 1</b> (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
<b>Large General Service 2</b> (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
<b>Large General Service 3</b> (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
<b>Municipal</b>				
Base rate	12.25	12.25	12.25	12.25
Per KWH	0.0665	0.0665	0.0665	0.0665
<b>School/Church</b>				
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
<b>Security Lights</b>				
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 \$0.0400.

<sup>(1)</sup>Add 215 KWH per KVA of demand in excess of 10 KVA.

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

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

**TABLE 6**

Fiscal Year						
2008	2009	2010	2011	2012	2013	
\$ 4.25	\$ 4.25	\$ 4.25	\$ 6.17	\$ 8.08	\$ 8.08	
0.0750	0.0750	0.0750	0.0481	0.0462	0.0462	
0.0690	0.0690	0.0690	0.0443	0.0443	0.0443	
4.25	4.25	4.25	6.17	8.08	8.08	
0.0750	0.0750	0.0750	0.0481	0.0462	0.0462	
0.0690	0.0690	0.0690	0.0443	0.0443	0.0443	
16.00	16.00	16.00	19.55	19.55	19.55	
0.0765	0.0765	0.0765	0.0490	0.0490	0.0490	
21.00	21.00	21.00	28.17	35.33	35.33	
0.0605	0.0605	0.0605	0.0322	0.0289	0.0289	
3.25	3.25	3.25	3.43	3.62	3.62	
22.25	22.25	22.25	48.17	74.08	74.08	
0.0565	0.0565	0.0565	0.0297	0.0278	0.0278	
0.0545	0.0545	0.0545	0.0297	0.0278	0.0278	
2.55	2.55	2.55	2.96	3.38	3.38	
22.25	22.25	22.25	79.83	137.42	137.42	
0.0860	0.0860	0.0860	0.0194 (2)	0.0212 (2)	0.0212 (2)	
0.0520 (1)	0.0520 (1)	0.0520	0.0194 (2)	0.0212 (2)	0.0212 (2)	
0.0260	0.0260	0.0260	0.0194 (2)	0.0212 (2)	0.0212 (2)	
8.10	8.10	8.10	6.62 (2)	5.13 (2)	5.13 (2)	
12.25	12.25	12.25	(3)	(3)	(3)	
0.0665	0.0665	0.0665	(3)	(3)	(3)	
16.00	16.00	16.00	(3)	(3)	(3)	
0.0645	0.0645	0.0645	(3)	(3)	(3)	
2.25	2.25	2.25	(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 <sup>(2)</sup>	Industrial	Other <sup>(1)</sup>	Total
2004	9,980	1,502	32	244	11,758
2005	10,198	1,586	37	239	12,060
2006	10,525	1,642	39	237	12,443
2007	10,891	1,644	41	247	12,823
2008	11,143	1,723	44	256	13,166
2009	11,223	1,770	45	259	13,297
2010	11,314	1,801	48	255	13,418
2011	11,420	2,087	53	-	13,560
2012	11,586	2,128	53	-	13,767
2013	11,754	2,146	53	-	13,953

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

<sup>(2)</sup> 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	2013	
	Revenue	Percentage of Electric Revenue
Weatherford ISD	\$ 1,215,313	3.84%
Heritage Plastic	872,571	2.76%
Weatherford Texas Hospital Corp.	717,634	2.27%
Jamak, Inc.	481,789	1.52%
Wal-Mart	346,734	1.10%
Weatherford Aerospace	368,584	1.17%
Weatherford College	344,604	1.09%
Lowe's	188,051	0.58%
Albertson's	182,504	0.59%
Home Depot	174,823	0.55%
	<u>4,892,607</u>	<u>15.47%</u>
Revenue from other customers	<u>31,629,035</u>	<u>84.53%</u>
Total	<u>\$ 36,521,642</u>	<u>100.00%</u>
Customer	2004	
	Revenue	Percentage of Electric Revenue
Weatherford ISD	\$ 1,656,143	4.94%
Heritage Plastic	999,790	2.98%
Jamak, Inc.	856,495	2.56%
Wal-Mart	745,927	2.23%
Campbell Health System	520,549	1.55%
Home Depot	311,396	0.93%
Weatherford College	291,504	0.87%
Weatherford Aerospace	298,183	0.89%
Parker County	272,833	0.81%
Petro Truck Stop	277,026	0.83%
	<u>6,229,846</u>	<u>18.59%</u>
Total	<u>27,287,740</u>	<u>81.41%</u>
	<u>\$ 33,517,586</u>	<u>100.00%</u>

