



CITY OF WEATHERFORD, TEXAS

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED
SEPTEMBER 30, 2019**



**Created by:
Finance Office**

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CITY OF WEATHERFORD, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2019

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INTRODUCTORY SECTION

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February 19, 2020

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, 2019, 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 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, 2019, 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, 2019, 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 27.58 square miles and serves an estimated population of 30,654 as of 2017 (U.S. Census Bureau). The City is empowered to levy a property tax on both real and personal properties located within its boundaries. It is also empowered by state statute to extend its corporate limits by annexation, if requested by property owner and deemed appropriate by the City Council.

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

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

The annual budget serves as the foundation for the City's financial planning and control. All departments of the City are required to submit requests for appropriation to the City Manager prior to June 1 of each year. These requests are reviewed, prioritized and, based upon projected revenue availability, included in a proposed budget. The City Manager then presents the proposed budget to the City Council and Municipal Utility Board, respectively, for review prior to August 31. The Council and Board are required to hold public hearings on the proposed budget and to adopt a final budget by no later than September 30, the close of the City's fiscal year. The budget is prepared and appropriated by fund and department. Upon approval of the City Manager, department directors may make line-item transfers of appropriations within a department; however, appropriation transfers between departments require approval of the Council or Board. A summary budget-to-actual comparison for the General Fund is provided on page 66-69 of this report. Budget-to-actual comparisons for each of the non-major special revenue governmental funds are found on pages 84-95.

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 2019, the City of Weatherford experienced strong economic growth, as revenues to the City outmatched the previous record highs, set in 2017. The State and the North Texas MSA continues to lead the nation in employment, job creation, and new growth, despite a slight slow-down from 2017. Regional retail shopping, manufacturing and other business to business sales led Weatherford's strong sales tax figures for FY19. Having experienced expansive commercial and residential growth since the early 2000's, both retail and industrial establishments maintain significant economic presence in the City. Prominent economic indicators that showed improvement throughout the year are Texas' consumer confidence index as well as the unemployment rate, which continues to be favorable in Weatherford, the Fort Worth/Dallas Metroplex, and the State. In addition, 45 to 50 percent of local residents make the short commute east into the 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 2019 hit a historic high in sales tax revenue collections for the City of Weatherford. At \$14.6 million, FY19 collections exceeded the previous year by 6.9%. Because this revenue stream can be sensitive to economic fluctuations, Weatherford leaders are careful to only rely on approximately 90% of sales tax for operational purposes, allowing a healthy buffer to shield against declines.

Local manufacturing includes many local shops and suppliers; national and international silicone rubber products (automotive, medical and aerospace, etc.); automotive fuel additives; natural gas drilling, service, production and training; PVC plastic pipe; regional lower-tier subcontractors to Metroplex aerospace companies; and international animal supplements. All experienced output declines and some job reductions from the Great Recession but have continued to see growth in output and recovery in jobs since.

The City continues to develop as a major regional retail center at the IH-20 and S. Main node, with over 905,000 square feet of retail construction completed since 2005. Both the Weatherford Ridge and Weatherford Marketplace retail centers have a few vacancies currently. These are common and tend to rotate occupancy. Additionally, City leaders created Weatherford's second Tax Increment Reinvestment Zone late in FY18. The first TIRZ was created to spur development along IH-20 and has been successful in procuring two major retail establishments as well as a new car dealership. The goal of the second TIRZ focuses on redevelopment.

As with the state and national rates, Weatherford's unemployment rate has continued to steadily decline since 2009, While the rate does fluctuate monthly, the annual average hovers between 3% and 3.5%. September 2019 was estimated at 3.2%. Weatherford has seen the job market increase by 2.6% over the last year.

Due in part to a stable local service area economy as well as strong financial management, Weatherford has a "AA" rating and stable outlook from Standard & Poor's. Additionally, the Weatherford's utility system debt has remained at a A+, with a stable outlook. The A+ rating reflects Standard & Poor's view of the utility's strong financial profile, improved liquidity, and good financial metrics.

Long-term Financial Planning and Major Initiatives. The City Council has 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. The policy is updated as-needed, and management of the City believes we are currently in compliance with them. The policy statements stipulate that current expenditures shall not exceed current revenues plus the planned use of fund balances for non-recurring expenditures. Additionally, they set a desired fund balance reserve in the committed funds of the general and utility fund at 90 days of operations, although the Council's preference has been to maintain the general fund balance at 120 days. At fiscal year end both funds had met this requirement of the policy statement as well as had a healthy unassigned fund balance.

Among the City's major initiatives is maintaining up-to-date infrastructure. Council and staff continue to plan for major, long-term improvements by reserving cash for future use, enabling a portion of the projects to be cash-funded. They have made significant enhancements to the City over the last decade with an emphasis on road improvements, partially funded through TxDOT's Pass-Through Toll Agreement that has provided close to \$60 million in revenue. City staff continue to maintain the annual street maintenance target in order to ensure proper and timely rehabilitation of its street infrastructure. Additional emphasis has been placed on maintenance and expansion of utility infrastructure, with large-scale improvements of the water and sewer system being funded through both debt and revenues earned off of the new rate structure, passed in 2015. As a part of these improvements, staff has replaced the City's old utility meters with automated meters, enabling staff to read them remotely and in real time. This meter installation project was completed in the Spring of 2018.

With the new municipal storm water fee having been adopted in early 2013, the City has made several strides in updating its drainage infrastructure in the past three years and has also issued revenue bonds backed by this revenue stream for further improvements, with further debt funding planned.

An additional focus for the City has been to maintain its newly created vehicle rotation fund for major rolling assets in the General Fund. FY19 was the fourth year of this new rotation, with almost 30 vehicles and major equipment provided for with recurring funds. The goal is to add more vehicles onto this rotation as revenues provide.

Awards and Acknowledgements

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to City of Weatherford for its comprehensive annual financial report for the fiscal year ended September 30, 2018. This was the 31st consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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 City Manager/Chief Financial Officer, Brad Burnett; Finance Director, Jessica Doss; Assistant Finance Director, Dawn Brooks, Accounting Manager, Sidney Kirk; Purchasing Coordinator, Cathy Coffman; Staff Accountant, Rachel Vinyard; and Accounting Clerk Jaqueline Clayton. 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,

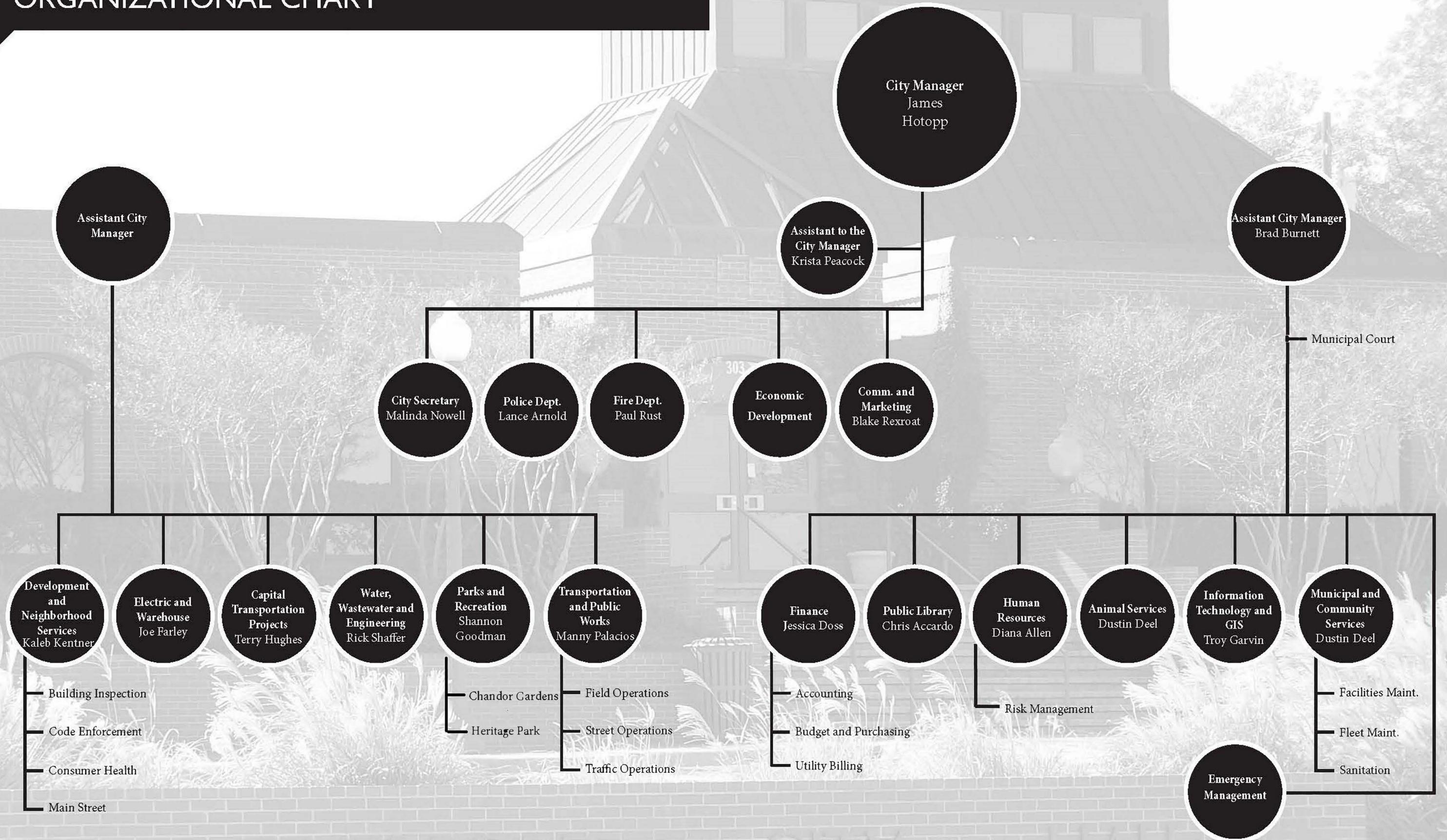


James Hotopp
City Manager



Brad Burnett
Assistant City Manager/CFO

ORGANIZATIONAL CHART



**THE CITY OF
WEATHERFORD, TEXAS**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**YEAR ENDED
SEPTEMBER 30, 2019**

**ELECTED
CITY COUNCIL**

Paul Paschall – Mayor

Heidi Wilder – Mayor Pro Tem/Council Member
Jeff Robinson – Council Member
Curtis Tucker – Council Member
Kevin Cleveland – Council Member

**APPOINTED/DESIGNATED
MUNICIPAL UTILITY BOARD**

Paul Paschall – Mayor – Chair
Jeff Robinson – Vice Chair
Heidi Wilder – Designated Council Member
Howard McClurkin – Appointed Public Member
Ken Davis – Appointed Public Member
Lindsey Hester – Appointed Public Member
Tom Novak – Appointed Public Member



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Weatherford
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2018

Christopher P. Morill

Executive Director/CEO

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

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 ("City"), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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, as of September 30, 2019, 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.

OFFICE LOCATIONS

TEXAS | Waco | Temple | Hillsboro | Houston
NEW MEXICO | Albuquerque



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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City’s basic financial statements. The 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 February 19, 2020, on our consideration of the City’s, internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City’s internal control over financial reporting and compliance.

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

Waco, Texas
February 19, 2020

**MANAGEMENT'S
DISCUSSION AND ANALYSIS**

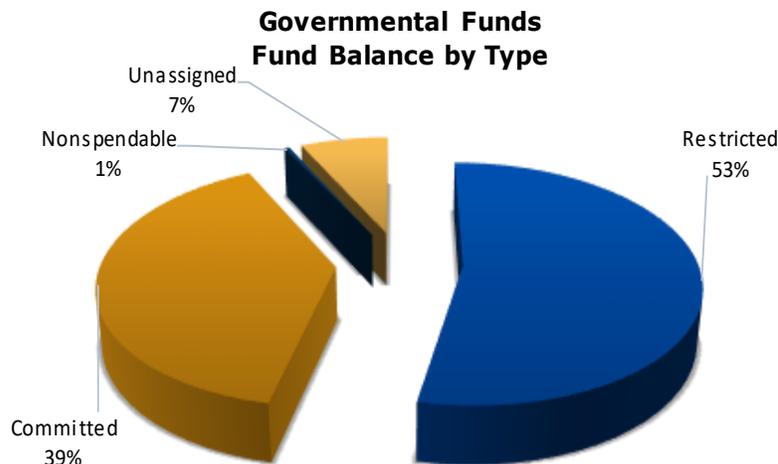
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Management's Discussion and Analysis

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, 2019. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Financial Highlights

- The assets and deferred outflows (a consumption of net assets by the City that is applicable to a future reporting period such as prepaid items and deferred charges) of resources of the City of Weatherford exceeded its liabilities and deferred inflows (an acquisition of net assets by the City that is applicable to a future reporting period such as deferred revenues and advance collections) at the close of the most recent fiscal year by \$260,238,488 (net position). Of this amount, \$40,185,094 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's change in total net position was an increase of \$19,940,176. Positive operating results are due to decreased power purchase costs (due to lower consumer consumption) coupled with increased interest income from investing activities; all of which resulted in an increase in net position related to business-type activities of \$14,222,610. Net position related to governmental activities increased by \$5,717,566 primarily due to better than anticipated revenue from property tax and sale tax and the return-on-investment/gross receipts tax calculation charged to the Utility Fund (this is based on consumption).
- As of the close of the current fiscal year, the City of Weatherford's governmental funds reported combined ending fund balances of \$37,070,191, a decrease of \$348,473 in comparison with the prior year. While the City experienced an overall decrease in fund balances; tax revenues, primarily property tax and sales tax, increased \$1,804,011 million from the prior year. The City offset the increase in revenues by re-investing in City's infrastructure system with projects such as the Public Safety Radio Tower project and improvements to Cherry Park. The net of the increase in revenues and the re-investment of resources into the City was an overall decrease of \$348,473 of total fund balances.
- Approximately 7% of the total balance, \$2,617,872, is unassigned, which is primarily in the general fund. This is approximately 7% of total general fund expenditures.



- The City of Weatherford's total debt decreased by (\$9,532,343) (9%) during the current fiscal year. This decrease is primarily attributed to principal payments of \$14.4 million. In addition to, the City also issued \$4.3 million of general obligation bonds and initiated an \$0.5 million capital lease.

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 are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the City of Weatherford's finances, in a manner similar to private-sector business. The statement of net position presents information on all of the City's assets, deferred outflows (inflows) of resources, and liabilities, with the difference between these items reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, development and neighborhood services, 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 14 - 17 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 18 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund, the tax increment reinvestment zone fund, and general capital projects fund which are considered to be major funds. Data from the other 14 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided in this report to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 18 - 24 of this report.

Proprietary Funds. Proprietary funds can be further classified into two different types of funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Weatherford uses enterprise funds to account for its combined electric, water and wastewater operations, also for its solid waste collection and storm water operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among a government's various functions.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for each one of the enterprise funds. The basic proprietary fund financial statements can be found on pages 24 – 33 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 34 – 65 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 66 – 70 of this report. Required supplementary information of pension and other post-employment benefit are included on pages 71 – 76.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Weatherford, assets and deferred outflows exceeded liabilities and deferred inflows by \$260,238,488 at the close of the most recent fiscal year.

City of Weatherford's Net Position

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 62,801,031	\$ 67,792,873	\$ 87,836,878	\$ 85,819,629	\$ 150,637,909	\$ 153,612,502
Capital assets	<u>99,289,211</u>	<u>93,518,227</u>	<u>157,421,030</u>	<u>147,871,376</u>	<u>256,710,241</u>	<u>241,389,603</u>
Total assets	<u>162,090,242</u>	<u>161,311,100</u>	<u>245,257,908</u>	<u>233,691,005</u>	<u>407,348,150</u>	<u>395,002,105</u>
Deferred outflows of resources	<u>8,157,610</u>	<u>4,077,384</u>	<u>3,148,937</u>	<u>1,883,180</u>	<u>11,306,547</u>	<u>5,960,564</u>
Long-term liabilities	86,280,858	86,337,638	59,276,686	61,284,818	145,557,544	147,622,456
Other liabilities	<u>2,843,120</u>	<u>3,147,980</u>	<u>7,082,103</u>	<u>6,400,050</u>	<u>9,925,223</u>	<u>9,548,030</u>
Total liabilities	<u>89,123,978</u>	<u>89,485,618</u>	<u>66,358,789</u>	<u>67,684,868</u>	<u>155,482,767</u>	<u>157,170,486</u>
Deferred inflows of resources	<u>2,143,760</u>	<u>2,640,318</u>	<u>789,682</u>	<u>853,553</u>	<u>2,933,442</u>	<u>3,493,871</u>
Net position:						
Net investment in capital assets	73,708,120	67,095,125	120,733,746	120,778,834	194,441,866	187,873,959
Restricted	10,354,402	8,933,030	15,257,126	12,248,093	25,611,528	21,181,123
Unrestricted	<u>(5,082,408)</u>	<u>(2,765,607)</u>	<u>45,267,502</u>	<u>34,008,837</u>	<u>40,185,094</u>	<u>31,243,230</u>
Total net position	\$ <u>78,980,114</u>	\$ <u>73,262,548</u>	\$ <u>181,258,374</u>	\$ <u>167,035,764</u>	\$ <u>260,238,488</u>	\$ <u>240,298,312</u>

By far the largest portion of the City of Weatherford's net position (75%) 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%) 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 \$40,185,094 (15%) 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, except for unrestricted net position for governmental activities. This category became negative for the first time in fiscal year 2018 and remains negative for fiscal year 2019 as a result of implementing GASB Statement No. 75 which included the City's total OPEB liability in the financial statements.

The City's change in total net position was an increase of \$19,940,176. Net position related to business-type activities changed by \$14,222,610. This increase is largely attributable to positive operating results stemming from higher water and electric consumption and increased interest income from investing activities. Net position related to governmental activities increased by \$5,717,566 primarily due to better than anticipated revenue from property tax and sale tax and the return-on-investment/gross receipts tax calculation charged to the Utility Fund.