## CITY OF WEATHERFORD, TEXAS

### ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY<sup>(1)</sup>

#### LAST TEN FISCAL YEARS

Category	Fiscal Year			
	2004		2005	
	Actual Value	Percentage of Total	Actual Value	Percentage of Total
Real, residential, single family	\$ 611,816,260	54.46%	\$ 650,194,940	54.19%
Real, residential, multi-family	31,268,020	2.78%	31,489,910	2.62%
Real, vacant lots/tracts	18,094,880	1.61%	19,016,140	1.58%
Real, acreage (land only)	48,892,850	4.35%	50,936,150	4.25%
Real, farm and ranch improvements	16,646,290	1.48%	16,761,180	1.40%
Real, commercial	247,264,810	22.01%	276,298,640	23.03%
Real, industrial	7,823,290	0.70%	7,823,290	0.65%
Real, oil, gas and other minerals	-	- %	-	- %
Total real property	981,806,400	87.39%	1,052,520,250	87.72%
Real and tangible personal, utilities	18,129,460	1.61%	16,690,530	1.39%
Tangible personal, commercial	89,775,290	7.99%	94,586,120	7.88%
Tangible personal, industrial	22,977,010	2.05%	24,378,430	2.03%
Tangible, personal, mobile homes	1,852,430	0.16%	1,948,360	0.16%
Intangible personal	28,580	- %	21,990	- %
Inventory	8,896,290	0.80%	9,686,950	0.82%
Total personal property	141,659,060	12.61%	147,312,380	12.28%
Constitutional exempt <sup>(3)</sup>	-	- %	-	- %
Total actual value	1,123,465,460	<u>100.00%</u>	1,199,832,630	<u>100.00%</u>
Less: exemptions/reductions	97,494,013		89,072,576	
Total	\$ 1,025,971,447		\$ 1,110,760,054	
Total direct rate <sup>(2)</sup>	\$ 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					
2006		2007		2008	
Actual Value	Percentage of Total	Actual Value	Percentage of Total	Actual Value	Percentage of Total
\$ 744,845,930	53.65%	\$ 786,575,270	52.41%	\$ 884,837,500	52.16%
38,787,970	2.79%	50,422,550	3.36%	49,119,090	2.90%
28,465,230	2.05%	31,371,500	2.09%	28,945,620	1.71%
61,611,030	4.44%	66,543,860	4.43%	97,859,020	5.77%
19,390,740	1.40%	19,971,440	1.33%	19,102,150	1.13%
328,022,860	23.63%	355,833,000	23.71%	431,045,000	25.41%
8,466,210	0.61%	8,176,550	0.54%	5,685,760	0.34%
-	- %	665,540	0.04%	1,381,770	0.08%
<u>1,229,589,970</u>	88.57%	<u>1,319,559,710</u>	87.91%	<u>1,517,975,910</u>	89.50%
17,714,320	1.28%	17,359,850	1.16%	18,661,510	1.10%
107,923,090	7.77%	122,749,210	8.18%	119,755,350	7.06%
22,895,960	1.65%	27,607,560	1.84%	32,721,880	1.93%
1,681,410	0.12%	1,539,060	0.10%	1,563,200	0.09%
-	- %	-	- %	36,210	- %
<u>8,601,290</u>	0.61%	<u>11,868,130</u>	0.81%	<u>5,833,900</u>	0.32%
<u>158,816,070</u>	11.43%	<u>181,123,810</u>	12.09%	<u>178,572,050</u>	10.50%
-	- %	-	- %	-	- %
1,388,406,040	<u>100.00%</u>	1,500,683,520	<u>100.00%</u>	1,696,547,960	<u>100.00%</u>
<u>107,831,010</u>		<u>102,744,790</u>		<u>131,475,380</u>	
\$ <u>1,280,575,030</u>		\$ <u>1,397,938,730</u>		\$ <u>1,565,072,580</u>	
\$ 0.3403		\$ 0.3403		\$ 0.4386	

## CITY OF WEATHERFORD, TEXAS

### ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY<sup>(1)</sup>

#### LAST TEN FISCAL YEARS

Category	Fiscal Year			
	2009		2010	
	Actual Value	Percentage of Total	Actual Value	Percentage of Total
Real, residential, single family	\$ 931,787,310	49.58%	\$ 966,262,300	49.35%
Real, residential, multi-family	63,259,650	3.37%	66,142,950	3.38%
Real, vacant lots/tracts	34,935,360	1.86%	32,079,260	1.64%
Real, acreage (land only)	114,848,250	6.11%	132,053,460	6.74%
Real, farm and ranch improvements	22,318,830	1.19%	21,383,540	1.09%
Real, commercial	504,549,930	26.85%	522,311,300	26.68%
Real, industrial	9,751,120	0.52%	10,348,560	0.53%
Real, oil, gas and other minerals	785,960	0.04%	566,870	0.03%
Total real property	1,682,236,410	89.52%	1,751,148,240	89.44%
Real and tangible personal, utilities	17,684,650	0.94%	16,470,860	0.84%
Tangible personal, commercial	129,570,820	6.89%	139,204,420	7.11%
Tangible personal, industrial	34,733,290	1.85%	35,221,400	1.80%
Tangible, personal, mobile homes	1,379,840	0.07%	1,469,130	0.08%
Intangible personal	37,620	- %	68,300	- %
Inventory	13,786,420	0.73%	14,240,990	0.73%
Total personal property	197,192,640	10.48%	206,675,100	10.56%
Constitutional exempt <sup>(3)</sup>	-	- %	-	- %
Total actual value	1,879,429,050	<u>100.00%</u>	1,957,823,340	<u>100.00%</u>
Less: exemptions/reductions	141,624,420		157,276,330	
Total	\$ 1,737,804,630		\$ 1,800,547,010	
Total direct rate <sup>(2)</sup>	\$ 0.4386		\$ 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			
2011		2012		2013	
Actual Value	Percentage of Total	Actual Value	Percentage of Total	Actual Value	Percentage of Total
\$ 982,593,310	50.07%	\$ 972,512,560	43.63%	\$ 982,550,650	43.23%
60,050,380	3.06%	80,671,490	3.62%	84,299,640	3.71%
31,012,210	1.58%	32,176,140	1.44%	34,086,840	1.50%
127,192,770	6.48%	128,278,870	5.75%	134,640,710	5.92%
23,630,120	1.20%	23,116,890	1.04%	22,225,190	0.98%
525,936,480	26.80%	531,927,220	23.86%	548,072,350	24.11%
11,655,760	0.59%	12,505,740	0.56%	12,501,170	0.55%
7,210,230	0.37%	5,683,360	0.25%	4,664,840	0.21%
<u>1,769,281,260</u>	<u>90.15%</u>	<u>1,786,872,270</u>	<u>80.15%</u>	<u>1,823,041,390</u>	<u>80.21%</u>
16,699,920	0.85%	16,174,680	0.73%	16,355,940	0.72%
130,474,700	6.65%	127,511,850	5.72%	126,788,970	5.58%
32,101,270	1.64%	37,029,220	1.66%	40,321,640	1.77%
1,505,490	0.08%	1,229,600	0.06%	1,213,240	0.05%
45,610	- %	14,880	- %	18,570	- %
12,406,480	0.63%	13,787,850	0.62%	11,958,300	0.53%
<u>193,233,470</u>	<u>9.85%</u>	<u>195,748,080</u>	<u>8.79%</u>	<u>196,656,660</u>	<u>8.65%</u>
<u>-</u>	<u>- %</u>	<u>246,451,960</u>	<u>11.06%</u>	<u>253,109,550</u>	<u>11.14%</u>
1,962,514,730	<u>100.00%</u>	2,229,072,310	<u>100.00%</u>	2,272,807,600	<u>100.00%</u>
<u>156,813,562</u>		<u>408,409,581</u>		<u>418,378,500</u>	
<u>\$ 1,805,701,168</u>		<u>\$ 1,820,662,729</u>		<u>\$ 1,854,429,100</u>	
\$ 0.4636		\$ 0.4636		\$ 0.4636	