City of Weatherford's Changes in Net Position

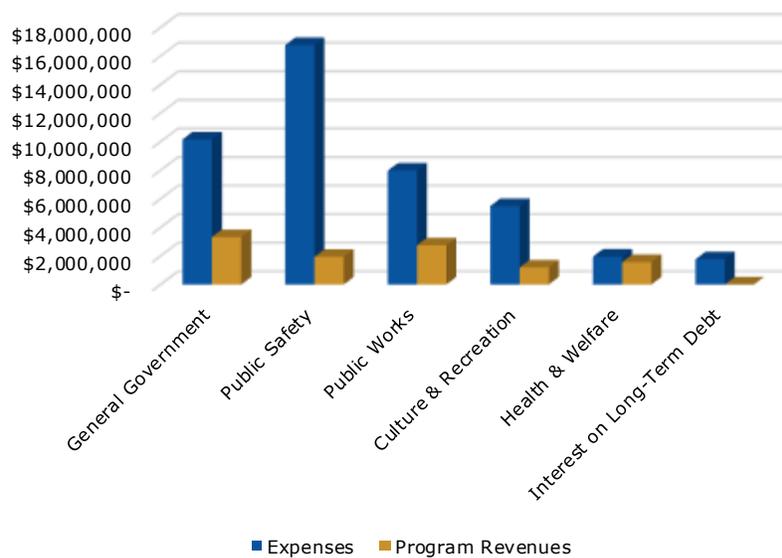
	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for services	\$ 7,572,499	\$ 6,714,874	\$ 63,758,530	\$ 65,504,486	\$ 71,331,029	\$ 72,219,360
Operating grants and contributions	1,001,330	977,088	-	-	1,001,330	977,088
Capital grants and contributions	2,186,053	1,814,700	2,750,221	3,611,547	4,936,274	5,426,247
General revenues:						
Sales taxes	14,571,947	13,634,260	-	-	14,571,947	13,634,260
Property taxes	12,309,376	11,631,462	-	-	12,309,376	11,631,462
Other taxes	1,990,749	1,712,698	-	-	1,990,749	1,712,698
Other	1,137,974	849,895	2,727,294	1,412,388	3,865,268	2,262,283
Total revenues	<u>40,769,928</u>	<u>37,334,977</u>	<u>69,236,045</u>	<u>70,528,421</u>	<u>110,005,973</u>	<u>107,863,398</u>
Expenses:						
General government	10,158,163	8,106,437	-	-	10,158,163	8,106,437
Public safety	16,763,699	15,398,565	-	-	16,763,699	15,398,565
Public works	7,977,141	8,111,287	-	-	7,977,141	8,111,287
Health and welfare	1,951,690	1,638,085	-	-	1,951,690	1,638,085
Culture and recreational	5,486,853	5,286,663	-	-	5,486,853	5,286,663
Interest on long-term debt	1,764,618	2,015,638	-	-	1,764,618	2,015,638
Electric	-	-	31,166,250	31,259,686	31,166,250	31,259,686
Water	-	-	8,125,192	8,367,589	8,125,192	8,367,589
Wastewater	-	-	3,821,537	4,047,566	3,821,537	4,047,566
Solid waste	-	-	2,404,817	2,384,254	2,404,817	2,384,254
Stormwater	-	-	445,837	1,107,179	445,837	1,107,179
Total expenses	<u>44,102,164</u>	<u>40,556,675</u>	<u>45,963,633</u>	<u>47,166,274</u>	<u>90,065,797</u>	<u>87,722,949</u>
Increase (decrease) in net position before transfers	(3,332,236)	(3,221,698)	23,272,412	23,362,147	19,940,176	20,140,449
Transfers	9,049,802	6,466,096	(9,049,802)	(6,466,096)	-	-
Increase in net position	<u>5,717,566</u>	<u>3,244,398</u>	<u>14,222,610</u>	<u>16,896,051</u>	<u>19,940,176</u>	<u>20,140,449</u>
Net position, beginning, restated	<u>73,262,548</u>	<u>70,018,150</u>	<u>167,035,764</u>	<u>150,139,713</u>	<u>240,298,312</u>	<u>220,157,863</u>
Net position, ending	<u>\$ 78,980,114</u>	<u>\$ 73,262,548</u>	<u>\$ 181,258,374</u>	<u>\$ 167,035,764</u>	<u>\$ 260,238,488</u>	<u>\$ 240,298,312</u>

Governmental Activities. The change in the City of Weatherford’s total governmental activities net position was \$5,717,566. Overall revenues increased by \$3,434,951 while overall expenditures increased \$3,545,489. The net change before transfers for the fiscal year was (\$3,332,236), which is only \$110,538 more of a loss than prior year’s net change before transfers.

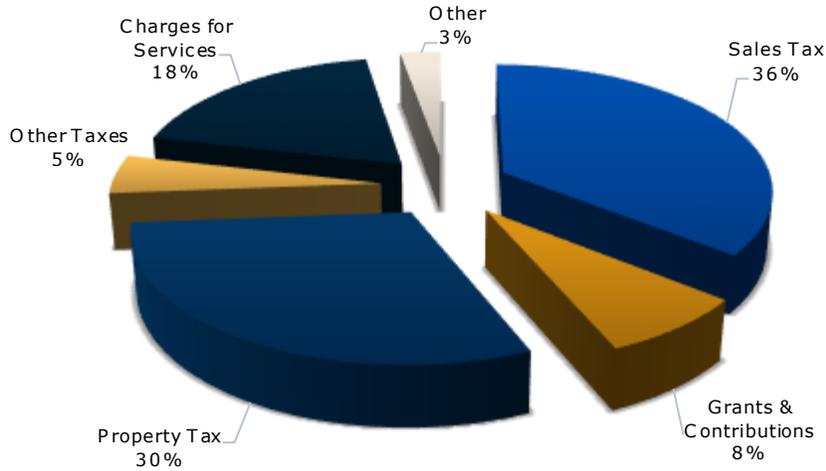
Revenue increases in the current year were mostly attributable to increases in property taxes (\$677,914), sales taxes (\$937,687), and investment earnings (\$412,310); the increases are a reflection of the current economy which is extremely strong with increased consumer spending and increased property transactions and assessed valuations. Expenses by function also increased proportionately to revenues, due to the City re-investing the increased revenues back into the community by way of capital improvements. The majority of the increases in general government (\$2,051,726) and public safety (\$1,365,134) are all due to capital projects completed during the fiscal year and with some projects still in progress such as the ERP project, the CAD/RMS project and the Public Safety Radio Tower project.

The total increase in net position for the current year is primarily attributed to the Transfers from the Utility Fund (increase of \$2,583,236), which represents the return-on-investment/gross receipts calculation. The transfers offset the entire decrease in net position before transfers of (\$3,332,236) and resulted in an increase to net position for the fiscal year of \$5,717,566.

Expenses and Program Revenues – Governmental Activities



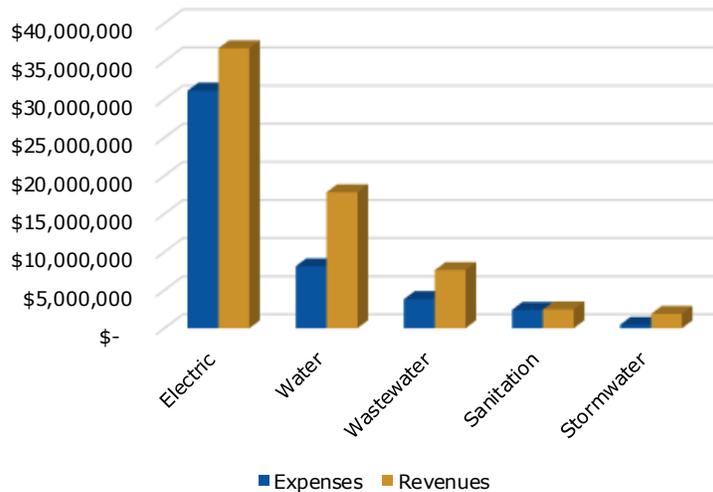
Revenues by Source – Governmental Activities



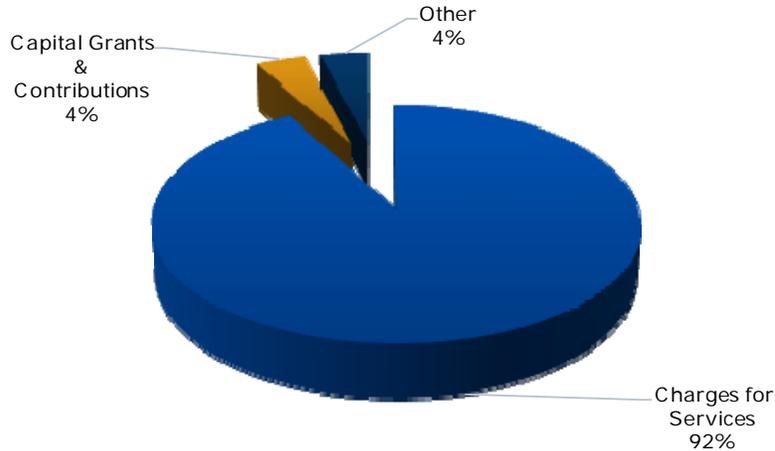
Business-Type Activities. Business-type activities changed the City of Weatherford’s net position by \$14,222,610. Overall revenues decreased by (\$1,292,376) and expenses also decreased by (\$1,202,641), resulting in a net change before transfers of \$89,735 in comparison to prior year’s net change.

The Revenue decrease in the current year is attributable to decreases in consumer consumption for electric, water and wastewater services as well as a reduction in the purchased power costs (passed through to the consumers). The decrease in expenses for the current year is primarily due to the reduction in purchased power costs of \$579,464 and the completion of capital costs from the prior fiscal year, more specifically, Stormwater activities from the prior year included expenses of \$694,441 for the demolition of properties.

Expenses and Program Revenues – Business-type Activities



Revenues by Source – Business-type Activities



Financial Analysis of the City's Funds

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

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

At the end of the current fiscal year, the City of Weatherford's governmental funds reported combined ending fund balances of \$37,070,191, an increase of (\$348,473) in comparison with the prior year. There is no single contributing factor, but rather a variety of increases and decreases combine to make this happen. Some of the most notable changes include: increased property tax, sales, tax and hotel/motel taxes, increased spending on capital projects and increases in Public Safety personnel. Also, of note is the multi-year capital campaign on behalf of the City's animal shelter, which has resulted in an increase in donations. Approximately 46% (\$17,162,310) 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 \$2,617,872 (7%) of the total is unassigned. Of the committed funds \$1,052,106 is designated for OPEB obligation costs to date as detailed in Note 4, \$3,059,324 is for parks development, \$1,876,381 is for culture and recreation and \$8,556,627 is the desired stabilization fund of 90 days' worth of general fund operation the Council retains for emergencies or unforeseen situations. The other \$19,907,881 (54%) of the fund balances are either non-spendable 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 \$15,631,663, while total fund balance was \$15,729,627. The City of Weatherford's financial management policies stipulate that the general fund shall maintain a balance equivalent to 90 days' worth of the average daily operational cost contained in that fund, with a Council preference for 120 days. To determine the average daily cost of operations for the general fund, staff divides all recurring operational funding, less any program costs supported by grants or other explicitly associated revenues, by 365. For fiscal year 2019, this figure was budgeted at \$32,189,150, yielding an average daily operations cost of \$88,189. Multiplying that figure by 90, the stabilization arrangement as mandated by Weatherford's policy comes out to \$8,556,627. As a measure of the general fund's liquidity, it is useful to compare spendable, unreserved fund balance to total fund expenditures. This is equivalent to approximately 177 days' worth of the calculated average daily operational cost.

The fund balance of the City's general fund increased overall by \$298,378 during the current fiscal year. This increase in fund balance is due primarily to better than anticipated revenue from property tax, sales tax and the return-on-investment/gross receipts tax calculation charged to the Utility Fund (this is based on consumption.) Spending increases combined with the revenue overage to yield the fund balance increase.

The debt service fund has a fund balance of \$15,366,997, which is restricted for the payment of debt service. The net increase in fund balance during the current year in the debt service fund was \$1,119,514. This increase occurred as a result of certain bond payments being funded with Texas Department of Transportation pass-thru toll program funds that were collected in the current year.

The TIRZ fund has a total fund balance of (\$3,405,058). The net decrease in fund balance during the current year was a result of expenditures that relate to planning for development within the TIRZ.

The general capital projects fund has a total fund balance of \$3,366,055. The net decrease in fund balance during the current year was a result of expenditures that relate to various capital projects such as the ERP project, the CAD/RMS project and the APX Radio project.

At the end of the fiscal year, the City's 12 active nonmajor special revenue funds (state forfeiture, federal forfeiture, hotel/motel tax, Chandor Gardens, SFX grant, court technology, main street project, court security, library, animal shelter, court juvenile case manager, and Heritage Park) had combined fund balances totaling \$2,901,937, compared to prior year balances of \$1,975,635.

The non-major active capital projects funds (park development) had combined ending fund balances of \$3,059,324 compared to prior year balances of \$307,539, all of which is restricted for park improvement projects. The increase in the capital projects funds is the result of a transfers in from the utility fund in the amount of \$2,871,626 for the Boardwalk project at Lake Weatherford.

The Doss permanent library fund had an ending fund balance of \$51,309, compared to the prior year balance of \$50,783. This fund has a non-spendable fund balance of \$50,000.

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

Unrestricted net position of the municipal utility fund at the end of the year amounted to \$41,024,028, compared to the prior year unrestricted balance of \$30,848,966. The total increase in net position for the municipal utility fund was \$12,728,116. Unrestricted net position of the solid waste fund amounted to \$993,820 compared to \$1,430,114 in the prior year. Unrestricted net position of the storm water fund amounted to \$3,249,654 compared to \$1,729,757 in the prior year.

General Fund Budgetary Highlights

Increasing amendments to the original fiscal year 2019 general fund annual expenditure appropriations netted to \$3,341,450, or approximately 10.0% of the original budget. A large portion of that, or \$852,975, were to re-appropriate unspent funds for the fiscal year 2018 approved projects into fiscal year 2019. Other major mid-year adjustments included a total of \$1,165,000 for the purchase of a fire engine, to fund the Weatherford College Roundabout Improvement project and the City Hall kitchen remodel. Other adjustments include donations and grants from state agencies for public safety and various one-time departmental purchases.

General Fund Budget Comparison

This document's General Fund Budget and Actual summary (found on pages 66 and 69) details differences between budgetary authority and actual spending for the 2019 fiscal year. A review of this schedule yields several significant variances. Overall, the fund left over \$1.7 million worth of appropriations unspent as of September 30, 2019. Of that, approximately \$219,415 came from projects that had to be deferred until the following fiscal year, and those have since been re-appropriated for fiscal year 2020. This includes \$55,165 to complete the Weatherford College Roundabout project, \$63,770 in developer-funded inspections, \$85,000 in miscellaneous consulting services, and \$15,480 in other various programs.

In addition to these variances, there were several other circumstances affecting budgetary spending across the general fund in fiscal year 2019. Among them were personnel savings due to vacancies across the City, which yielded over \$1,020,091 in savings for the general fund. It should also be noted that \$495,000 in budgetary savings represents amounts that the City has appropriated in fiscal year 2020 for unfunded street projects. Council's formal budgetary level of control is by department, and while most departments remained within their fiscal constraints, the Facilities Maintenance department, exceeded their appropriated authority due primarily to non-discretionary insurance and utility costs. While Traffic Control, Animal Services, Fire Prevention, and Municipal Court experienced a minor overage in supplies costs, all three of these cost centers are part of departments with savings in other divisions, meaning the department itself did not exceed budgetary authority. Additionally, Information Technology shows an overage in this document's General Fund

Budget and Actual summary. However, this is due to the department entering into a new capital lease and only budgeting for the initial year lease payment, however accounting principles required the entire value of the asset to be expensed and capitalized.

Capital Asset and Debt Administration

Capital Assets. The City of Weatherford’s investment in total capital assets for its governmental and business-type activities as of year-end amounts to \$256,710,241 (net of accumulated depreciation) compared to \$241,389,603 in the prior year. Investment in capital assets related to governmental activities (\$99,289,211) 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 (\$157,421,030) 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:

- Purchase of a new finance/ERP software system \$282,346,
- Remodel Old City Hall (downstairs) \$419,935,
- Public Safety Radio Tower System (APX Radio Project) \$3,128,593,
- Weatherford College Roundabout project \$739,934,
- Various street improvement projects totaling \$1,338,170,
- Cherry Park & Pool Improvements \$1,617,545,
- Improvements to Animal Shelter \$299,852,
- Two Sanitation Trucks purchased for a total of \$386,664,
- Purchase of an Asphalt Zipper \$211,115,
- Various system extensions and improvements to the City’s water, wastewater, and electric distribution system, as well as equipment purchases, approximated \$4.4 million,
- Storm water utility spent \$450,000 for infrastructure improvements,
- Improvements to Black Warrior Creek \$1,842,036, and
- Improvements to Holland Lake \$1,853,784.

City of Weatherford’s Capital Assets
(Net of Accumulated Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 15,103,319	\$ 14,779,541	\$ 4,156,273	\$ 3,761,566	\$ 19,259,592	\$ 18,541,107
Buildings and systems	7,364,366	7,781,660	7,617,800	8,350,713	14,982,166	16,132,373
Improvements other than buildings	25,194,116	24,038,916	130,066,480	123,146,844	155,260,596	147,185,760
Machinery and equipment	7,748,603	4,208,971	2,885,662	2,189,524	10,634,265	6,398,495
Infrastructure	39,474,487	40,198,542	-	-	39,474,487	40,198,542
Construction in progress	4,404,320	2,510,597	12,694,815	10,422,729	17,099,135	12,933,326
Total	\$ 99,289,211	\$ 93,518,227	\$ 157,421,030	\$ 147,871,376	\$ 256,710,241	\$ 241,389,603

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 general obligation bonds, combination tax and revenue certificates of obligation, revenue bonds, tax notes, and leases payable of \$99,305,418. While \$39,545,000 of this carry with it a legal pledge by property tax collections and backed by the full faith and credit of the City, pass-through toll revenues from an interlocal agreement with the Texas Department of Transportation will be sufficient to cover the majority of that debt service over the life of those bonds, rendering those issuances primarily self-supporting. \$6,440,000 represents combination tax and revenue certificates of obligation debt secured by property tax revenue, \$44,470,000 represents bonds secured solely by revenue from the City's combined electric, water and wastewater utility system, and a combined \$7,515,000 in governmental tax notes secured by property tax. A total of \$1,335,418 represents leases payable related to governmental and business-type activities and are secured with equipment as collateral.

City of Weatherford's Outstanding Debt

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

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
General obligation bonds	\$ 39,545,000	\$ 39,535,000	\$ -	\$ -	\$ 39,545,000	\$ 39,535,000
Certificates of obligations	6,440,000	11,005,000	-	-	6,440,000	11,005,000
Revenue bonds	-	-	44,470,000	48,035,000	44,470,000	48,035,000
Tax notes	7,515,000	9,215,000	-	-	7,515,000	9,215,000
Notes payable	-	-	-	37,632	-	37,632
Lease obligations	<u>1,008,638</u>	<u>646,988</u>	<u>326,780</u>	<u>363,141</u>	<u>1,335,418</u>	<u>1,010,129</u>
Total	<u>\$ 54,508,638</u>	<u>\$ 60,401,988</u>	<u>\$ 44,796,780</u>	<u>\$ 48,435,773</u>	<u>\$ 99,305,418</u>	<u>\$ 108,837,761</u>

The City of Weatherford's total debt decreased by (\$9,532,343) (9%) during the current fiscal year as a result of normal principal retirement along with the issuance of \$4.3 million of certificates of obligation and \$0.5 million capital lease.

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, 2019. The City's combined utility system revenue debt is rated "Aa3" by Moody's Investors Service and "A+" by Standard and Poor's Corporation at September 30, 2019.

State statutes limit the total property tax rate to \$2.50 per \$100 of assessed valuation. The City's total property tax rate for 2018-2019 was \$0.4899 per \$100 of assessed valuation, of which \$0.1555 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 no less than 1.25 the average annual debt requirements and 1.10 times the maximum annual requirements.

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

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for Weatherford is currently sitting at 2.9% as of May of 2019. This does represent a slight decrease from 3.2% in May 2018 and compares favorably to national and state averages.
- Sales tax collections had another strong year in fiscal year 2019, with actual collections exceeding the original budget by 4.1%, or \$0.6 million. Collections also exceeded fiscal year 2018 by 6.9%. For fiscal year 2020, staff has placed the City's budget in a strategically favorable position, to the extent that the City could successfully absorb a large decrease in this revenue stream without drastically effecting operations.
- Final total taxable assessed value increased by approximately 8% over the previous year, from \$2.621 billion to \$2.841 billion. This total includes new construction as well as values captured for the TIRZ district.
- As a result of the newly created tax-increment reinvestment zone and its associated projects, we expect increased economic activity over the next several years.

All of the above factors were considered in preparing the City of Weatherford's budget for the 2019-2020 fiscal year. The property tax rate was reduced to \$0.4879 per \$100 of assessed value, allowing the City to capitalize on value increases. Sales tax collections, accounting for approximately 40% of general fund revenues and other financing sources, are anticipated to continue modest gains in fiscal year 2019-2020 receipts after accounting for expected rebates for economic development incentive agreements. Approved non-recurring expenditures for 2019-2020 total \$2.2 million, which is projected to leave the General Fund with a balance equating to 131 days of operations, well over the 90-day requirement. A large portion of this balance, totaling \$1.05 million, will be dedicated to future costs of compensated absences.

Requests for Information

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

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**BASIC
FINANCIAL STATEMENTS**

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CITY OF WEATHERFORD, TEXAS

STATEMENT OF NET POSITION

SEPTEMBER 30, 2019

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 38,896,838	\$ 49,164,387	\$ 88,061,225
Receivables (net of allowance for uncollectibles):			
Taxes	395,758	-	395,758
Accounts	734,960	7,703,549	8,438,509
Other	-	92,663	92,663
Due from other governments	22,621,147	9,733	22,630,880
Prepaid items	72,364	580,203	652,567
Inventories	79,964	3,678,457	3,758,421
Restricted assets:			
Cash and investments	-	26,607,886	26,607,886
Capital assets:			
Land	15,103,319	4,156,272	19,259,591
Buildings	14,470,931	18,752,906	33,223,837
Improvements other than buildings	41,603,137	207,653,662	249,256,799
Infrastructure	58,957,152	-	58,957,152
Machinery and equipment	18,358,009	10,313,506	28,671,515
Construction in progress	4,404,320	12,694,815	17,099,135
Less: accumulated depreciation	<u>(53,607,657)</u>	<u>(96,150,131)</u>	<u>(149,757,788)</u>
Total capital assets	<u>99,289,211</u>	<u>157,421,030</u>	<u>256,710,241</u>
Total assets	<u>162,090,242</u>	<u>245,257,908</u>	<u>407,348,150</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	790,655	718,398	1,509,053
Deferred outflow related to pensions	6,038,984	1,925,211	7,964,195
Deferred outflow related to OPEBs	<u>1,327,971</u>	<u>505,328</u>	<u>1,833,299</u>
Total deferred outflows of resources	<u>8,157,610</u>	<u>3,148,937</u>	<u>11,306,547</u>

	Governmental Activities	Business-type Activities	Total
LIABILITIES			
Accounts payable	\$ 1,261,400	\$ 3,563,969	\$ 4,825,369
Accrued liabilities	489,324	150,146	639,470
Retainage payable	210,441	380,529	590,970
Accrued interest	172,121	21,845	193,966
Due to other governments	27,680	-	27,680
Customer deposits and escrows	678,354	1,504,214	2,182,568
Unearned revenue	3,800	1,334,542	1,338,342
Payable from restricted assets:			
Accrued interest	-	126,858	126,858
Noncurrent liabilities:			
Due within one year:			
Long-term debt payable from restricted assets	-	231,250	231,250
Long-term debt	7,199,367	3,692,116	10,891,483
Total OPEB liability	350,138	133,410	483,548
Due in more than one year:			
Long-term debt	51,573,054	45,733,527	97,306,581
Net pension liability	13,889,318	4,427,876	18,317,194
Total OPEB liability	<u>13,268,981</u>	<u>5,058,507</u>	<u>18,327,488</u>
Total liabilities	<u>89,123,978</u>	<u>66,358,789</u>	<u>155,482,767</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflow related to pensions	496,849	158,397	655,246
Deferred inflow related to OPEBs	<u>1,646,911</u>	<u>631,285</u>	<u>2,278,196</u>
Total deferred inflows of resources	<u>2,143,760</u>	<u>789,682</u>	<u>2,933,442</u>
NET POSITION			
Net investment in capital assets	73,708,120	120,733,746	194,441,866
Restricted for:			
Construction	-	5,583,771	5,583,771
Debt service	9,277,537	3,956,496	13,234,033
Rate stabilization	-	5,716,859	5,716,859
Culture and recreation:			
Nonexpendable	50,000	-	50,000
Public safety	221,350	-	221,350
Community development	805,515	-	805,515
Unrestricted	<u>(5,082,408)</u>	<u>45,267,502</u>	<u>40,185,094</u>
Total net position	<u>\$ 78,980,114</u>	<u>\$ 181,258,374</u>	<u>\$ 260,238,488</u>

CITY OF WEATHERFORD, TEXAS

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2019

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 10,158,163	\$ 3,311,749	\$ 3,673	\$ -
Public safety	16,763,699	1,539,231	87,363	310,269
Public works	7,977,141	1,198,362	4,140	1,541,947
Health and welfare	1,951,690	729,497	838,716	-
Cultural and recreation	5,486,853	793,660	67,438	333,837
Interest on long-term debt	1,764,618	-	-	-
Total governmental activities	<u>44,102,164</u>	<u>7,572,499</u>	<u>1,001,330</u>	<u>2,186,053</u>
Business-type activities:				
Electric	31,166,250	36,486,773	-	233,253
Water	8,125,192	16,717,528	-	1,111,089
Wastewater	3,821,537	6,772,614	-	846,134
Sanitation	2,404,817	2,393,684	-	65,000
Stormwater utility	445,837	1,387,931	-	494,745
Total business-type activities	<u>45,963,633</u>	<u>63,758,530</u>	<u>-</u>	<u>2,750,221</u>
Total primary government	<u>\$ 90,065,797</u>	<u>\$ 71,331,029</u>	<u>\$ 1,001,330</u>	<u>\$ 4,936,274</u>
General revenues:				
Taxes:				
Property				
Sales				
Other				
Investment earnings				
Royalties				
Miscellaneous				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position, beginning				
Net position, ending				

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

Net (Expense) Revenue and Changes in Net Position

<u>Primary Government</u>		
<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$(6,842,741)	\$ -	\$(6,842,741)
(14,826,836)	-	(14,826,836)
(5,232,692)	-	(5,232,692)
(383,477)	-	(383,477)
(4,291,918)	-	(4,291,918)
(1,764,618)	-	(1,764,618)
<u>(33,342,282)</u>	<u>-</u>	<u>(33,342,282)</u>
-	5,553,776	5,553,776
-	9,703,425	9,703,425
-	3,797,211	3,797,211
-	53,867	53,867
-	1,436,839	1,436,839
-	20,545,118	20,545,118
<u>(33,342,282)</u>	<u>20,545,118</u>	<u>(12,797,164)</u>
12,309,376	-	12,309,376
14,571,947	-	14,571,947
1,990,749	-	1,990,749
971,167	2,104,148	3,075,315
22,459	537,339	559,798
144,348	85,807	230,155
9,049,802	(9,049,802)	-
<u>39,059,848</u>	<u>(6,322,508)</u>	<u>32,737,340</u>
<u>5,717,566</u>	<u>14,222,610</u>	<u>19,940,176</u>
<u>73,262,548</u>	<u>167,035,764</u>	<u>240,298,312</u>
<u>\$ 78,980,114</u>	<u>\$ 181,258,374</u>	<u>\$ 260,238,488</u>

CITY OF WEATHERFORD, TEXAS

BALANCE SHEET

GOVERNMENTAL FUNDS

SEPTEMBER 30, 2019

	<u>General</u>	<u>Debt Service</u>	<u>TIRZ</u>
ASSETS			
Cash and investments	\$ 14,782,961	\$ 9,365,272	\$ 2,864,012
Receivables (net of allowance for uncollectibles of \$644,612):			
Taxes	284,186	82,661	28,911
Accounts	646,973	138	-
Due from other governments	2,416,978	19,893,900	-
Prepaid	18,000	-	-
Advance to other funds	-	6,000,000	-
Inventories	<u>79,964</u>	<u>-</u>	<u>-</u>
Total assets	<u>18,229,062</u>	<u>35,341,971</u>	<u>2,892,923</u>
LIABILITIES			
Accounts payable	931,197	-	129,738
Retainage payable	65,579	-	139,332
Accrued liabilities	478,596	-	-
Deposits and escrows	669,004	-	-
Due to other governments	27,680	-	-
Advance from other funds	-	-	6,000,000
Unearned revenue	<u>3,800</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>2,175,856</u>	<u>-</u>	<u>6,269,070</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	<u>323,579</u>	<u>19,974,974</u>	<u>28,911</u>
Total deferred inflows of resources	<u>323,579</u>	<u>19,974,974</u>	<u>28,911</u>
FUND BALANCES			
Nonspendable:			
Doss library	-	-	-
Prepaid	18,000	-	-
Inventory	79,964	-	-
Restricted for:			
Capital projects	-	-	-
Debt service	-	15,366,997	-
Public safety	-	-	-
Community development	-	-	-
Committed:			
Other post employee benefits	1,052,106	-	-
Stabilization arrangement	8,556,627	-	-
Park development	-	-	-
Culture and recreation	-	-	-
Unassigned	<u>6,022,930</u>	<u>-</u>	<u>(3,405,058)</u>
Total fund balances	<u>15,729,627</u>	<u>15,366,997</u>	<u>(3,405,058)</u>
 Total liabilities, deferred inflows of resources, and fund balances	 <u>\$ 18,229,062</u>	 <u>\$ 35,341,971</u>	 <u>\$ 2,892,923</u>

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

General Capital Projects	Other Governmental	Total Governmental Funds
\$ 3,437,827	\$ 5,931,725	\$ 36,381,797
-	-	395,758
53	84,115	731,279
310,269	-	22,621,147
-	54,364	72,364
-	-	6,000,000
-	-	79,964
<u>3,748,149</u>	<u>6,070,204</u>	<u>66,282,309</u>
66,173	37,678	1,164,786
5,530	-	210,441
122	10,606	489,324
-	9,350	678,354
-	-	27,680
-	-	6,000,000
-	-	3,800
<u>71,825</u>	<u>57,634</u>	<u>8,574,385</u>
310,269	-	20,637,733
<u>310,269</u>	<u>-</u>	<u>20,637,733</u>
-	50,000	50,000
-	-	18,000
-	-	79,964
3,366,055	-	3,366,055
-	-	15,366,997
-	221,350	221,350
-	805,515	805,515
-	-	1,052,106
-	-	8,556,627
-	3,059,324	3,059,324
-	1,876,381	1,876,381
-	-	2,617,872
<u>3,366,055</u>	<u>6,012,570</u>	<u>37,070,191</u>
\$ <u>3,748,149</u>	\$ <u>6,070,204</u>	\$ <u>66,282,309</u>

CITY OF WEATHERFORD, TEXAS

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

SEPTEMBER 30, 2019

Total fund balances - governmental funds balance sheet	\$ 37,070,191
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.	98,464,133
Certain items are not available to pay for current period expenditures, and, therefore are deferred inflows of resources in the funds.	20,637,733
The assets and liabilities of certain Internal Service Funds are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.	3,247,186
Some liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds. Also, the loss on refunding of bonds, the premium on issuance of bonds and deferred resource outflow and inflows related to the net pension liability and total OPEB liability are not reported in the funds.	(80,439,129)
Net position of governmental activities - statement of net position	\$ <u>78,980,114</u>

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CITY OF WEATHERFORD, TEXAS

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<u>General</u>	<u>Debt Service</u>	<u>TIRZ</u>
REVENUES			
Taxes	\$ 23,732,733	\$ 3,831,614	\$ 192,601
Licenses and permits	740,640	-	-
Intergovernmental	1,115,225	5,244,352	-
Charges for services	4,550,374	-	404,063
Fines and forfeitures	417,471	-	-
Contributions	32,117	-	-
Royalties and rental	-	-	-
Investment earnings	394,632	272,442	102,034
Miscellaneous	90,017	-	-
Total revenues	<u>31,073,209</u>	<u>9,348,408</u>	<u>698,698</u>
EXPENDITURES			
Current:			
General government	9,689,517	-	173,745
Public safety	15,179,467	-	-
Public works	4,219,079	-	-
Health and welfare	1,615,864	-	-
Cultural and recreation	3,340,292	-	-
Capital outlay	1,313,227	-	2,142,954
Debt service:			
Principal	122,000	6,389,783	-
Interest and other	-	2,015,041	-
Total expenditures	<u>35,479,446</u>	<u>8,404,824</u>	<u>2,316,699</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(4,406,237)</u>	<u>943,584</u>	<u>(1,618,001)</u>
OTHER FINANCING SOURCES (USES)			
Refunding bonds issued	-	4,320,000	-
Capital lease proceeds	548,433	-	-
Sale of general capital assets	52,900	-	-
Insurance recoveries	38,140	-	-
Transfers in	5,644,938	152,000	33,238
Transfers out	(1,579,796)	-	-
Payment to refunded bond escrow agent	-	(4,296,070)	-
Total other financing sources and uses	<u>4,704,615</u>	<u>175,930</u>	<u>33,238</u>
NET CHANGE IN FUND BALANCES	<u>298,378</u>	<u>1,119,514</u>	<u>(1,584,763)</u>
FUND BALANCES, BEGINNING	<u>15,431,249</u>	<u>14,247,483</u>	<u>(1,820,295)</u>
FUND BALANCES, ENDING	<u>\$ 15,729,627</u>	<u>\$ 15,366,997</u>	<u>\$ (3,405,058)</u>

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

General Capital Projects	Other Governmental	Total Governmental Funds
\$ -	\$ 1,050,085	\$ 28,807,033
-	-	740,640
333,837	500	6,693,914
-	226,806	5,181,243
-	63,837	481,308
-	860,554	892,671
91	22,368	22,459
113,171	47,707	929,986
<u>7,923</u>	<u>124,893</u>	<u>222,833</u>
<u>455,022</u>	<u>2,396,750</u>	<u>43,972,087</u>
7,781	96,318	9,967,361
-	274,343	15,453,810
11,133	-	4,230,212
-	159,463	1,775,327
52,972	1,048,465	4,441,729
5,958,351	223,970	9,638,502
-	-	6,511,783
<u>-</u>	<u>-</u>	<u>2,015,041</u>
<u>6,030,237</u>	<u>1,802,559</u>	<u>54,033,765</u>
(5,575,215)	<u>594,191</u>	(10,061,678)
-	-	4,320,000
-	-	548,433
-	-	52,900
-	-	38,140
1,715,000	3,446,292	10,991,468
-	(361,870)	(1,941,666)
<u>-</u>	<u>-</u>	<u>(4,296,070)</u>
<u>1,715,000</u>	<u>3,084,422</u>	<u>9,713,205</u>
(3,860,215)	<u>3,678,613</u>	(348,473)
<u>7,226,270</u>	<u>2,333,957</u>	<u>37,418,664</u>
\$ <u>3,366,055</u>	\$ <u>6,012,570</u>	\$ <u>37,070,191</u>

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, 2019

Net change in fund balances - total governmental funds:	\$(348,473)
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.	3,942,599
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position.	1,733,783
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Property taxes	65,039
Court fines	30,190
Grant - Texas Department of Transportation	(5,498,661)
Grant - National Incident Based Reporting System	310,269
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.	6,189,843
An Internal Service Fund is used by management to charge the costs of certain activities, such as vehicle acquisition to individual funds. The net revenue (expense) of certain Internal Service Funds is reported with governmental activities.	829,868
Some expenses reported in the governmental activities statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>(1,536,891)</u>
Change in net position of governmental activities	<u>\$ 5,717,566</u>

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CITY OF WEATHERFORD, TEXAS

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

SEPTEMBER 30, 2019

	Business-type Activities - Enterprise Funds	
	Municipal Utility System	Solid Waste
ASSETS		
Current assets		
Unrestricted assets		
Cash and cash equivalents	\$ 12,332,274	\$ 1,665,616
Investments	31,534,889	397,374
Receivables:		
Accounts, net of allowances for uncollectible accounts of \$161,377	3,262,631	74,189
Earned but unbilled customer accounts	4,121,882	156,789
Other	92,663	-
Due from other governments	9,733	-
Prepays	580,203	-
Inventory	3,662,192	16,265
Restricted assets		
Cash and cash equivalents	17,891,027	-
Investments	8,716,859	-
Total current assets	82,204,353	2,310,233
Noncurrent assets		
Capital assets		
Land	3,271,941	-
Construction in progress	7,572,657	-
Buildings and improvements	18,555,297	197,609
Other improvements	202,143,562	10,577
Machinery and equipment	8,585,217	1,707,667
Less: accumulated depreciation	(94,485,365)	(1,202,910)
Total noncurrent assets	145,643,309	712,943
Total assets	227,847,662	3,023,176
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charge on refunding	718,398	-
Deferred outflow related to pensions	1,656,983	252,324
Deferred outflow related to OPEBs	428,677	76,402
Total deferred outflows of resources	2,804,058	328,726