## CITY OF WEATHERFORD, TEXAS

DIRECT AND OVERLAPPING PROPERTY TAX RATES<sup>(1)</sup>

## LAST TEN FISCAL YEARS

Fiscal Year	City Direct Rates			Overlapping Rates <sup>(2)</sup>				
	Operating	Debt Service	Total Direct	Parker County	Weatherford School District	Parker County Hospital District	Parker County Junior College	Peaster School District
2004	0.2691	0.0712	0.3403	0.3425	1.7000	0.1667	0.1299	1.7500
2005	0.2740	0.0663	0.3403	0.3417	1.7400	0.1618	0.1298	1.6980
2006	0.2758	0.0645	0.3403	0.3399	1.7800	0.1590	0.1170	1.6980
2007	0.2782	0.0621	0.3403	0.3386	1.6900	0.1454	0.1138	1.6100
2008	0.2920	0.1466	0.4386	0.3372	1.4000	0.1250	0.1053	1.3528
2009	0.2920	0.1466	0.4386	0.3545	1.4000	0.1150	0.1053	1.3528
2010	0.2920	0.1716	0.4636	0.3754	1.4000	0.1136	0.1049	1.3528
2011	0.2920	0.1716	0.4636	0.3897	1.4000	0.1130	0.1049	1.3528
2012	0.2920	0.1716	0.4636	0.4102	1.4000	0.1130	0.1119	1.3528
2013	0.2920	0.1716	0.4636	0.4636	1.4000	0.1120	0.1129	1.3528

Notes: <sup>(1)</sup> Expressed in dollars per \$100 assessed value.

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

Source: Representatives of the taxing jurisdictions

## CITY OF WEATHERFORD, TEXAS

## PRINCIPAL PROPERTY TAXPAYERS

## CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2013	
	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value
Parker County Hospital	\$ 61,144,180	3.60%
Weatherford I-20/Main St.	24,642,700	1.50%
Weatherford Capital	19,132,240	1.10%
Wal-Mart Stores, Inc.	18,596,900	1.10%
Power Service Products	15,169,780	0.90%
Holland Lake Partners	10,917,410	0.60%
Weatherford Regional Medical	10,514,050	0.60%
Target Corporation	11,121,530	0.70%
Lowes Home Centers	10,769,820	0.60%
Home Depot	10,183,740	0.60%
Total	\$ <u>192,192,350</u>	<u>11.30%</u>

Taxpayer	2004	
	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value
Wal-Mart Stores, Inc.	\$ 17,021,490	1.66%
JAMAK, Inc.	12,921,340	1.26%
Home Depot	11,782,700	1.15%
Southwestern Bell	9,482,740	0.92%
Albertson's	8,793,060	0.86%
Power Service Products	7,389,480	0.72%
CD Hartnett	6,716,500	0.65%
Southgate Glen Apts	5,700,620	0.56%
Westward Way Estaticd	4,499,090	0.44%
Petro PSC	4,020,560	0.39%
Total	\$ <u>88,327,580</u>	<u>8.61%</u>

Source: Parker County Appraisal District

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**CITY OF WEATHERFORD, TEXAS**  
**PROPERTY TAX LEVIES AND COLLECTIONS<sup>(1)</sup>**  
**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
2005	\$ 3,780,244	\$( 38,564)	3,741,680	\$ 3,666,354	96.99%	\$ 68,091	\$ 3,734,445	99.81%
2006	4,315,877	( 19,375)	4,296,502	4,215,124	97.67%	72,076	4,287,200	99.78%
2007	4,696,326	( 19,814)	4,676,512	4,590,807	97.75%	76,165	4,666,972	99.80%
2008	6,919,281	( 61,644)	6,857,637	6,759,210	97.69%	78,449	6,837,659	99.71%
2009	7,366,860	( 33,957)	7,332,903	7,218,875	97.99%	92,014	7,310,889	99.70%
2010	8,016,933	( 39,783)	7,977,150	7,837,978	97.77%	102,980	7,940,958	99.55%
2011	8,085,420	( 35,562)	8,049,858	7,942,051	98.23%	58,490	8,000,541	99.39%
2012	8,201,957	( 38,694)	8,163,263	8,079,521	98.51%	57,554	8,137,075	99.68%
2013	8,351,358	( 18,870)	8,332,488	8,243,398	98.71%	-	8,243,398	98.93%

Note: <sup>(1)</sup> The City of Weatherford implemented GASB Statement No. 44 in fiscal year 2006  
Detailed information is not available for fiscal years prior to 2005.