Business-type Activities - Enterprise Funds		Governmental Activities
Storm Water Utility	Total	Internal Service Fund
\$ 1,234,234	\$ 15,232,124	\$ 1,614,837
2,000,000	33,932,263	900,204
-	3,336,820	-
88,058	4,366,729	-
-	92,663	3,681
-	9,733	-
-	580,203	-
-	3,678,457	-
-	17,891,027	-
-	8,716,859	-
<u>3,322,292</u>	<u>87,836,878</u>	<u>2,518,722</u>
884,331	4,156,272	-
5,122,158	12,694,815	-
-	18,752,906	-
5,499,523	207,653,662	-
20,622	10,313,506	1,294,246
(461,856)	(96,150,131)	(469,168)
<u>11,064,778</u>	<u>157,421,030</u>	<u>825,078</u>
<u>14,387,070</u>	<u>245,257,908</u>	<u>3,343,800</u>
-	718,398	-
15,904	1,925,211	-
249	505,328	-
<u>16,153</u>	<u>3,148,937</u>	<u>-</u>

CITY OF WEATHERFORD, TEXAS

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

SEPTEMBER 30, 2019

	Business-type Activities - Enterprise Funds	
	Municipal Utility System	Solid Waste
LIABILITIES		
Current liabilities (payable from current assets):		
Accounts payable	\$ 3,464,001	\$ 65,835
Accrued wages	131,454	18,692
Retainage payable	344,614	-
Accrued interest	7,368	-
Unearned revenue	1,334,542	-
Customer deposits	1,504,214	-
Capital lease payable	37,300	-
Revenue bonds payable	3,103,750	-
Compensated absences	153,844	22,222
Total OPEB liability	113,163	20,189
Current liabilities (payable from restricted assets):		
Accrued interest	126,858	-
Revenue bonds payable- current	231,250	-
Total current liabilities	10,552,358	126,938
Noncurrent liabilities		
Capital lease payable	289,480	-
Revenue bonds payable	39,312,310	-
Compensated absences	752,501	55,409
Net pension liability	3,810,966	580,330
Total OPEB liability	4,290,621	765,779
Total noncurrent liabilities	48,455,878	1,401,518
Total liabilities	59,008,236	1,528,456
DEFERRED INFLOWS OF RESOURCES		
Deferred inflow related to pensions	136,326	20,760
Deferred inflow related to OPEBs	535,237	95,923
Total deferred inflows of resources	671,563	116,683
NET POSITION		
Net investment in capital assets	114,690,767	712,943
Restricted for:		
Construction	5,583,771	-
Debt service	3,956,496	-
Rate stabilization	5,716,859	-
Unrestricted	41,024,028	993,820
Total net position	\$ 170,971,921	\$ 1,706,763

Business-type Activities - Enterprise Funds		Governmental Activities
Storm Water Utility	Total	Internal Service Fund
\$ 34,133	\$ 3,563,969	\$ 96,614
-	150,146	-
35,915	380,529	-
14,477	21,845	-
-	1,334,542	-
-	1,504,214	-
-	37,300	-
375,000	3,478,750	-
-	176,066	-
58	133,410	-
-	126,858	-
-	231,250	-
<u>459,583</u>	<u>11,138,879</u>	<u>96,614</u>
-	289,480	-
5,323,827	44,636,137	-
-	807,910	-
36,580	4,427,876	-
2,107	5,058,507	-
<u>5,362,514</u>	<u>55,219,910</u>	<u>-</u>
<u>5,822,097</u>	<u>66,358,789</u>	<u>96,614</u>
1,311	158,397	-
125	631,285	-
<u>1,436</u>	<u>789,682</u>	<u>-</u>
5,330,036	120,733,746	825,078
-	5,583,771	-
-	3,956,496	-
-	5,716,859	-
<u>3,249,654</u>	<u>45,267,502</u>	<u>2,422,108</u>
<u>\$ 8,579,690</u>	<u>\$ 181,258,374</u>	<u>\$ 3,247,186</u>

CITY OF WEATHERFORD, TEXAS

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION

PROPRIETARY FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Business-type Activities - Enterprise Funds	
	Municipal Utility System	Solid Waste
OPERATING REVENUES		
Electric sales	\$ 35,886,741	\$ -
Electric services	456,735	-
Water sales	15,470,913	-
Water services	106,616	-
Wastewater services	6,772,614	-
Sanitation services	-	2,393,684
Stormwater fees	-	-
Charges for services	-	-
Other	102,761	-
Total operating revenues	<u>58,796,380</u>	<u>2,393,684</u>
OPERATING EXPENSES		
Personnel services	6,051,227	1,148,878
Contractual services	6,361,851	742,862
Purchased power	20,865,661	-
Materials and supplies	1,813,721	408,130
Claims	-	-
Depreciation	6,352,542	104,947
Total operating expenses	<u>41,445,002</u>	<u>2,404,817</u>
OPERATING INCOME (LOSS)	<u>17,351,378</u>	<u>(11,133)</u>
NONOPERATING REVENUES (EXPENSES)		
Investment earnings	1,914,155	56,576
Intergovernmental	215,891	65,000
Rentals	1,263,035	-
Royalties	-	537,339
Gain (loss) on disposal of assets	(209,118)	8,050
Interest and other	(1,463,602)	-
Total nonoperating revenues (expenses)	<u>1,720,361</u>	<u>666,965</u>
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	<u>19,071,739</u>	<u>655,832</u>
Capital contributions	1,974,585	-
Transfers in	-	-
Transfers out	(8,318,208)	(746,519)
CHANGE IN NET POSITION	<u>12,728,116</u>	<u>(90,687)</u>
NET POSITION, BEGINNING	<u>158,243,805</u>	<u>1,797,450</u>
NET POSITION, ENDING	<u>\$ 170,971,921</u>	<u>\$ 1,706,763</u>

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

Business-type Activities - Enterprise Funds		Governmental Activities
Storm Water Utility	Total	Internal Service Fund
\$ -	\$ 35,886,741	\$ -
-	456,735	-
-	15,470,913	-
-	106,616	-
-	6,772,614	-
-	2,393,684	-
1,379,712	1,379,712	-
-	-	4,155,371
8,219	110,980	-
<u>1,387,931</u>	<u>62,577,995</u>	<u>4,155,371</u>
55,480	7,255,585	-
10,644	7,115,357	355,422
-	20,865,661	-
-	2,221,851	20,129
-	-	2,831,664
196,475	6,653,964	184,469
<u>262,599</u>	<u>44,112,418</u>	<u>3,391,684</u>
<u>1,125,332</u>	<u>18,465,577</u>	<u>763,687</u>
133,417	2,104,148	41,181
-	280,891	-
-	1,263,035	-
-	537,339	-
-	(201,068)	25,000
<u>(183,238)</u>	<u>(1,646,840)</u>	<u>-</u>
<u>(49,821)</u>	<u>2,337,505</u>	<u>66,181</u>
<u>1,075,511</u>	<u>20,803,082</u>	<u>829,868</u>
494,745	2,469,330	-
14,925	14,925	-
-	(9,064,727)	-
<u>1,585,181</u>	<u>14,222,610</u>	<u>829,868</u>
<u>6,994,509</u>	<u>167,035,764</u>	<u>2,417,318</u>
\$ <u>8,579,690</u>	\$ <u>181,258,374</u>	\$ <u>3,247,186</u>

CITY OF WEATHERFORD, TEXAS

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Business-type Activities - Enterprise Funds	
	Municipal Utility System	Solid Waste
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 58,705,088	\$ 2,361,351
Cash paid to employees for services	(5,660,829)	(1,037,378)
Cash paid to suppliers and service providers	(28,587,206)	(1,201,184)
Net cash provided by operating activities	24,457,053	122,789
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Cash received from rentals	1,263,035	-
Cash received from royalties	-	537,339
Cash received from other governments	215,891	65,000
Transfers from other funds	-	-
Transfers to other funds	(8,318,208)	(746,519)
Net cash used by noncapital financing activities	(6,839,282)	(144,180)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from disposal of capital assets	70,786	8,050
Proceeds from developers for contributions in aid of construction	1,204,897	-
Principal payments on long-term debt	(3,278,993)	-
Acquisition and construction of capital assets	(10,653,165)	(450,554)
Interest and other charges on debt	(1,674,201)	-
Net cash used by capital and related financing activities	(14,330,676)	(442,504)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	1,959,394	56,576
Sale of investments	-	-
Purchase of investments	(6,845,697)	(11,946)
Net cash provided (used) by investing activities	(4,886,303)	44,630
NET INCREASE (DECREASE) IN CASH	(1,599,208)	(419,265)
CASH AND CASH EQUIVALENTS, BEGINNING	31,822,509	2,084,881
CASH AND CASH EQUIVALENTS, ENDING	\$ 30,223,301	\$ 1,665,616
RECONCILIATION OF TOTAL CASH AND CASH EQUIVALENTS		
Current assets - cash and cash equivalents	\$ 12,332,274	\$ 1,665,616
Restricted assets - cash and cash equivalents	17,891,027	-
Total cash and cash equivalents	\$ 30,223,301	\$ 1,665,616

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

Business-type Activities - Enterprise Funds		Governmental Activities
Storm Water Utility	Total	Internal Service Fund
\$ 1,383,484	\$ 62,449,923	\$ 4,154,685
(23,927)	(6,722,134)	-
(10,644)	(29,799,034)	(3,350,299)
<u>1,348,913</u>	<u>25,928,755</u>	<u>804,386</u>
-	1,263,035	-
-	537,339	-
-	280,891	-
14,925	14,925	-
-	(9,064,727)	-
<u>14,925</u>	<u>(6,968,537)</u>	<u>-</u>
-	78,836	25,000
-	1,204,897	-
(360,000)	(3,638,993)	-
(3,950,364)	(15,054,083)	(279,071)
(185,174)	(1,859,375)	-
<u>(4,495,538)</u>	<u>(19,268,718)</u>	<u>(254,071)</u>
133,417	2,149,387	41,181
2,000,000	2,000,000	-
-	(6,857,643)	(204,857)
<u>2,133,417</u>	<u>(2,708,256)</u>	<u>(163,676)</u>
(998,283)	(3,016,756)	386,639
<u>2,232,517</u>	<u>36,139,907</u>	<u>1,228,198</u>
\$ <u>1,234,234</u>	\$ <u>33,123,151</u>	\$ <u>1,614,837</u>
\$ 1,234,234	\$ 15,232,124	\$ 1,614,837
-	17,891,027	-
\$ <u>1,234,234</u>	\$ <u>33,123,151</u>	\$ <u>1,614,837</u>

CITY OF WEATHERFORD, TEXAS

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Business-type Activities - Enterprise Funds	
	Municipal Utility System	Solid Waste
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income (loss)	\$ 17,351,378	\$(11,133)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	6,352,542	104,947
(Increase) decrease in accounts receivable	731,896	(32,333)
(Increase) decrease in unbilled accounts	(577,444)	(17,042)
(Increase) decrease in inventory	(235,253)	4,689
(Increase) decrease in prepaids	(114,358)	-
(Increase) decrease in deferred outflows for benefits	(1,118,470)	(181,598)
Increase (decrease) in accounts payable	803,638	(37,839)
Increase (decrease) in accrued wages payable	6,009	(589)
Increase (decrease) in unearned revenue	(282,574)	-
Increase (decrease) in customer deposits	36,830	-
Increase (decrease) in compensated absences	(27,219)	1,551
Increase (decrease) in deferred inflows for benefits	(75,776)	17,458
Increase (decrease) in net pension liability	1,969,416	335,823
Increase (decrease) in total OPEB liability	(363,562)	(61,145)
Net cash provided by operating activities	<u>\$ 24,457,053</u>	<u>\$ 122,789</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
Contributions of capital assets	\$ 791,579	\$ -
Change in fair value of investments	521,332	11,946

Business-type Activities - Enterprise Funds		Governmental Activities
Storm Water Utility	Total	Internal Service Fund
\$ 1,125,332	\$ 18,465,577	\$ 763,687
196,475	6,653,964	184,469
-	699,563	(686)
(4,447)	(598,933)	-
-	(230,564)	-
-	(114,358)	-
(10,824)	(1,310,892)	-
29,503	795,302	(143,084)
(1,020)	4,400	-
-	(282,574)	-
-	36,830	-
-	(25,668)	-
(5,553)	(63,871)	-
19,404	2,324,643	-
43	(424,664)	-
<u>\$ 1,348,913</u>	<u>\$ 25,928,755</u>	<u>\$ 804,386</u>
\$ 494,745	\$ 1,286,324	\$ -
-	533,278	4,857

CITY OF WEATHERFORD, TEXAS

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Primary Government

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, the accompanying financial statements present the City and its component unit, an entity for which the City is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government.

Blended Component Unit - Tax Increment Reinvestment Zone (TIRZ) #1. On March 22, 2016, the City council adopted an Ordinance designating certain real property generally located along Interstate 20 as TIRZ #1. The Parker County Hospital District agreed on March 24, 2016, to participate in TIRZ #1 with the City. The purpose for creation of the TIRZ was to finance and make certain public improvements, under the authority of the Tax Increment Financing Act. For reporting purposes, the TIRZ is a blended component unit of the City. The TIRZ is governed by a board comprised of five members appointed by the City Council and one member appointed by the Board of Directors for the Parker County Hospital District. The Council approves recommendations from the Board regarding administration, management, and operation of the TIRZ, and City's management has operational responsibility for the entity. The TIRZ is reported as a governmental fund and separate financial reports are available from the City's finance department.

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 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 **Tax Increment Reinvestment Zone (TIRZ) Fund** is used to account for financial resources being accumulated for construction projects within the reinvestment zone.

The **General Capital Projects** is used to account for capital asset acquisition and construction from committed funds by City Council, bonds, and grants.

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.

The City reports the following internal service funds:

The **Internal Service Fund** is utilized to account for financial resources being accumulated to purchase vehicles for City operations and the City self-insured health insurance plan.

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements; however, interfund services that are provided and used are not eliminated in the process of consolidation.

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

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

1. Cash, Cash Equivalents, and Investments

Investments for the City are reported at fair value, except for the position in investment pools. The City's investment in pools are reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method.

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, 2019, was \$.4898 per \$100 of assessed valuation. The assessed value upon which the completed 2018 levy was based was approximately \$2,500,776,837.

3. Restricted assets

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

4. Inventory

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

5. Capital Assets

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

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

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

<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. Donated capital assets are recorded at acquisition cost, which is the price that would be paid to acquire an asset with equivalent service potential at the acquisition date.

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

Employees are paid for up to 720 hours of unused sick leave upon retirement or annually for one-half of the accumulated sick leave in excess of 720 hours. With the exception of sick leave for employees eligible for retirement, sick leave less than 720 hours is expensed when paid. Vacation is earned in varying amounts. Employees may accrue up to 320 hours of vacation or 480 hours for certified Fire personnel. If the employee reaches the maximum accrual limit future accruals will cease until the vacation leave balance is below the established maximum accrual.

Full-time status employees hired after March 1, 2017 shall participate in the City's Paid Time Off (PTO) program in lieu of traditional paid vacation and sick leave. Benefits will accrue as follows:

1 month thru 9 years:	13.34 hours/month
10 thru 19 years:	16.67 hours/month
20 years and over:	20.00 hours/month

Upon termination of employment, an employee who has completed at least six months of continuous service and successful completion of an initiation period will be paid for all unused and accrued PTO up to 480 hours.

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

7. Long-term Obligations

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

8. Interfund Receivables/Payables

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

9. Interfund Services Provided and Used

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

10. Pensions

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

11. Post-Employment Benefits Other Than Pensions (OPEB)

Supplemental Death Benefit. For purposes of measuring the total Texas Municipal Retirement System Supplemental Death Benefit Fund (TMRS SDBF) OPEB liability, related deferred outflows and inflows of resources, and expense, City specific information about its total TMRS SDBF liability and additions to/deductions from the City's total TMRS SDBF liability have been determined on the same basis as they are reported by TMRS. The TMRS SDBF expense and deferred (inflows)/outflows of resources related to TMRS SDBF, primarily result from changes in the components of the total TMRS SDBF liability. Most changes in the total TMRS SDBF liability will be included in TMRS SDBF expense in the period of the change. For example, changes in the total TMRS SDBF liability resulting from current-period service cost, interest on the TOL, and changes of benefit terms are required to be included in TMRS SDBF expense immediately. Changes in the total TMRS SDBF liability that have not been included in TMRS SDBF expense are required to be reported as deferred outflows of resources or deferred inflows of resources related to TMRS SDBF.

Retiree Health Insurance. For purposes of measuring the total OPEB liability, OPEB related deferred outflows and inflows of resources, and OPEB expense, benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Contributions are not required but are measured as payments by the City for benefits due and payable that are not reimbursed by plan assets. Information regarding the City's total OPEB liability is obtained from a report prepared by a consulting actuary, Gabriel Roeder Smith & Company.

12. Deferred Outflows/Inflows of Resources

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

- Deferred charges on refunding – A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Pension and OPEB contributions after measurement date – These contributions are deferred and recognized in the following fiscal year.

- Changes in actuarial assumptions and other inputs – This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.

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

- Unavailable revenue is reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.
- Difference in projected and actual earnings on pension assets – This difference is deferred and amortized over a closed five-year period.
- Difference in expected and actual pension and OPEB experience - This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.
- Changes in actuarial assumptions and other inputs – This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.

13. 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:

- Non-spendable: 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. Non-spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
 - City Special Revenue Funds that fall in this category shall maintain a positive restricted fund balance and those same funds that pay any personnel services shall maintain 20% of operating budget in restricted fund balance. This 20% fund balance should only be used in emergency situations where mid-year unanticipated budgetary shortfalls in excess of 10% of fund revenues arise. Should the use reduce the balance below the appropriate level, recommendations will be made to restore the fund balance to its appropriate level within one fiscal year.
- Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by the ordinance of the City Council, the City's highest level of decision-making authority. These amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.
 - Other Post Employee Benefit – Committed Fund Balance: This amount is annually and formally set aside by the amount appropriated through the budget ordinance for each fund applicable for use to pay current and/or future other post-employment benefits.