Source: Parker County Appraisal District

# CITY OF WEATHERFORD, TEXAS

## TAXABLE SALES BY CATEGORY

### LAST TEN FISCAL YEARS

	Fiscal Year			
	2004	2005	2006	2007
Agriculture/Forestry/Fishing/Hunting	\$ -	\$ -	\$ -	\$ -
Mining/Quarrying/Oil and Gas Extraction	-	515,558	2,347,140	1,244,207
Utilities	-	-	-	-
Construction	5,790,886	7,713,482	8,813,942	7,275,865
Manufacturing	8,480,151	11,417,424	12,266,814	10,892,575
Wholesale Trade	13,962,200	16,865,888	19,404,659	20,932,822
Retail Trade	221,607,207	259,551,137	274,468,277	307,054,524
Transportation/Warehousing	2,524	13,065	114,637	299,029
Information	1,281,883	1,782,692	2,269,814	1,902,312
Finance/Insurance	1,867,135	2,489,713	2,643,196	2,744,766
Real Estate/Rental/Leasing	2,368,939	2,906,602	5,988,307	12,909,665
Professional/Scientific/Technical Services	2,680,029	2,987,497	3,435,823	2,492,222
Admin/Support/Waste Mgmt/Remediation Services	3,310,849	3,467,818	3,184,939	2,974,145
Educational Services	320,362	238,871	369,212	339,063
Health Care/Social Assistance	307,035	323,278	331,275	53,634
Arts/Entertainment/Recreation	1,115,563	1,199,103	1,689,930	1,423,230
Accommodations/Food Services	46,480,604	53,593,119	59,244,910	63,045,572
Other Services ( except Public Administration)	13,553,888	14,291,440	13,628,435	14,648,835
Public Administration	2,101,631	2,452,113	9,624,417	3,019,642
Other Services	232,274	47,085	22,410	19,874
Unclassified	8,925,327	10,542,942	5,869,106	12,328,558
<b>Total</b>	<b>\$ 334,388,487</b>	<b>\$ 392,398,827</b>	<b>\$ 425,717,243</b>	<b>\$ 465,600,540</b>
City direct sales tax rate	1.50%	1.50%	1.50%	1.50%

Source: Texas Comptroller

**TABLE 13**

Fiscal Year					
2008	2009	2010	2011	2012	2013
\$ -	\$ -	\$ -	\$ 17,350	\$ 24,360	\$ 18,470
1,252,092	14,326,698	88,530,759	2,708,174	2,553,162	2,340,426
-	-	-	1,564	9,523	11,992
6,957,885	4,357,116	4,005,474	4,473,269	4,148,485	8,418,496
11,006,653	8,052,901	9,179,698	10,344,074	9,891,554	14,542,183
22,472,139	18,984,569	17,613,952	20,606,904	23,196,315	22,230,671
319,784,449	306,397,750	296,338,740	318,942,141	343,180,554	363,367,515
298,219	-	-	-	868	27,302
2,056,382	2,168,761	3,007,895	5,614,520	4,177,775	3,752,266
2,173,493	1,238,663	1,007,196	884,706	754,614	733,579
10,905,094	5,856,372	3,398,093	3,083,776	4,792,747	7,236,213
3,351,088	3,173,971	2,525,977	2,248,780	1,947,381	2,343,895
3,855,420	3,966,809	4,142,197	4,641,626	4,759,341	4,898,493
331,207	388,591	2,053,012	1,569,743	646,524	663,346
53,933	4,169	189,402	55,855	85,603	42,094
1,202,157	1,199,394	1,333,491	1,278,258	1,606,896	1,447,586
67,976,752	69,513,396	66,627,927	72,763,277	77,272,234	82,452,449
19,215,998	18,010,209	17,911,085	20,237,260	19,899,170	21,063,717
3,228,818	16,587,342	13,610,308	12,573,279	11,017,187	11,691,775
18,261	-	-	-	-	-
<u>16,359,816</u>	<u>2,696,208</u>	<u>1,163,476</u>	<u>9,584</u>	<u>3,920</u>	<u>24,998</u>
<u>\$ 492,499,856</u>	<u>\$ 476,922,919</u>	<u>\$ 532,638,682</u>	<u>\$ 482,054,140</u>	<u>\$ 509,968,213</u>	<u>\$ 547,307,466</u>
1.50%	1.50%	1.50%	1.50%	1.50%	1.50%

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TABLE 14

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

Fiscal Year	Governmental Activities			Business-type Activities				Total Primary Government	Percentage of Personal Income	Per Capita <sup>(1)</sup>
	General Obligation Bonds	Certificates of Obligation	Capital Leases	Revenue Bonds	Tax Note	Term Loan	Capital Leases			
2004	\$ 1,550,000	\$ 6,060,000	\$ 423,107	\$ 36,923,916	\$ -	\$ 177,555	\$ 189,993	\$ 45,324,571	7.39%	\$ 2,070
2005	1,210,000	5,875,000	376,023	34,598,839	-	160,914	101,095	42,321,871	6.50%	1,836
2006	840,000	9,690,000	603,081	53,391,977	-	143,574	20,738	64,689,370	9.45%	2,695
2007	11,450,000	55,920,000	363,700	51,208,106	-	125,506	-	119,067,312	15.96%	4,763
2008	11,060,000	58,605,000	145,242	48,684,838	-	106,680	-	118,601,760	13.73%	4,570
2009	10,650,000	58,130,000	-	46,269,786	600,000	477,063	-	116,126,849	11.30%	4,357
2010	10,215,000	57,500,000	-	43,739,876	510,000	416,667	41,094	112,422,637	6.68%	2,522
2011	34,465,000	42,225,000	-	41,098,654	415,000	353,933	71,916	118,629,503	6.91%	2,667
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

<sup>(1)</sup> 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 <sup>(2)</sup>	Net Bonded Debt
	General Obligation Bonds	Certificates of Obligation	Total		
2004	\$ 1,550,000	\$ 6,060,000	\$ 7,610,000	\$ 391,639	\$ 7,218,361
2005	1,210,000	5,875,000	7,085,000	415,985	6,669,015
2006	840,000	9,690,000	10,530,000	484,855	10,045,145
2007	11,450,000	55,920,000	67,370,000	1,563,613	65,806,387
2008	11,060,000	58,605,000	69,665,000	707,853	68,957,147
2009	10,650,000	58,130,000	68,780,000	751,802	68,028,198
2010	10,215,000	57,500,000	67,715,000	1,463,796	66,251,204
2011	34,465,000	42,225,000	76,690,000	2,032,597	74,657,403
2012	34,041,416	42,067,031	76,108,447	2,335,000	71,233,908
2013	58,571,448	14,185,531	72,756,979	3,545,000	65,435,903

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 <sup>(1)</sup>
\$ 1,025,971,447	0.70%	\$ 330
1,110,760,054	0.60%	289
1,280,575,030	0.78%	419
1,397,938,730	4.71%	2,632
1,565,072,580	4.41%	2,657
1,737,804,630	3.91%	2,553
1,800,547,010	3.68%	2,449
1,805,701,168	3.58%	2,563
1,820,662,729	3.91%	2,701
1,854,429,100	3.53%	2,526

## CITY OF WEATHERFORD, TEXAS

## DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

AS OF SEPTEMBER 30, 2013

<u>Government Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Debt repaid with property taxes			
Parker County	\$ 94,009,786	19.78%	\$ 18,595,136
Weatherford Independent School District	70,654,007	45.73%	32,310,077
Parker County Junior College District	5,070,000	19.78%	1,002,846
Peaster Independent School District	13,758,622	2.73%	375,610
Other debt			
Parker County Junior College, note payable	3,159,308	19.78%	<u>624,911</u>
Subtotal overlapping debt			52,908,580
City of Weatherford direct debt	74,023,463	100.00%	<u>74,023,463</u>
Total direct and overlapping debt			<u>\$ 126,932,043</u>