- Stabilization Arrangement for General Fund: It is the goal of the City to achieve and maintain a minimum of committed fund balance for that fiscal year. This amount is annually and formally set aside for use in emergency situations where mid-year unanticipated budgetary shortfalls in excess of 10% of fund revenues arise or an unforeseen event occurs that costs the City more than 5% of budget appropriations. Should the use reduce the balance below the appropriate level of committed funds the balance must be restored within one fiscal year. This arrangement was approved through City Ordinance by City Council.
- Assigned: This classification includes amounts that are constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. This classification includes amounts that are constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. The City Council has by City Ordinance authorized City Manager to assign fund balance. The Council may also assign fund balance.
- Unassigned: This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

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

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

FUND BALANCE	Debt		General		Other	Totals
	General	Service	TIRZ	Capital Projects	Governmental	
Nonspendable:						
Doss library	\$ -	\$ -	\$ -	\$ -	\$ 50,000	\$ 50,000
Prepays	18,000	-	-	-	-	18,000
Inventory	79,964	-	-	-	-	79,964
Restricted for:						
Debt service	-	15,366,997	-	-	-	15,366,997
Capital projects	-	-	-	3,366,055	-	3,366,055
Public safety:						
Police operations and equipment	-	-	-	-	65,794	65,794
Municipal court technology	-	-	-	-	70,823	70,823
Municipal court security	-	-	-	-	35,592	35,592
Juvenile case manager	-	-	-	-	49,141	49,141
Community development:						
Promotion of tourism and hotel industry	-	-	-	-	784,465	784,465
Doss library	-	-	-	-	1,309	1,309
Texas Community Development Program	-	-	-	-	1,864	1,864
Main Street project	-	-	-	-	17,877	17,877
Committed:						
Other post employee benefits	1,052,106	-	-	-	-	1,052,106
Stabilization arrangement	8,556,627	-	-	-	-	8,556,627
Future acquisition of parks	-	-	-	-	3,059,324	3,059,324
Culture and recreation:						
Chandor Gardens	-	-	-	-	184,511	184,511
Library operations	-	-	-	-	202,705	202,705
Animal shelter improvements	-	-	-	-	1,453,314	1,453,314
Heritage park	-	-	-	-	35,851	35,851
Unassigned	6,022,930	-	(3,405,058)	-	-	2,617,872
Totals	\$ 15,729,627	\$ 15,366,997	\$ (3,405,058)	\$ 3,366,055	\$ 6,012,570	\$ 37,070,191

14. Net Position

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

15. 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.

16. Concentration of Credit Risk

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

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net 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 \$80,439,129 difference are as follows:

Bonds payable	\$	45,985,000
Capital lease		1,008,638
Tax notes		7,515,000
Deferred loss on refunding	(790,655)
Issuance premium (to be amortized as interest expense)		911,035
Accrued interest payable		172,121
Compensated absences		3,352,748
Deferred outflow related to pensions	(6,038,984)
Deferred outflow related to OPEBs	(1,327,971)
Deferred inflow related to pensions		496,849
Deferred inflow related to OPEBs		1,646,911
Net pension liability		13,889,318
Total OPEB liability		<u>13,619,119</u>
Net adjustment to reduce <i>fund balance – total governmental funds</i> to arrive at <i>net position – governmental activities</i>	\$	<u>80,439,129</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 \$3,942,599 difference are as follows:

Capital outlay	\$	9,792,323
Depreciation expense	(<u>5,849,724</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>3,942,599</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 \$1,733,783 difference are as follows:

Donated capital assets	\$	1,796,256
Disposal of capital assets	(<u>62,473</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>1,733,783</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 \$6,189,843 difference are as follows:

Principal repayments	\$ 6,511,783
Issuance of long-term debt	(4,868,433)
Payment to escrow agent for refunding	4,296,070
Accrued interest	19,389
Amortization of deferred loss on refunding	(91,034)
Amortization of bond premium	<u>322,068</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>\$ 6,189,843</u>

Another element of that reconciliation states, "Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds." The details of this \$1,536,891 difference are as follows:

Compensated absences	\$(126,248)
Pension cost	1,156,497
OPEB cost	<u>506,642</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>\$ 1,536,891</u>

III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Deficit Fund Balance

At year-end the TIRZ fund, a major fund, has a deficit fund balance of \$3,405,058. The Debt Service Fund advanced funds to the TIRZ fund for capital projects which resulted in an advance from the Debt Service Fund. As the TIRZ fund expends the cash, expenditures are reported, and fund balance is reduced. Because these funds are the main source of resources for the fund, the result is an overall fund deficit. This deficit will be eliminated as resources are obtained to make scheduled installments to the Debt Service Fund.

IV. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

A. Deposits and Investments

State statutes authorize the City to invest in obligations of the U. S. Treasury, the State of Texas or its agencies; other states, counties, cities, and state agencies with an "A" rating or equivalent, fully insured or collateralized bank certificates of deposit, and fully collateralized direct repurchase agreements.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The City's investments at year-end are shown below.

Description	Maturity Date	Fair Value Measurements Used	Carrying Value 09/30/2019	% of Total	Weighted Average Maturity (Years)
Local Government Investment Pools:					
TexPool	N/A	N/A	\$ 8,547,997	9.18%	0.09
TexStar	N/A	N/A	5,193,080	5.58%	0.05
Texas Class	N/A	N/A	<u>13,846,481</u>	14.87%	0.01
Total			<u>27,587,558</u>		
Certificates of Deposit:					
Legacy Texas	10/29/19	N/A	1,500,000	1.61%	0.08
Texas Bank	11/26/19	N/A	1,500,000	1.61%	0.16
Texas Bank	12/05/19	N/A	2,000,000	2.15%	0.18
Legacy Texas	01/29/20	N/A	3,000,000	3.21%	0.33
Texas Bank	02/27/20	N/A	7,000,000	7.51%	0.41
Texas Bank	04/29/20	N/A	1,000,000	1.06%	0.58
Texas Bank	11/26/20	N/A	1,500,000	1.60%	1.16
Legacy Texas	09/24/21	N/A	<u>4,000,000</u>	4.28%	1.99
Total			<u>21,500,000</u>		
U. S. Government Securities:					
Freddie Mac ¹	10/02/19	Level 1	4,999,850	5.37%	0.01
Fannie Mae ¹	10/09/19	Level 1	1,998,960	2.15%	0.02
Fannie Mae ¹	10/09/19	Level 1	7,635,028	8.20%	0.02
US Treasury Bonds ¹	10/31/19	Level 1	4,397,844	4.72%	0.08
Private Export Funding ¹	03/15/20	Level 1	5,027,412	5.40%	0.46
Fannie Mae ²	08/24/20	Level 2	3,986,240	4.28%	0.90
Federal Home Loan Bank Bonds ¹	09/11/20	Level 1	7,066,290	7.59%	0.95
Fannie Mae ¹	11/30/20	Level 1	1,992,920	2.14%	1.17
Federal Home Loan Bank Bonds ¹	07/14/21	Level 1	3,961,240	4.25%	1.79
Fannie Mae ¹	10/07/21	Level 1	<u>2,982,990</u>	3.20%	2.02
Total			<u>44,048,774</u>		
Total investments			\$ <u>93,136,332</u>	<u>100.0%</u>	

The following pricing models were used to value securities:

- (1) Documented trade history in exact security.
- (2) Option-adjusted discounted cash flow model.

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.

Custodial Credit Risk - Deposits: This is the risk that in the event of bank failure, the City's deposits may not be returned to it. The City was not exposed to custodial credit risk since its deposits at year-end were covered by depository insurance or by pledged collateral held by the City's agent bank in the City's name.

Custodial Credit Risk - Investments: 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, 2019, the City's investment in TexPool, TexStar, and Texas Class were rated AAAM by Standard & Poor's and the U. S. Government Securities were rated AA+ by Standard and Poor's.

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

TexPool was established as a trust company with the Treasurer of the State of Texas as trustee, segregated from all other trustees, investments, and activities of the trust company. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. 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, Standard & Poor's rate TexPool AAAM. As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard & Poor's, as well as to the Office of the Comptroller of Public Accounts for review. TexPool has a redemption notice period of one day and may redeem daily. The investment pool's authority may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium or national state of emergency that affects the pool's liquidity.

The Texas Short-term Asset Reserve Program, TexSTAR, is a local government investment pool created under the Interlocal Cooperation Act specifically tailored to meet Texas state and local government investment objectives of preservation of principal, daily liquidity and competitive yield. TexSTAR is overseen by a Governing Board consisting of individuals from participating government entities in the pool. The business and affairs of TexSTAR are managed by the Board. J.P. Morgan Investment Management, Inc. provides investment management, fund accounting, transfer agency and custodial services for the pool and Hilltop Securities Inc. provides administrative, marketing and participant services. The fund seeks to maintain a constant dollar objective and fulfills all requirement of the Texas PFIA for local government investment pools. The fund is rated AAAM by Standard and Poor's and maintains a maturity of 60 days or less, with a maximum maturity of 13 months for an individual security.

The Cooperative Liquid Assets Securities System – Texas ("CLASS") is a public funds investment pool under Section 2256.016 of the Public Funds Investment Act, Chapter 2256, Texas Government Code. CLASS is created under an Amended and Restated Trust Agreement, dated as of May 1, 2001 (the "Agreement") among certain Texas governmental entities investing in the pool (the "Participants"), Municipal Investors Services Corporation ("MBIA-MISC") as program administrator, and Wells Fargo as custodian. CLASS is not SEC-registered and is not subject to regulation by the State of Texas. Under the Agreement, however, CLASS is administered and supervised by a seven-member board of trustees (the "Board"), whose members are investment officers of the Participants, elected by the Participants for overlapping two-year terms. In the Agreement and by resolution of the Board, CLASS has contracted with MBIA-MISC to provide for the investment and management of the public funds of CLASS. Separate financial statements for CLASS may be obtained by contacting MBIA Asset Management at 815-A Brazos Street, Suite 345, Austin, Texas 78701-9996 or by calling (800) 707-6242. CLASS has a redemption notice period of one day and may redeem daily. The investment pool's authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium or national or state emergency that affects the pool's liquidity.

As of September 30, 2019, the City held restricted cash and investments of \$26,607,886 for the following purposes:

Business-type activities:	
Revenue bond debt service	\$ 1,002,579
Revenue bond reserve	3,312,027
Construction	232,089
Water impact fee	1,405,068
Wastewater impact fee	1,956,958
Constructing improvements and extensions to the wastewater and reclaimed water system - TWDB program	12,982,306
Rate stabilization	<u>5,716,859</u>
Total restricted cash and investments	<u>\$ 26,607,886</u>

B. Interfund Balances and Transfers

Interfund balances as of year-end were as follows:

<u>Advance From</u>	<u>Advance To</u>	<u>Amount</u>
Debt service fund	TIRZ fund	\$ 6,000,000

During fiscal year 2017, the City issued tax notes to loan funds to the TIRZ (a blended component unit) for certain construction projects. The TIRZ will repay the Debt Service Fund in annual installments through 2023.

Interfund transfers during the year were as follows:

	<u>Transfers In</u>						<u>Total</u>
	<u>General</u>	<u>Debt Service</u>	<u>TIRZ</u>	<u>General Capital Projects</u>	<u>Other Governmental</u>	<u>Storm Water Utility</u>	
Transfers Out:							
General	\$ -	\$ 152,000	\$ -	\$ 1,215,000	\$ 212,796	\$ -	\$ 1,579,796
Municipal utility	5,398,419	-	33,238	-	2,871,626	14,925	8,318,208
Solid waste	246,519	-	-	500,000	-	-	746,519
Other governmental	-	-	-	-	<u>361,870</u>	-	<u>361,870</u>
Total Transfers	<u>\$ 5,644,938</u>	<u>\$ 152,000</u>	<u>\$ 33,238</u>	<u>\$ 1,715,000</u>	<u>\$ 3,446,292</u>	<u>\$ 14,925</u>	<u>\$ 11,006,393</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 subsidize project expenditures with bond resources.

C. Capital Assets

Capital asset activity for the year ended September 30, 2019, was as follows:

	Beginning Balance	Additions	Transfers/ Retirements	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 14,779,541	\$ 323,778	\$ -	\$ 15,103,319
Construction in progress	<u>2,510,597</u>	<u>3,194,856</u>	<u>(1,301,133)</u>	<u>4,404,320</u>
Total assets not being depreciated	<u>17,290,138</u>	<u>3,518,634</u>	<u>(1,301,133)</u>	<u>19,507,639</u>
Capital assets, being depreciated:				
Buildings and improvements	14,734,956	-	(264,025)	14,470,931
Infrastructure	57,160,896	1,796,256	-	58,957,152
Other improvements	38,524,665	1,779,356	1,299,116	41,603,137
Machinery and equipment	<u>13,818,481</u>	<u>4,773,404</u>	<u>(233,876)</u>	<u>18,358,009</u>
Total capital assets being depreciated	<u>124,238,998</u>	<u>8,349,016</u>	<u>801,215</u>	<u>133,389,229</u>
Less accumulated depreciation:				
Buildings and improvements	(6,953,296)	(364,849)	211,580	(7,106,565)
Infrastructure	(16,962,354)	(2,520,310)	-	(19,482,664)
Other improvements	(14,485,749)	(1,923,272)	-	(16,409,021)
Machinery and equipment	<u>(9,609,510)</u>	<u>(1,225,762)</u>	<u>225,865</u>	<u>(10,609,407)</u>
Total accumulated depreciation	<u>(48,010,909)</u>	<u>(6,034,193)</u>	<u>437,445</u>	<u>(53,607,657)</u>
Total capital assets being depreciated, net	<u>76,228,089</u>	<u>2,314,823</u>	<u>1,238,660</u>	<u>79,781,572</u>
Governmental activities capital assets, net	<u>\$ 93,518,227</u>	<u>\$ 5,833,457</u>	<u>\$ (62,473)</u>	<u>\$ 99,289,211</u>
	Beginning Balance	Additions	Transfers/ Retirements	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 3,761,566	\$ 394,706	\$ -	\$ 4,156,272
Construction in progress	<u>10,422,729</u>	<u>9,722,341</u>	<u>(7,450,255)</u>	<u>12,694,815</u>
Total assets not being depreciated	<u>14,184,295</u>	<u>10,117,047</u>	<u>(7,450,255)</u>	<u>16,851,087</u>
Capital assets, being depreciated:				
Buildings and improvements	19,379,594	-	(626,688)	18,752,906
Other improvements	195,035,332	5,169,324	7,449,006	207,653,662
Machinery and equipment	<u>9,478,696</u>	<u>1,197,150</u>	<u>(362,340)</u>	<u>10,313,506</u>
Total capital assets being depreciated	<u>223,893,622</u>	<u>6,366,474</u>	<u>6,459,978</u>	<u>236,720,074</u>
Less accumulated depreciation:				
Buildings and improvements	(11,028,881)	(454,259)	348,034	(11,135,106)
Other improvements	(71,888,488)	(5,698,691)	-	(77,587,179)
Machinery and equipment	<u>(7,289,172)</u>	<u>(501,014)</u>	<u>362,340</u>	<u>(7,427,846)</u>
Total accumulated depreciation	<u>(90,206,541)</u>	<u>(6,653,964)</u>	<u>710,374</u>	<u>(96,150,131)</u>
Total capital assets being depreciated, net	<u>133,687,081</u>	<u>(287,490)</u>	<u>7,170,352</u>	<u>140,569,943</u>
Business-type activities capital assets, net	<u>\$ 147,871,376</u>	<u>\$ 9,829,557</u>	<u>\$ (279,903)</u>	<u>\$ 157,421,030</u>

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

Governmental activities:	
General government	\$ 414,788
Public safety	657,011
Public works	3,739,276
Health and welfare	65,548
Cultural and recreational	973,101
Capital assets held by the City's internal service funds are charged to the various functions	<u>184,469</u>
Total depreciation expense - governmental activities	<u>\$ 6,034,193</u>
Business-type activities:	
Electric	\$ 2,052,208
Water	2,836,877
Wastewater	1,463,457
Solid waste	104,947
Storm water	<u>196,475</u>
Total depreciation expense - business-type activities	<u>\$ 6,653,964</u>

D. Deferred Outflows and 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:

	General	Debt Service	TIRZ	Other Governmental	Totals
Delinquent property taxes	\$ 159,550	\$ 82,661	\$ 28,911	\$ -	\$ 271,122
Intergovernmental-grants	-	19,892,313	-	310,269	20,202,582
Court fines	<u>164,029</u>	-	-	-	<u>164,029</u>
Total - unavailable	<u>\$ 323,579</u>	<u>\$ 19,974,974</u>	<u>\$ 28,911</u>	<u>\$ 310,269</u>	<u>\$ 20,637,733</u>

Amounts are aggregated into a single deferred outflows or inflows of resources for certain columns. Below is the detail of deferred outflows and inflows of resources for governmental and business-type activities.