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

Source: Representatives of taxing jurisdictions

## CITY OF WEATHERFORD, TEXAS

## PLEDGED REVENUE COVERAGE

## LAST TEN FISCAL YEARS

Fiscal Year	Utility System Revenue Bonds					Coverage
	Gross Revenue <sup>(1)</sup>	Less: Operating Expenses <sup>(2)</sup>	Net Available Revenue	Debt Service		
				Principal	Interest	
2004	\$ 35,042,210	\$ 26,856,979	\$ 8,185,231	\$ 1,870,000	\$ 1,901,654	2.17%
2005	42,666,318	32,453,744	10,212,574	1,955,000	1,820,361	2.71%
2006	50,133,799	39,001,632	11,132,167	2,035,000	2,089,058	2.70%
2007	47,313,004	37,605,675	9,707,329	2,215,000	2,495,105	2.06%
2008	60,783,520	49,251,229	11,532,291	2,300,000	2,408,986	2.45%
2009	55,326,626	46,126,060	9,200,566	2,490,000	2,235,174	1.95%
2010	44,648,091	34,190,600	10,457,491	2,605,000	2,121,884	2.21%
2011	48,143,263	32,655,996	15,487,267	2,615,000	2,015,352	3.34%
2012	40,639,256	24,787,800	15,851,456	2,715,000	1,912,988	3.43%
2013	44,969,078	29,429,195	15,539,883	2,840,000	1,787,416	3.36%

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 <sup>(1)</sup>	Personal Income <sup>(2)</sup>	Per Capita Income <sup>(2)</sup>	School Enrollment <sup>(3)</sup>	Unemployment Rate <sup>(4)</sup>
2004	21,900	\$ 613,375,200	\$ 28,008	7,142	5.1%
2005	23,050	651,369,950	28,259	7,220	4.3%
2006	24,000	684,312,000	28,513	7,281	4.3%
2007	25,000	745,850,000	29,834	7,243	4.2%
2008	25,950	863,667,900	33,282	7,155	5.8%
2009	26,650	1,028,023,750	38,575	7,394	7.4%
2010	27,050	1,021,786,700	37,774	7,672	6.9%
2011	25,250	974,018,750	38,575	7,543	7.1%
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%

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

TABLE 19

## CITY OF WEATHERFORD, TEXAS

## PRINCIPAL EMPLOYERS

## CURRENT AND NINE YEARS AGO

Employer	2013		
	Employees	Rank	Percentage of Total City Employment
Weatherford ISD	945	1	7.96%
Weatherford Regional Medical Center	585	2	4.93%
Parker County	485	3	4.09%
Jerry's Transportation Center	420	4	3.54%
City of Weatherford	401	5	3.38%
Wal-Mart	350	6	2.95%
Weatherford College	298	7	2.51%
C.D. Hartnett	276	8	2.33%
JAMAK, Inc.	200	9	1.69%
Weatherford Aerospace	150	10	1.26%
Total	<u>4,110</u>		<u>34.64%</u>

Employer	2004		
	Employees	Rank	Percentage of Total City Employment
Weatherford ISD	875	1	9.33%
Texas Bank	460	2	4.90%
Weatherford College	450	3	4.80%
Campbell Health System	450	4	4.80%
Wal-Mart	447	5	4.76%
JAMAK, Inc.	380	6	4.05%
Parker County	334	7	3.56%
City of Weatherford	314	8	3.35%
C.D. Harnett Co.	296	9	3.15%
Home Depot	200	10	2.13%
Total	<u>4,206</u>		<u>44.83%</u>

Source: Weatherford Economic Development Authority

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

Function/Program	Fulltime Equivalent Employees as of September 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General government	20	21	22	22	23	24	24	24	24	24
Public safety	114	114	119	124	128	130	130	132	138	137
Public works	19	19	19	18	20	22	22	23	26	27
Planning and development	9	12	13	16	16	10	10	10	9	10
Community development	8	8	8	9	9	24	24	23	21	23
Cultural and recreational	48	48	48	52	55	50	51	52	56	56
Electric	48	49	49	54	55	54	54	55	55	55
Water	27	27	27	27	25	28	28	28	28	28
Wastewater	15	15	15	15	16	16	16	16	16	16
Sanitation	13	13	13	13	15	19	19	19	19	17
<b>Total</b>	<b>321</b>	<b>326</b>	<b>333</b>	<b>350</b>	<b>362</b>	<b>377</b>	<b>378</b>	<b>382</b>	<b>392</b>	<b>393</b>