	Governmental Activities	Business-type Activities			Totals
		Municipal Utility System	Solid Waste	Storm Water Utility	
Deferred outflows:					
Charge on refunding	\$ 790,655	\$ 718,398	\$ -	\$ -	\$ 1,509,053
Related to pensions	6,038,984	1,656,983	252,324	15,904	7,964,195
Related to OPEB - SDBF	94,124	25,827	3,933	249	124,133
Related to OPEB - Retiree Health Plan	<u>1,233,847</u>	<u>402,850</u>	<u>72,469</u>	<u>-</u>	<u>1,709,166</u>
Total deferred outflow	<u>\$ 8,157,610</u>	<u>\$ 2,804,058</u>	<u>\$ 328,726</u>	<u>\$ 16,153</u>	<u>\$ 11,306,547</u>
Deferred inflows:					
Related to pensions	\$ 496,849	\$ 136,326	\$ 20,760	\$ 1,311	\$ 655,246
Related to OPEB - SDBF	47,559	13,049	1,987	125	62,720
Related to OPEB - Retiree Health Plan	<u>1,599,352</u>	<u>522,188</u>	<u>93,936</u>	<u>-</u>	<u>2,215,476</u>
Total deferred inflow	<u>\$ 2,143,760</u>	<u>\$ 671,563</u>	<u>\$ 116,683</u>	<u>\$ 1,436</u>	<u>\$ 2,933,442</u>

E. Bonds, Certificates of Obligation and Tax Notes Payable

Bonds, certificates of obligation and tax notes payable at September 30, 2019, consist of the following individual issues:

Governmental activities

\$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%.	\$ 24,270,000
\$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%.	6,440,000
\$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%.	6,250,000
\$7,345,000 2014 General Obligation Refunding Bonds, to refund and restructure the City's Certificates of Obligation Bonds, Series 2007, due in annual installments through March 1, 2027, 2.00% - 4.00%.	5,145,000
\$4,320,000 2018 General Obligation Refunding Bonds, to refund and restructure the City's Certificates of Obligation Bonds, Series 2006 and 2008, due in annual installments through March 1, 2028, 2.57%.	3,880,000
\$985,000 2014 Tax Notes, to purchase and equip two fire trucks, due in annual installments through March 1, 2021, 2.00%.	295,000
\$6,065,000 2016 Tax Notes, to fund TIRZ projects, due in annual installments through March 1, 2023, 1.485%.	3,565,000
\$5,060,000 2017 Tax Notes, for radio upgrades and dispatch console, and pool repairs and upgrades, due in semi-annual installments through March 1, 2024, 1.77%.	<u>3,655,000</u>
Total governmental activities	<u>\$ 53,500,000</u>

Business-type activities

\$41,565,000 2015 Utility System Revenue Refunding and Improvement Bonds, to refund the 2005 Utility System Refunding Bonds, to refund a portion of the 2006 Utility System Refunding Bonds and for improvements and extensions to the City's water, wastewater, and electric systems, due in annual installments through September 1, 2035, 2.00% - 5.00%.	\$ 29,180,000
\$2,035,000 2015 Municipal Storm Water Utility System Revenue Bonds, for improvements to the City's storm water system, due in annual installments through September 1, 2025, 2.77%.	1,290,000
\$11,220,000 Tax & Utility System (Surplus Pledge) Revenue Certificates of Obligation, Series 2016 Texas Water Development Board Clean Water SRF Loan, due in semi-annual installments through September 30, 2036.	9,600,000
\$4,565,000 Tax and Utility System Certificates of Obligation, Series 2018 for improvements to the Utility System due in semi-annual installments through March 1, 2038, 3.0% - 3.5%.	<u>4,400,000</u>
Total business-type activities	<u>\$ 44,470,000</u>

Annual debt payment requirements for general obligation and certificates of obligation and tax notes as of September 30, 2019, are as follows:

Governmental Activities:

Fiscal Year	General Obligation		Certificates of Obligation		Total
	Principal	Interest	Principal	Interest	
2020	\$ 4,015,000	\$ 1,308,288	\$ 330,000	\$ 462,470	\$ 6,115,758
2021	3,385,000	1,194,413	345,000	250,455	5,174,868
2022	3,150,000	1,080,688	360,000	236,355	4,827,043
2023	4,555,000	929,663	375,000	221,655	6,081,318
2024	4,980,000	740,525	390,000	206,355	6,316,880
2025-2029	15,580,000	1,027,325	2,205,000	776,795	19,589,120
2030-2034	-	-	2,435,000	256,518	2,691,518
	<u>\$ 35,665,000</u>	<u>\$ 6,280,902</u>	<u>\$ 6,440,000</u>	<u>\$ 2,410,603</u>	<u>\$ 50,796,505</u>

Fiscal Year	Private Placement				Total
	General Obligation		Tax Notes		
	Principal	Interest	Principal	Interest	
2020	\$ 435,000	\$ 94,126	\$ 1,720,000	\$ 109,386	\$ 2,358,512
2021	440,000	82,882	1,755,000	80,794	2,358,676
2022	455,000	71,382	1,635,000	53,163	2,214,545
2023	470,000	59,496	1,650,000	26,670	2,206,166
2024	560,000	46,260	755,000	6,682	1,367,942
2025-2029	1,520,000	57,696	-	-	1,577,696
	<u>\$ 3,880,000</u>	<u>\$ 411,842</u>	<u>\$ 7,515,000</u>	<u>\$ 276,695</u>	<u>\$ 12,083,537</u>

Business-type Activities:

Fiscal Year	Revenue Bonds		
	Principal	Interest	Total
2020	\$ 2,980,000	\$ 841,709	\$ 3,821,709
2021	3,130,000	766,259	3,896,259
2022	3,275,000	687,033	3,962,033
2023	2,645,000	604,158	3,249,158
2024	2,765,000	537,009	3,302,009
2025-2029	9,460,000	1,742,162	11,202,162
2030-2034	6,865,000	895,987	7,760,987
2035-2038	2,460,000	114,535	2,574,535
	<u>\$ 33,580,000</u>	<u>\$ 6,188,852</u>	<u>\$ 39,768,852</u>

Fiscal Year	Revenue Bonds-Private Placement		
	Principal	Interest	Total
2020	\$ 730,000	\$ 145,345	\$ 875,345
2021	735,000	139,169	874,169
2022	740,000	132,060	872,060
2023	755,000	124,228	879,228
2024	760,000	115,192	875,192
2025-2029	2,985,000	442,906	3,427,906
2030-2034	2,940,000	249,456	3,189,456
2035-2036	1,245,000	32,441	1,277,441
	<u>\$ 10,890,000</u>	<u>\$ 1,380,797</u>	<u>\$ 12,270,797</u>

On December 15, 2016 the City issued \$11,220,000 Tax & Utility System Revenue Certificates of Obligation, Series 2016 Texas Water Development Board Clean Water SRF Loan. The bonds have a stated interest rate of 0.120%-1.740% and mature on September 1, 2036. The bonds were issued as part of a grant agreement with the Texas Water Development Board to construct improvements and extensions to the City's wastewater and reclaimed water system. As part of the overall grant package, the City was issued an additional \$1,550,433 in principal forgiveness from the Clean Water State Revolving Fund Program that does not need to be paid back as long as the grant conditions are met. Proceeds from the loans have been restricted in the financial statements.

During the current year, the City issued General Obligation Refunding Bonds, Series 2018 with a stated interest rate of 2.57%. These bonds were issued in order to refund a portion of the City's outstanding obligations for debt service savings. The refunding bonds' reacquisition price exceeded the net carrying amount of the old debt by \$34,629, which is reported as a deferred loss on refunding. This refunding was undertaken to reduce total debt service payments by \$363,149 over 10 years and to achieve a present value savings of \$285,515.

The City issues a variety of long-term debt instruments in order to acquire and/or construct major capital facilities and equipment for governmental activities. These instruments include general obligation bonds, certificates of obligation, and tax notes. These debt obligations are secured by primarily future property tax revenues. In some cases, these bonds are also secured by a pledge of net revenues from the utility system.

Additionally, certain obligations that were marketed as private placements have been separately identified; however, the terms of these obligations are not significantly different than other obligations and do not have substantive acceleration clauses. Should the City default on these bonds, any registered owner of the obligations is entitled to seek a writ of mandamus from a court of proper jurisdiction requiring the City to make payment.

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 of September 30, 2019.

	<u>Required</u>	<u>Actual</u>
Reserve fund	\$ 3,067,616	\$ 3,312,027
Bond fund	\$ 404,775	\$ 1,002,579

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, 2019, the City does not have any bonds considered defeased.

F. Capital Lease Obligation

The City's direct borrowings (capital leases) related to governmental and business-type activities are secured with equipment as collateral. The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2019, were as follows:

	Governmental Activities
2020	\$ 197,476
2021	197,476
2022	197,476
2023	197,476
2024	81,476
2025-2027	<u>244,427</u>
Total minimum lease payments	1,115,807
Less: amount representing interest	<u>(107,169)</u>
Present value of minimum lease payments	<u>\$ 1,008,638</u>

	Business-type Activities
2020	\$ 45,731
2021	45,731
2022	45,731
2023	45,731
2024	45,731
2025-2027	<u>137,201</u>
Total minimum lease payments	365,856
Less: amount representing interest	<u>(39,076)</u>
Present value of minimum lease payments	<u>\$ 326,780</u>

G. Long-term Liability Activity

Long-term liability activity for the year ended September 30, 2019, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds and Certificates of Obligations:					
General obligations	\$ 39,535,000	\$ -	\$ 3,870,000	\$ 35,665,000	\$ 4,015,000
General obligations-private placement	-	4,320,000	440,000	3,880,000	435,000
Certificates of obligation	11,005,000	-	4,565,000	6,440,000	330,000
Issuance premium	<u>1,244,544</u>	<u>-</u>	<u>333,509</u>	<u>911,035</u>	<u>-</u>
Totals	<u>51,784,544</u>	<u>4,320,000</u>	<u>9,208,509</u>	<u>46,896,035</u>	<u>4,780,000</u>
Tax notes-private placement	9,215,000	-	1,700,000	7,515,000	1,720,000
Capital lease-direct borrowing	646,988	548,433	186,783	1,008,638	168,585
Compensated absences	<u>3,478,996</u>	<u>1,561,583</u>	<u>1,687,831</u>	<u>3,352,748</u>	<u>530,782</u>
Governmental activities long-term liabilities	<u>\$ 65,125,528</u>	<u>\$ 6,430,016</u>	<u>\$ 12,783,123</u>	<u>\$ 58,772,421</u>	<u>\$ 7,199,367</u>

The General Fund has typically been used to liquidate governmental activities compensated absences and capital lease, and the Debt Service Fund is typically has been used to liquidate tax notes.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities:					
Bonds payable:					
Revenue bonds	\$ 36,420,000	\$ -	\$ 2,840,000	\$ 33,580,000	\$ 2,980,000
Revenue bonds-private placement	11,615,000	-	725,000	10,890,000	730,000
Issuance premium	4,119,587	-	243,450	3,876,137	-
Totals	<u>52,154,587</u>	<u>-</u>	<u>3,808,450</u>	<u>48,346,137</u>	<u>3,710,000</u>
State infrastructure loan-					
direct borrowing	37,632	-	37,632	-	-
Capital lease-direct borrowing	363,141	-	36,361	326,780	37,300
Compensated absences	1,009,644	418,424	444,092	983,976	176,066
Business-type activities long-term liabilities	<u>\$ 53,565,004</u>	<u>\$ 418,424</u>	<u>\$ 4,326,535</u>	<u>\$ 49,656,893</u>	<u>\$ 3,923,366</u>

H. Net Pension and Total OPEB Liabilities

Amounts are aggregated into a single net pension liability and total OPEB liability for certain columns. Below is the detail of net pension liability and total OPEB liability for governmental and business-type activities.

	Governmental Activities	Business-type Activities			Totals
		Municipal Utility System	Solid Waste	Storm Water Utility	
Net pension liability	<u>\$ 13,889,318</u>	<u>\$ 3,810,966</u>	<u>\$ 580,330</u>	<u>\$ 36,580</u>	<u>\$ 18,317,194</u>
Total OPEB liability - Due within one year:					
TMRS SDBF	\$ 22,202	\$ 6,092	\$ 928	\$ 58	\$ 29,280
Retiree Health Plan	327,936	107,071	19,261	-	454,268
Total due within one year	<u>350,138</u>	<u>113,163</u>	<u>20,189</u>	<u>58</u>	<u>483,548</u>
Total OPEB liability - Due in more than one year:					
TMRS SDBF	799,980	219,499	33,425	2,107	1,055,011
Retiree Health Plan	12,469,001	4,071,122	732,354	-	17,272,477
Total due in more than one year	<u>13,268,981</u>	<u>4,290,621</u>	<u>765,779</u>	<u>2,107</u>	<u>18,327,488</u>
Total OPEB liability	<u>\$ 13,619,119</u>	<u>\$ 4,403,784</u>	<u>\$ 785,968</u>	<u>\$ 2,165</u>	<u>\$ 18,811,036</u>

Pension and OPEB expense amounts are reported for certain columns. Below is the detail of pension and OPEB expense for governmental and business-type activities.

	Governmental Activities	Business-type Activities			Totals
		Municipal Utility System	Solid Waste	Storm Water Utility	
Pension expense	<u>\$ 3,382,927</u>	<u>\$ 865,885</u>	<u>\$ 171,558</u>	<u>\$ 8,818</u>	<u>\$ 4,429,188</u>
OPEB expense:					
TMRS SDBF	\$ 63,593	\$ 17,449	\$ 2,657	\$ 167	\$ 83,866
Retiree Health Plan	786,743	256,871	46,209	-	1,089,823
Total OPEB expense	<u>\$ 850,336</u>	<u>\$ 274,320</u>	<u>\$ 48,866</u>	<u>\$ 167</u>	<u>\$ 1,173,689</u>

V. OTHER INFORMATION

A. Defined Benefit Pension Plan

Plan Descriptions. The City participates as one of 887 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agency multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Sections 401(a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.thrs.com.

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

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

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

The City grants monetary credits for service rendered of a theoretical amount equal to two times what would have been contributed by the employee, with interest. Monetary credits, also known as the matching ratio, are 200% of the employee's accumulated contributions and are only payable in the form of an annuity.

Beginning in 2000, the City granted an annually repeating (automatic) basis monetary credit referred to as an updated service credit (USC) which is a theoretical amount that takes into account salary increases or plan improvements. If at any time during their career an employee earns a USC, this amount remains in their account earning interest at 5% until retirement. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer match plus employer-financed monetary credits, such as USC, with interest were used to purchase an annuity. Additionally, initiated in 2014, the City provided on an annually repeating (automatic) basis cost of living adjustments (COLA) for retirees equal to a percentage of the change in the consumer price index (CPI).

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

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

Employees covered by benefit terms

At the December 31, 2018 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries current receiving benefits	223
Inactive employees entitled to but not yet received benefits	172
Active employees	<u>359</u>
Total	<u><u>754</u></u>

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

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 13.35% and 13.25% in calendar years 2018 and 2019, respectively. The City's contributions to TMRS for the year ended September 30, 2019, were \$2,936,212, and were equal to the required contributions.

Net Pension Liability. The City's Net Pension Liability (NPL) was measured as of December 31, 2018, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The Total Pension Liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.0% per year
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with males rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2010 to December 31, 2014. They were adopted in 2015 and first used in the December 31, 2015 actuarial valuation. The post-retirement mortality assumption for healthy annuitants and Annuity Purchase Rate (APRs) are based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. In conjunction with these changes first used in the December 31, 2013 valuation, the System adopted the Entry Age Normal actuarial cost method and a one-time change to the amortization policy. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Domestic equity	17.5%	4.30%
International Equity	17.5%	6.10%
Core Fixed Income	10.0%	1.00%
Non-Core Fixed Income	20.0%	3.39%
Real Return	10.0%	3.78%
Real Estate	10.0%	4.44%
Absolute Return	10.0%	3.56%
Private Equity	5.0%	7.75%
Total	<u>100.0%</u>	

Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/2017	\$ 115,695,884	\$ 107,086,488	\$ 8,609,396
Changes for the year:			
Service cost	3,562,124	-	3,562,124
Interest	7,778,870	-	7,778,870
Difference between expected and actual experience	(481,427)	-	(481,427)
Contributions - employer	-	2,903,193	(2,903,193)
Contributions - employee	-	1,522,275	(1,522,275)
Net investment income	-	(3,208,466)	3,208,466
Benefits payments, including refunds of employee contributions	(4,468,841)	(4,468,841)	-
Administrative expense	-	(61,995)	61,995
Other change	-	(3,238)	3,238
Net changes	<u>6,390,726</u>	<u>(3,317,072)</u>	<u>9,707,798</u>
Balance at 12/31/2018	<u>\$ 122,086,610</u>	<u>\$ 103,769,416</u>	<u>\$ 18,317,194</u>

The City's net pension liability is generally liquidated by the General Fund and Proprietary Funds.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease in in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in in Discount Rate (7.75%)
City's net pension liability	\$ 35,954,383	\$ 18,317,194	\$ 3,870,040

Pension Plan Fiduciary Net Position

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

Pension Expense and Deferred Inflows and Outflows of Resources Related to Pensions. For the year ended September 30, 2019, the City recognized pension expense of \$4,429,188. At September 30, 2019, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ -	\$ 655,246
Changes in actuarial assumptions	199,515	-
Difference between projected and actual investment earnings	5,527,911	-
Contributions subsequent to the measurement date	<u>2,236,769</u>	<u>-</u>
Totals	<u>\$ 7,964,195</u>	<u>\$ 655,246</u>

\$2,236,769 reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2020. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expenses as follows:

For the Year Ended September 30,	
2020	\$ 1,844,979
2021	612,310
2022	613,088
2023	2,001,803

B. Postemployment Benefits Other Than Pensions (OPEB) - TMRS Supplemental Death Benefits Fund

Plan Description. The City voluntarily participates in a single-employer other postemployment benefit (OPEB) plan administered by TMRS. The Plan is a group-term life insurance plan known as the Supplemental Death Benefits Fund (SDBF). The Plan is established and administered in accordance with the TMRS Act identically to the City's pension plan. SDBF includes coverage for both active and retired members, and assets are commingled for the payment of such benefits. Therefore, the Plan does not qualify as an OPEB Trust in accordance with paragraph 4 of GASB Statement No. 75.

Benefits Provided. The SDBF provides group-term life insurance to City employees who are active members in TMRS, including or not including retirees. The City Council opted into this program via an ordinance, and 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.

Payments from this fund are similar to group-term life insurance benefits and are paid to the designated beneficiaries upon the receipt of an approved application for payment. 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). The death benefit for retirees is considered an other employment benefit and is a fixed amount of \$7,500.

The number of employees currently covered by the benefit terms is as follows:

Inactive employees or beneficiaries currently receiving benefits	169
Inactive employees entitled to but not yet receiving benefits	43
Active employees	<u>359</u>
Total	<u>571</u>

Contributions. The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation, which was 0.17% for 2019 and 0.18% for 2018, of which 0.04% represented the retiree-only portion for each year, as a percentage of annual covered payroll. 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 prefund retiree term life insurance during employees' entire careers. The City's contributions to the SDBF for the years ended September 30, 2019 were \$29,279 representing contributions for both active and retiree coverage, which equaled the required contributions each year.

Total OPEB Liability

The City's total OPEB liability of \$1,084,291 was measured as of December 31, 2018 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs. The Total OPEB Liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions:

Inflation rate	2.5% per annum
Actuarial cost method	Entry age normal
Discount rate	3.71%
Projected salary increases	3.5% to 10.5% including inflation

Administrative expenses for the SDBF are paid through the TMRS Pension Trust Fund and are wholly accounted for under the provisions of GASB Statement No. 68.

Salary increases were based on a service-related table.

Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with male rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who became disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study for the period December 31, 2010 to December 31, 2014.

The SDBF program is treated as an unfunded OPEB plan because the SDBF trust covers both actives and retirees and the assets are not segregated for these groups. As such, a single discount rate of 3.71% was used to measure the total OPEB liability. Because the plan is essentially a "pay-as-you-go" plan, the single discount rate is equal to the prevailing municipal bond rate. The source of the municipal bond rate was fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2018.

Discount Rate Sensitivity Analysis. The following schedule shows the impact of the total OPEB liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (3.71%) in measuring the total OPEB liability.

	<u>1% Decrease in Discount Rate (2.71%)</u>	<u>Discount Rate (3.71%)</u>	<u>1% Increase in Discount Rate (4.71%)</u>
Total OPEB Liability	\$ 1,284,900	\$ 1,084,291	\$ 928,129

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at 12/31/2017	\$ 1,040,089
Changes for the year:	
Service cost	39,144
Interest	34,931
Difference between expected and actual experience	53,228
Changes of assumptions and other inputs	(74,402)
Benefit payments	(8,699)
Net changes	<u>44,202</u>
Balance at 12/31/2018	<u>\$ 1,084,291</u>

Changes in assumptions and other inputs reflect a change in the discount rate from 3.31% to 3.71%.

The City's total OPEB liability is generally liquidated by the General Fund and Proprietary Funds.

OPEB Expense and Deferred Inflows and Outflows of Resources Related to OPEB. For the year ended September 30, 2019, the City recognized OPEB expense of \$83,866. There were no changes of benefit terms that affected measurement of the total OPEB liability during the measurement period.

At September 30, 2019, the City reported deferred outflows and inflows of resources related to other post-employment benefits from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 44,872	\$ -
Changes in actuarial assumptions	57,317	62,720
Contributions subsequent to the measurement date	<u>21,944</u>	<u>-</u>
Totals	<u>\$ 124,133</u>	<u>\$ 62,720</u>

\$21,944 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability for the year ending September 30, 2020. Other amounts of the reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>For the Year Ended September 30,</u>	
2020	\$ 9,791
2021	9,791
2022	9,791
2023	9,791
2024	1,529
Thereafter	(1,224)

C. Postemployment Benefits Other Than Pensions (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 it has the authority to establish and amend the benefit terms and financing arrangements. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Benefits and Contributions. 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.

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. Retirees who decide to opt-out of the health care plan are not eligible to opt back.

Retirees are responsible for payment of premiums for any dependent coverage, and the City pays the retirees premiums. The City’s contributions to the OPEB for the year ended September 30, 2019, were \$439,817, which equal benefit payments for retirees.

The number of employees currently covered by the benefit terms is as follows:

Inactive employees or beneficiaries currently receiving benefits	55
Active members	<u>359</u>
Total	<u>414</u>

Actuarial Methods and Assumptions

Significant methods and assumptions were as follows:

Actuarial Valuation Date	December 31, 2018
Actuarial Cost Method	Individual Entry-Age Normal
Inflation Rate	2.50%
Salary Increases	3.50% to 10.50%, including inflation
Demographic Assumptions	Based on the experience study covering the four year period ending December 31, 2014 as conducted for the Texas Municipal Retirement System (TMRS). The standard TMRS retirement rates were adjusted to reflect the impact of the City's retiree medical plan design.
Mortality	For healthy retirees, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements.
Health care cost trend rates	For Pre-65, initial rate of 7.20% declining to an ultimate rate of 5.00% after 12 years; Ultimate trend rate includes a 0.75% adjustment for the excise tax. For post-65, initial rate of 6.50% declining to an ultimate rate of 4.25% after 15 years.
Participation rates	It was assumed that 90% of retirees who are eligible for the City subsidy and 3% of those who are not eligible for the City subsidy would choose to receive health care benefits through the City.
Discount rate	The discount rate changed from 3.31% as of December 31, 2017 to 3.71% as of December 31, 2018.

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

A Single Discount Rate of 3.71% was used to measure the total OPEB liability. This Single Discount Rate was based on the municipal bond rates as of the measurement date. The source of the municipal bond rate was Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2018.

Changes in the Total OPEB Liability

The City's total OPEB liability of \$17,726,745 was measured as of December 31, 2018 and was determined by an actuarial valuation as of December 31, 2018.

	Total OPEB Liability
Balance at 12/31/2017	\$ 19,282,439
Changes for the year:	
Service cost	540,042
Interest on the total liability	639,907
Difference between expected and actual experience	(2,485,166)
Changes in assumptions and other inputs	189,340
Benefit payments	(439,817)
Net changes	(1,555,694)
Balance at 12/31/2018	\$ <u>17,726,745</u>

Changes in assumptions and other inputs reflect a change in the discount rate from 3.31% to 3.71%, and updates to the health care trend assumption.

The City's total OPEB liability is generally liquated by the General Fund and Proprietary Funds.

Discount Rate Sensitivity Analysis

The following schedule shows the impact of the total OPEB liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (3.71%) in measuring the total OPEB liability.

	<u>1% Decrease in Discount Rate (2.71%)</u>	<u>Discount Rate (3.71%)</u>	<u>1% Increase in Discount Rate (4.71%)</u>
City's total OPEB liability	\$ 20,615,984	\$ 17,726,745	\$ 15,376,223

Healthcare Cost Trend Rate Sensitivity Analysis

The following schedule shows the impact of the total OPEB liability if the Healthcare Cost Trend Rate used was 1% less than and 1% greater than what was used in measuring the total OPEB liability.

	<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Rate Assumption</u>	<u>1% Increase</u>
City's total OPEB liability	\$ 15,046,544	\$ 17,726,745	\$ 21,133,754

OPEB Expense and Deferred Outflows of Resources Related to OPEB

For the year ended September 30, 2019, the City recognized OPEB expense of \$1,089,823. At September 30, 2019, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 34,252	\$ 2,215,476
Changes in actuarial assumptions	1,312,081	-
Contributions subsequent to the measurement date	<u>362,833</u>	<u>-</u>
Total	<u>\$ 1,709,166</u>	<u>\$ 2,215,476</u>

\$362,833 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date are due to benefit payments the City paid with own assets and will be recognized as a reduction of the total OPEB liability for the year ending September 30, 2020. Other amounts of the reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>For the Year Ended September 30,</u>	
2020	\$(90,126)
2021	(90,126)
2022	(90,126)
2023	(90,126)
2024	(90,126)
Thereafter	(418,513)

D. 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.

E. 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. TMLIRD is a self-sustaining risk pool 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.

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

Type of Coverage	Limit Per Occurrence	Annual Aggregate	Deductible
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	94,368,342	94,368,342	2,500
Mobile equipment	3,622,078	3,622,078	1,000
Boiler and machinery	11,000,000	N/A	2,500
Sewage backup	50,000	N/A	500

*Actual cash value

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.

The City has a self-insured employee and retiree health plans, effective January 1, 2018. TML Multistate Intergovernmental Employee Benefits Pool (IEBP) is the third-party administrator for the employee and pre-65 retiree health plans. Claims and other plan administration services are performed by TML Multistate IEBP. All participating funds make payments to an Internal Service Fund for their portion of health plan cost.

Financial responsibility in a self-insured funding arrangement is on the City, the risk of losses exceeding an affordable threshold is transferred to an insurance company through the purchase of stop-loss insurance with Companion Life Insurance Company. Stop-loss insurance protects the City from plan claims costs exceeding a specified deductible during the plan year.

The City has specific excess loss insurance to cover specific claims incurred by plan participants. The City has a \$125,000 specific deductible for each medical plan member. The City also has coverage for aggregate claims incurred under the self-insured health plan. Under this coverage, aggregate claims in excess of an estimate annual aggregate attachment point of \$4,021,127 would be covered up to an aggregate benefit period reimbursement maximum of \$1,000,000.

The City establishes the insurance claim liability based on estimates of the ultimate cost of claims reported but unsettled and of claims incurred but not reported. Activity for two years is as follows:

	2019	2018
Claims payable, beginning of year	\$ 239,698	\$ -
Current year claims and changes in estimates	2,277,422	1,957,115
Payments on claims	(2,420,506)	(1,717,417)
Claims payable at end of year	\$ <u>96,614</u>	\$ <u>239,698</u>

F. 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.

The City was not involved in litigation as of year-end that in the opinion of City's legal counsel would have a material adverse effect on the financial condition of the City.

G. Commitments

On September 28, 2017, the Municipal Utility Board approved a contract with C. Green Scaping, LP in the amount of \$140,703 for the materials and labor to install drainage and landscaping at the Weatherford West Loop Substation. This project is being funded with utility electric funds. As of September 30, 2019, work was completed, and the total was \$48,540.

On November 13, 2018, City Council approved a contract with Klutz Construction in the amount of \$1,807,830 for the construction and stabilization of Holland Lake Channel. This project is being funded with stormwater utility funds. As of September 30, 2019, work was completed, and the total was \$1,799,487.

On November 13, 2018, City Council approved a contract with Quality Excavation in the amount of \$1,261,358 for the construction of paving, drainage, water and signal improvements for South Bowie Drive. This project is being funded with tax increment reinvestment zone (TIRZ) funds. As of September 30, 2019, work was completed, and the total was \$1,260,666.

On November 29, 2018, the Municipal Utility Board approved a contract with Trac-N-Trol Inc. in the amount of \$764,749 for the construction of the Wastewater Treatment Plant Scada System Improvements. This project is funded with 2015 Bond Series. As of September 30, 2019, work was completed, and the total was \$449,419.

On February 12, 2019, the City Council approved a contract with Reytech Services, LLC, in the amount of \$636,817 for the construction of the College Park and Martin Drive roundabout. This project is funded with general budget funds. As of September 30, 2019, work was completed, and the total was \$484,106.

On February 12, 2019, the City Council approved a contract with Reytech Services, LLC, in the amount of \$147,330 for the construction of storm water for the College Park and Martin Drive roundabout. This project is funded with stormwater utility funds. As of September 30, 2019, work was completed, and the total was \$143,185.

On February 28, 2019, the Municipal Utility Board approved a contract with Pittard Construction in the amount of \$1,355,931 for the construction of the 8" Waterline 2018 Water Rehabilitation Project. This project is funded with utility rate revenues. As of September 30, 2019, work was completed, and the total was \$1,030,662.

On March 28, 2019, the Municipal Utility Board approved a contract with Reytech Services, LLC, in the amount of \$2,471,306 for the construction of the North Main Street Water and Sanitary Sewer Rehabilitation from Front Street to Eight Street Project. This project is funded from the 2015 Bond Series and utility rate revenues. As of September 30, 2019, work was completed, and the total was \$1,207,319.

On May 28, 2019, the City Council approved a contract with Jackson Construction, Ltd. in the amount of \$2,176,257 for the construction of paving, storm water drainage, water and a traffic signal associated with the extension of BB Fielder Drive from Scott Drive to Old Dennis Road. This project is funded from the tax increment reinvestment zone (TIRZ) number one funds. As of September 30, 2019, work was completed, and the total was \$139,459.

On August 29, 2019, the Municipal Utility Board approved a contract with Reytech Services, LLC in the amount of \$330,019 for the construction of the Wastewater Rehabilitation 200 Block West Interstate 20 project. This project is funded with utility rate revenues. This project will begin in January 2020.

H. Tax Abatements

The City enters into economic development agreements designed to promote development and redevelopment within the City, stimulate commercial activity, generate additional sales tax and enhance the property tax base and economic vitality of the City. This program reduces the assessed property values and refunds sales tax as authorized under Chapter 380 of the Texas Local Government Code.

The City has entered into various agreements that reduce property and sales taxes. Agreements for a reduction of taxable property values on incremental values call for a reduction of 15% to 100% for 5 to 9 years. The agreements for sales tax provide rebates of 15% to 100% for 5 to 9 years. Each agreement requires a developer commitment of \$250 thousand to \$12 million in improvements and minimum employment requirements. For fiscal year 2019, the City rebated sales taxes of \$915,994.

I. Power Wholesale Supplier Agreements and Derivative Instruments

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

Congestion Revenue Rights (CRRs) function as financial hedges against the cost of resolving congestion in the Electric Reliability Council of Texas (ERCOT) market. These instruments allow the City to hedge expected future congestion that may arise during a certain period. CRRs are purchased at auction, semi-annually and monthly at market value. These CRRs are expected to be settled upon the City taking delivery of the commodity which meet the requirements of a normal purchase of the City. As of September 30, 2019, the City held CRRs with a cost of \$578,703, and are reported as prepaid items within the Utility System Fund.

The City has entered into wholesale power supply agreements with Garland Power and Light (GP&L), Bryan Texas Utilities, Exelon Generation Company, LLC and Morgan Stanley Capital Group, Inc., through 2021, 2020, 2023, and 2029, respectively. Under the terms of the agreements, the City purchases its full power requirements for its retail customer base. These contracts are considered normal purchase agreements and are reported when the exchange occurs.

In July 2015, the City entered into an agreement with the City of Garland to invest in energy from a wind turbine electrical generation facility. As a result, the City agrees to purchase power generated by this facility in accordance with the terms of the agreement for fourteen years beginning in December 2016.

In April 2016, the City entered into an agreement with the City of Garland to invest in energy from a solar energy facility. As a result, the City agrees to purchase power generated by this facility in accordance with the terms of the agreement for fifteen years beginning in April 2017.

J. New Accounting Principles

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

Statement No. 84, *Fiduciary Activities* – This statement establishes criteria for identifying fiduciary activities of governments and for identifying fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The statement will become effective for the City in fiscal year 2020.

Statement No. 87, *Leases* – This statement changes the recognition requirements for certain lease assets and liabilities for leases that are currently classified as operating leases. This statement will become effective for the City in fiscal year 2021.

K. Subsequent Event

On January 14, 2020, the City Council approved the issuance of \$27,845,000 of General Obligation Refunding Bonds, Series 2020. These obligations have a varying interest rate of 2.125% - 4.00% and will mature on March 2034. These obligations will be used to refund a portion of the City's outstanding debt and is secured by the City's as valorem tax revenues.

**REQUIRED
SUPPLEMENTARY INFORMATION**

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CITY OF WEATHERFORD, TEXAS

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

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts	
	Original	Final
REVENUES		
Taxes	\$ 23,090,027	\$ 23,090,027
Licenses and permits	895,004	895,004
Intergovernmental	1,286,404	1,336,404
Charges for services	4,210,034	4,606,238
Fines and forfeitures	443,200	443,200
Contributions	9,565	20,740
Investment earnings	87,000	87,000
Miscellaneous	100,965	100,965
Total revenues	30,122,199	30,579,578
EXPENDITURES		
Current:		
General government		
City council	57,340	57,340
Administration	1,141,797	1,344,797
Marketing and communications	220,725	250,725
Economic development	155,088	234,588
Human resources	396,625	511,681
Finance	646,741	669,541
Facilities maintenance	655,570	857,418
City attorney	137,190	447,713
Municipal court	341,226	361,226
Information technology	2,920,774	3,089,376
Planning and development	621,823	620,487
Non-departmental	412,882	1,559,376
Total general government	7,707,781	10,004,268
Public safety		
Police services	8,481,006	8,464,385
Fire	6,346,381	6,595,831
Emergency management	384,988	314,659
Total public safety	15,212,375	15,374,875
Public works		
Transportation and public works	604,814	469,893
Field operations/inspections	90,615	274,701
Traffic control	280,429	290,182
Street maintenance	3,254,149	3,843,224
Vehicle/equipment maintenance	138,758	88,758
Storm water drainage	328,796	341,896
Total public works	4,697,561	5,308,654

Actual Amounts	Variance with Final Budget - Positive (Negative)
\$ 23,732,733	\$ 642,706
740,640	(154,364)
1,115,225	(221,179)
4,550,374	(55,864)
417,471	(25,729)
32,117	11,377
394,632	307,632
90,017	(10,948)
<u>31,073,209</u>	<u>493,631</u>
54,868	2,472
1,263,031	81,766
245,227	5,498
186,878	47,710
500,468	11,213
625,147	44,394
932,673	(75,255)
295,500	152,213
376,826	(15,600)
3,273,541	(184,165)
564,946	55,541
<u>1,396,736</u>	<u>162,640</u>
<u>9,715,841</u>	<u>288,427</u>
8,442,851	21,534
6,604,416	(8,585)
<u>257,517</u>	<u>57,142</u>
<u>15,304,784</u>	<u>70,091</u>
444,696	25,197
132,289	142,412
298,334	(8,152)
3,643,562	199,662
77,592	11,166
<u>314,071</u>	<u>27,825</u>
<u>4,910,544</u>	<u>398,110</u>

CITY OF WEATHERFORD, TEXAS

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

GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts	
	Original	Final
EXPENDITURES		
Health and welfare		
Environmental health	\$ 146,980	\$ 146,980
Animal shelter	1,214,514	1,321,284
Building inspection	502,435	502,435
Code enforcement	222,628	252,628
Community grants	<u>20,000</u>	<u>20,000</u>
Total health and welfare	<u>2,106,557</u>	<u>2,243,327</u>
Cultural and recreation		
Parks	1,500,338	1,500,338
Recreation	682,626	833,726
Municipal and community services	321,565	303,565
Library	<u>1,095,881</u>	<u>1,097,381</u>
Total cultural and recreation	<u>3,600,410</u>	<u>3,735,010</u>
Total expenditures	<u>33,324,684</u>	<u>36,666,134</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(3,202,485)</u>	<u>(6,086,556)</u>
OTHER FINANCING SOURCES (USES)		
Capital lease proceeds	-	-
Sale of general capital assets	-	1,500
Insurance recoveries	13,250	19,954
Transfers in	5,263,193	5,263,193
Transfers out	<u>(2,014,195)</u>	<u>(1,898,695)</u>
Total other financing sources and uses	<u>3,262,248</u>	<u>3,385,952</u>
NET CHANGE IN FUND BALANCE	<u>59,763</u>	<u>(2,700,604)</u>
FUND BALANCE, BEGINNING	<u>15,431,249</u>	<u>15,431,249</u>
FUND BALANCE, ENDING	<u>\$ 15,491,012</u>	<u>\$ 12,730,645</u>

<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
\$ 78,448	\$ 68,532
1,342,962	(21,678)
494,286	8,149
231,310	21,318
<u>25,000</u>	<u>(5,000)</u>
<u>2,172,006</u>	<u>71,321</u>
1,450,442	49,896
817,750	15,976
34,387	269,178
<u>1,073,692</u>	<u>23,689</u>
<u>3,376,271</u>	<u>358,739</u>
<u>35,479,446</u>	<u>1,186,688</u>
<u>(4,406,237)</u>	<u>1,680,319</u>
548,433	548,433
52,900	51,400
38,140	18,186
5,644,938	381,745
<u>(1,579,796)</u>	<u>318,899</u>
<u>4,704,615</u>	<u>1,318,663</u>
<u>298,378</u>	<u>2,998,982</u>
<u>15,431,249</u>	<u>-</u>
<u>\$ 15,729,627</u>	<u>\$ 2,998,982</u>

CITY OF WEATHERFORD, TEXAS

NOTES TO BUDGETARY SCHEDULES

SEPTEMBER 30, 2019

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, Park Development, which adopt project-length budgets and the TIRZ fund in which a budget was not adopted. 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, 2019, the City incurred expenditures in excess of appropriations within the following funds:

General fund:	
General government - Facilities maintenance	\$ 75,255
General government - Municipal court	15,600
General government - Information technology	184,165
Public safety - Fire	8,585
Public works - Traffic control	8,152
Health and welfare - Animal shelter	21,678
Health and welfare - Community grants	5,000
Special revenue fund:	
Animal shelter fund - Health and welfare	159,463
Debt service fund	45,134

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CITY OF WEATHERFORD, TEXAS

SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS

FOR THE YEAR ENDED SEPTEMBER 30, 2019

Measurement Date December 31,	<u>2014</u>	<u>2015</u>
A. Total pension liability		
Service cost	\$ 2,866,608	\$ 3,136,322
Interest (on the Total Pension Liability)	6,404,452	6,708,124
Difference between expected and actual experience	(1,735,526)	(424,862)
Change of assumptions	-	938,459
Benefit payments, including refunds of employee contributions	(3,413,647)	(3,250,818)
Net change in total pension liability	<u>4,121,887</u>	<u>7,107,225</u>
Total pension liability - beginning	<u>91,765,698</u>	<u>95,887,585</u>
Total pension liability - ending (a)	<u>\$ 95,887,585</u>	<u>\$ 102,994,810</u>
B. Plan fiduciary net position		
Contributions - employer	\$ 2,903,602	\$ 2,681,302
Contributions - employee	1,304,964	1,379,411
Net investment income	4,678,525	128,674
Benefit payments, including refunds of employee contributions	(3,413,647)	(3,250,818)
Administrative expenses	(48,843)	(78,372)
Other	(4,016)	(3,871)
Net change in plan fiduciary net position	<u>5,420,585</u>	<u>856,326</u>
Plan fiduciary net position - beginning	<u>81,779,429</u>	<u>87,200,014</u>
Plan fiduciary net position - ending (b)	<u>\$ 87,200,014</u>	<u>\$ 88,056,340</u>
C. Net pension liability - ending (a) - (b)	\$ 8,687,571	\$ 14,938,470
D. Plan fiduciary net position as a percentage of total pension liability	90.94%	85.50%
E. Covered payroll	\$ 18,642,345	\$ 19,638,837
F. Net position liability as a percentage of covered payroll	46.60%	76.07%

Note: This schedule is required to have 10 years of information, but the information prior to 2014 is not available.