Source: City's Human Resource Department

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

Function/Program	Fiscal Year			
	2004	2005	2006	2007
<b>Public safety</b>				
<b>Police</b>				
Police personnel and officers	71	71	71	75
Arrests	1,271	1,652	1,689	1,512
Violations other than parking	8,720	8,483	9,744	10,160
Parking violations	325	357	193	281
<b>Fire</b>				
Paid fire personnel and officers	42	42	473	43
Calls answered	2,773	3,169	3,724	3,505
<b>Planning and development</b>				
New construction permits issued	198	270	345	289
<b>Cultural and recreation</b>				
Library holdings	93,979	93,895	91,422	90,745
<b>Electric</b>				
Service connections	11,758	12,060	12,443	12,823
Total system peak demand (KW)	71,857	78,273	82,721	81,859
Annual kilo-watt hour sales (KWH)	289,880,920	315,001,959	338,176,662	334,246,819
<b>Water</b>				
Service connections	9,113	9,345	9,769	10,108
Daily average consumption (thousands of gallons)	2,695	3,141	4,142	3,091
Annual water sales (thousands of gallons)	983,680	1,146,612	1,511,964	1,128,377
<b>Wastewater</b>				
Service connections	8,342	8,503	8,835	9,254
Daily average consumption (thousands of gallons)	2,429	2,165	2,118	2,223
<b>Sanitation</b>				
Refuse collected (tons)	8,512	9,259	8,865	9,130
Brush pickups (tons)	841	2,396	1,016	509
Special pickups (tons)	1,076	2,732	1,154	1,541

(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						
2008	2009	2010	2011	2012	2013	
79	77	76	80	80	80	
1,597	1,604	1,591	1,104	957	1,132	
10,078	7,823	6,855	6,628	4,455	5,691	
231	114	88	71	87	133	
52	51	51	55	58	66	
3,167	3,897	3,985	4,142	4,360	4,505	
341	143	120	186	116	211	
97,232	98,596	98,241	102,847	101,404	104,834	
13,166	13,297	13,418	13,560	13,767	13,953	
82,317	83,385	90,289	96,681	92,466	94,161	
354,818,755	341,457,244	365,673,529	381,826,440	371,081,397	371,982,863	
10,418	10,507	10,604	10,722	10,845	11,084	
3,555	3,494	3,072	3,884	3,649	3,493	
1,297,535	1,275,433	1,121,197	1,417,482	1,331,738	1,227,698	
9,902	(2) 9,660	(2) 9,769	(2) 9,881	(2) 9,994	10,201	
2,079	1,936	2,261	2,133	2,242	2,115	
9,189	8,780	8,951	8,789	8,881	9,239	
2,459	1,832	1,601	1,936	1,882	1,792	
(1)	(1)	(1)	(1)	(1)	(1)	

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

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Public safety										
Police										
Police stations	1	1	1	1	1	1	1	1	1	1
Police patrol units	21	21	22	21	22	22	22	22	22	22
Fire										
Fire stations	3	3	3	3	4	4	4	4	4	4
Fire trucks	12	11	11	12	14	16	17	18	18	18
Cultural and recreation										
Parks and recreation										
Community centers	2	2	2	2	2	2	2	2	2	2
Parks	9	9	10	10	10	10	10	10	10	10
Park acreage	294	294	300	300	300	300	300	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	9	7	7	7	10	10	13	11	11	12
Multipurpose fields and courts	7	8	8	8	9	9	9	7	7	3
Electric										
Miles of distribution lines	272	283	288	302	304	313	316	326	326	326
Water										
Miles of water mains	200	236	236	236	241	249	254	266	272	272
Number of fire hydrants	884	993	1,123	1,170	1,213	1,244	1,320	1,342	1,355	1,384
Maximum daily capacity of plant (thousands of gallons)	8,000	8,000	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	7,100	7,100	7,600	7,600	7,600	7,600	7,600
Wastewater										
Miles of sanitary sewers	171	180	180	182	187	192	195	202	207	233
Permitted daily capacity of plant (thousands of gallons)	2,700	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500

Source: Various City Departments