<u>2016</u>	<u>2017</u>	<u>2018</u>
\$ 3,369,525	\$ 3,441,922	\$ 3,562,124
6,932,314	7,351,508	7,778,870
(43,096)	(181,752)	(481,427)
-	-	-
(3,957,236)	(4,212,111)	(4,468,841)
<u>6,301,507</u>	<u>6,399,567</u>	<u>6,390,726</u>
<u>102,994,810</u>	<u>109,296,317</u>	<u>115,695,884</u>
<u>\$ 109,296,317</u>	<u>\$ 115,695,884</u>	<u>\$ 122,086,610</u>
\$ 2,636,933	\$ 2,807,485	\$ 2,903,193
1,436,460	1,470,907	1,522,275
5,952,083	13,037,437	(3,208,466)
(3,957,236)	(4,212,111)	(4,468,840)
(67,209)	(67,556)	(61,995)
(3,621)	(3,424)	(3,239)
<u>5,997,410</u>	<u>13,032,738</u>	<u>(3,317,072)</u>
<u>88,056,340</u>	<u>94,053,750</u>	<u>107,086,488</u>
<u>\$ 94,053,750</u>	<u>\$ 107,086,488</u>	<u>\$ 103,769,416</u>
\$ 15,242,567	\$ 8,609,396	\$ 18,317,194
86.05%	92.56%	85.00%
\$ 20,520,859	\$ 21,012,952	\$ 21,746,787
74.28%	40.97%	84.23%

CITY OF WEATHERFORD, TEXAS
SCHEDULE OF PENSION CONTRIBUTIONS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

Fiscal Year Ended September 30,	<u>2014</u>	<u>2015</u>
Actuarial determined contribution	\$ 2,934,671	\$ 2,726,094
Contributions in relation to the actuarially determined contribution	(<u>2,934,671</u>)	(<u>2,726,094</u>)
Contribution deficiency (excess)	-	-
Covered payroll	18,418,209	19,339,291
Contributions as a percentage of covered payroll	15.93%	14.10%

NOTES TO SCHEDULE OF CONTRIBUTIONS

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	27 years
Asset Valuation Method	10 Year smoothed market; 15% soft corridor
Inflation	2.50%
Salary Increases	3.50% to 10.50% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the period 2010-2014.
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.

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

Note: This schedule is required to have 10 years of information, but the information prior to 2014 is not available.

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$ 2,747,999	\$ 2,805,505	\$ 2,846,847	\$ 2,936,212
(<u>2,747,999</u>)	(<u>2,805,505</u>)	(<u>2,846,847</u>)	(<u>2,936,212</u>)
-	-	-	-
21,053,077	21,165,660	21,321,091	22,119,634
13.05%	13.25%	13.35%	13.27%

CITY OF WEATHERFORD, TEXAS

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
AND RELATED RATIOS

TEXAS MUNICIPAL RETIREMENT SYSTEM - SUPPLEMENTAL DEATH BENEFIT PLAN

FOR THE YEAR ENDED SEPTEMBER 30, 2019

Measurement Date December 31,	<u>2017</u>	<u>2018</u>
A. Total OPEB liability		
Service cost	\$ 31,519	\$ 39,144
Interest on the total OPEB liability	34,381	34,931
Difference between expected and actual experience	-	53,228
Changes of assumptions and other inputs	83,544	(74,401)
Benefit payments	<u>(6,304)</u>	<u>(8,700)</u>
Net change in Total OPEB liability	<u>143,140</u>	<u>44,202</u>
Total OPEB liability - beginning	<u>896,949</u>	<u>1,040,089</u>
Total OPEB liability - ending	<u>\$ 1,040,089</u>	<u>\$ 1,084,291</u>
B. Covered-employee payroll	\$ 21,012,952	\$ 21,746,787
C. Total OPEB liability as a percentage of covered-employee payroll	4.95%	4.99%

Notes to Schedule:

- No assets are accumulated in a trust for the SDB plan to pay related benefits that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.
- This schedule is required to have 10 years of information, but the information prior to 2017 is not available.
- The changes of assumptions generally includes the annual change in the municipal bond index rate.

CITY OF WEATHERFORD, TEXAS

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
AND RELATED RATIOS
RETIREE HEALTH CARE BENEFIT PLAN

FOR THE YEAR ENDED SEPTEMBER 30, 2019

Measurement Date December 31,	<u>2017</u>	<u>2018</u>
A. Total OPEB liability		
Service Cost	\$ 482,988	\$ 540,042
Interest on the total OPEB liability	650,767	639,907
Difference between expected and actual experience	43,502	(2,485,166)
Changes of assumptions and other inputs	1,452,073	189,340
Benefit payments	<u>(371,775)</u>	<u>(439,817)</u>
Net change in total OPEB liability	<u>2,257,555</u>	<u>(1,555,694)</u>
Total OPEB liability - beginning	<u>17,024,884</u>	<u>19,282,439</u>
Total OPEB liability - ending	<u>\$ 19,282,439</u>	<u>\$ 17,726,745</u>
B. Covered-employee payroll	<u>\$ 18,416,233</u>	<u>\$ 19,887,276</u>
C. Total OPEB liability as a percentage of covered-employee payroll	104.70%	89.14%

Notes to Schedule:

- No assets are accumulated in a trust for the retiree health care plan to pay related benefits that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.
- This schedule is required to have 10 years of information, but the information prior to 2017 is not available.
- The changes of assumptions generally includes the annual change in the municipal bond index rate, and updates to the health care trend assumptions.

**COMBINING AND INDIVIDUAL
FUND STATEMENTS AND SCHEDULES**

NONMAJOR GOVERNMENTAL FUNDS

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.

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

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

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

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

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

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

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

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

Juvenile Case Manager Fund – This fund was established by action of the City Council, (Ord. 462-2009-43), as authorized by Article 102.0174 of the Texas Code of Criminal Procedure, to account for a \$5.00 fee assessed on each misdemeanor conviction for the salary and benefits of a juvenile case manager as defined under the Code of Criminal Procedure Article 45.056. Due to the restrictions placed on these funds during the 2011 Texas Legislative Session, the City terminated this revenue source and will just deplete funds as allowed by law.

Heritage Park Fund – This fund was established to account for the expenditures related to the operations and maintenance of the facilities and grounds at Heritage Park, formally known as The First Monday Grounds. Funding sources include vendor rentals, parking fees, special even fees, and transfer of funds from the General Fund.

CAPITAL PROJECTS FUND

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

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.

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, 2019

	Special Revenue Funds			
	State Forfeiture	Federal Forfeiture	Hotel/Motel Tax	Chandor Gardens
ASSETS				
Cash and investments	\$ 15,481	\$ 63,212	\$ 716,701	\$ 200,437
Accounts receivable	-	-	82,251	-
Prepays	-	-	-	-
Total assets	15,481	63,212	798,952	200,437
LIABILITIES				
Accounts payable	10,500	2,399	12,250	1,082
Accrued liabilities	-	-	2,237	5,494
Deposits and escrows	-	-	-	9,350
Total liabilities	10,500	2,399	14,487	15,926
FUND BALANCES				
Nonspendable:				
Doss library	-	-	-	-
Restricted:				
Public safety	4,981	60,813	-	-
Community development	-	-	784,465	-
Committed:				
Park development	-	-	-	-
Culture and recreation	-	-	-	184,511
Total fund balances	4,981	60,813	784,465	184,511
Total liabilities and fund balances	\$ 15,481	\$ 63,212	\$ 798,952	\$ 200,437

Special Revenue Funds

SFX Grant	Court Technology	Main Street Project	Court Security	Library	Animal Shelter
\$ -	\$ 71,035	\$ 17,877	\$ 35,592	\$ 205,208	\$ 1,454,031
1,864	-	-	-	-	-
<u>1,864</u>	<u>71,035</u>	<u>17,877</u>	<u>35,592</u>	<u>205,208</u>	<u>1,454,031</u>
-	212	-	-	2,503	717
-	-	-	-	-	-
<u>-</u>	<u>212</u>	<u>-</u>	<u>-</u>	<u>2,503</u>	<u>717</u>
-	-	-	-	-	-
-	70,823	-	35,592	-	-
1,864	-	17,877	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>202,705</u>	<u>1,453,314</u>
<u>1,864</u>	<u>70,823</u>	<u>17,877</u>	<u>35,592</u>	<u>202,705</u>	<u>1,453,314</u>
\$ <u>1,864</u>	\$ <u>71,035</u>	\$ <u>17,877</u>	\$ <u>35,592</u>	\$ <u>205,208</u>	\$ <u>1,454,031</u>

CITY OF WEATHERFORD, TEXAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2019

	<u>Special Revenue Funds</u>		<u>Capital Projects Funds</u>	<u>Permanent</u>	
	Juvenile Case Manager	Heritage Park	Park Development	Doss Library	Total Nonmajor Governmental Funds
ASSETS					
Cash and investments	\$ 49,141	\$ 27,601	\$ 3,024,100	\$ 51,309	\$ 5,931,725
Accounts receivable	-	-	-	-	84,115
Prepays	-	12,590	41,774	-	54,364
Total assets	<u>49,141</u>	<u>40,191</u>	<u>3,065,874</u>	<u>51,309</u>	<u>6,070,204</u>
LIABILITIES					
Accounts payable	-	1,465	6,550	-	37,678
Accrued liabilities	-	2,875	-	-	10,606
Deposits and escrows	-	-	-	-	9,350
Total liabilities	<u>-</u>	<u>4,340</u>	<u>6,550</u>	<u>-</u>	<u>57,634</u>
FUND BALANCES					
Nonspendable:					
Doss library	-	-	-	50,000	50,000
Restricted:					
Public safety	49,141	-	-	-	221,350
Community development	-	-	-	1,309	805,515
Committed:					
Park development	-	-	3,059,324	-	3,059,324
Culture and recreation	-	35,851	-	-	1,876,381
Total fund balances	<u>49,141</u>	<u>35,851</u>	<u>3,059,324</u>	<u>51,309</u>	<u>6,012,570</u>
Total liabilities and fund balances	\$ <u>49,141</u>	\$ <u>40,191</u>	\$ <u>3,065,874</u>	\$ <u>51,309</u>	\$ <u>6,070,204</u>

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CITY OF WEATHERFORD, TEXAS

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

FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Special Revenue Funds			
	State Forfeiture	Federal Forfeiture	Hotel/Motel Tax	Chandor Gardens
REVENUES				
Taxes	\$ -	\$ -	\$ 1,050,085	\$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	-	71,101
Fines and forfeitures	897	37,047	-	-
Contributions	-	-	-	370
Royalties and rental	-	-	-	-
Investment earnings	161	3,504	7,441	2,098
Miscellaneous	-	-	-	901
Total revenues	<u>1,058</u>	<u>40,551</u>	<u>1,057,526</u>	<u>74,470</u>
EXPENDITURES				
Current:				
General government	-	-	72,219	-
Public safety	36,025	238,318	-	-
Health and welfare	-	-	-	-
Cultural and recreational	-	-	218,088	429,923
Capital outlay	-	-	-	-
Total expenditures	<u>36,025</u>	<u>238,318</u>	<u>290,307</u>	<u>429,923</u>
EXCESS (DEFICIENCY OF REVENUES OVER (UNDER) EXPENDITURES	<u>(34,967)</u>	<u>(197,767)</u>	<u>767,219</u>	<u>(355,453)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	361,221
Transfers out	-	-	(361,221)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(361,221)</u>	<u>361,221</u>
NET CHANGE IN FUND BALANCES	<u>(34,967)</u>	<u>(197,767)</u>	<u>405,998</u>	<u>5,768</u>
FUND BALANCES, BEGINNING	<u>39,948</u>	<u>258,580</u>	<u>378,467</u>	<u>178,743</u>
FUND BALANCES, ENDING	<u>\$ 4,981</u>	<u>\$ 60,813</u>	<u>\$ 784,465</u>	<u>\$ 184,511</u>

Special Revenue Funds

SFX Grant	Court Technology	Main Street Project	Court Security	Library	Animal Shelter
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	500	-
-	-	-	-	10,266	-
-	8,124	-	6,092	-	-
-	-	-	-	21,468	838,716
22,368	-	-	-	-	-
-	776	204	375	3,686	18,814
-	-	-	-	14,917	1,768
<u>22,368</u>	<u>8,900</u>	<u>204</u>	<u>6,467</u>	<u>50,837</u>	<u>859,298</u>
22,368	1,731	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	159,463
-	-	-	-	46,602	-
-	-	-	-	-	46,687
<u>22,368</u>	<u>1,731</u>	<u>-</u>	<u>-</u>	<u>46,602</u>	<u>206,150</u>
-	7,169	204	6,467	4,235	653,148
-	-	-	-	649	100,000
-	-	-	-	-	-
-	-	-	-	649	100,000
-	7,169	204	6,467	4,884	753,148
<u>1,864</u>	<u>63,654</u>	<u>17,673</u>	<u>29,125</u>	<u>197,821</u>	<u>700,166</u>
<u>\$ 1,864</u>	<u>\$ 70,823</u>	<u>\$ 17,877</u>	<u>\$ 35,592</u>	<u>\$ 202,705</u>	<u>\$ 1,453,314</u>

CITY OF WEATHERFORD, TEXAS

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

FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Special Revenue Funds	
	Juvenile Case Manager	Heritage Park
REVENUES		
Taxes	\$ -	\$ -
Intergovernmental	-	-
Charges for services	-	145,439
Fines and forfeitures	11,677	-
Contributions	-	-
Royalties and rental	-	-
Investment earnings	501	697
Miscellaneous	-	11,257
Total revenues	12,178	157,393
EXPENDITURES		
Current:		
General government	-	-
Public safety	-	-
Health and welfare	-	-
Cultural and recreational	-	306,969
Capital outlay	-	-
Total expenditures	-	306,969
EXCESS (DEFICIENCY OF REVENUES OVER (UNDER) EXPENDITURES	12,178	(149,576)
OTHER FINANCING SOURCES (USES)		
Transfers in	-	112,796
Transfers out	-	-
Total other financing sources (uses)	-	112,796
NET CHANGE IN FUND BALANCES	12,178	(36,780)
FUND BALANCES, BEGINNING	36,963	72,631
FUND BALANCES, ENDING	\$ 49,141	\$ 35,851

<u>Capital Projects Fund</u>	<u>Permanent</u>	<u>Total Nonmajor Governmental Funds</u>
<u>Park Development</u>	<u>Doss Library</u>	
\$ -	\$ -	\$ 1,050,085
-	-	500
-	-	226,806
-	-	63,837
-	-	860,554
-	-	22,368
8,275	1,175	47,707
<u>96,050</u>	<u>-</u>	<u>124,893</u>
<u>104,325</u>	<u>1,175</u>	<u>2,396,750</u>
-	-	96,318
-	-	274,343
-	-	159,463
46,883	-	1,048,465
<u>177,283</u>	<u>-</u>	<u>223,970</u>
<u>224,166</u>	<u>-</u>	<u>1,802,559</u>
<u>(119,841)</u>	<u>1,175</u>	<u>594,191</u>
2,871,626	-	3,446,292
<u>-</u>	<u>(649)</u>	<u>(361,870)</u>
<u>2,871,626</u>	<u>(649)</u>	<u>3,084,422</u>
2,751,785	526	3,678,613
<u>307,539</u>	<u>50,783</u>	<u>2,333,957</u>
<u>\$ 3,059,324</u>	<u>\$ 51,309</u>	<u>\$ 6,012,570</u>

CITY OF WEATHERFORD, TEXAS

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

STATE FORFEITURE FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts			Variance With Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Fines and forfeitures	\$ 10,000	\$ 10,000	\$ 897	\$(9,103)
Investment earnings	-	-	161	161
Total revenues	10,000	10,000	1,058	(8,942)
EXPENDITURES				
Current:				
Public safety	57,593	57,593	36,025	21,568
Total expenditures	57,593	57,593	36,025	21,568
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(47,593)	(47,593)	(34,967)	12,626
FUND BALANCE, BEGINNING	39,948	39,948	39,948	-
FUND BALANCE, ENDING	\$(7,645)	\$(7,645)	\$ 4,981	\$ 12,626

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, 2019

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Fines and forfeitures	\$ 40,000	\$ 40,000	\$ 37,047	\$ (2,953)
Investment earnings	1,500	1,500	3,504	2,004
Total revenues	<u>41,500</u>	<u>41,500</u>	<u>40,551</u>	<u>(949)</u>
EXPENDITURES				
Current:				
Public safety	54,965	258,580	238,318	20,262
Total expenditures	<u>54,965</u>	<u>258,580</u>	<u>238,318</u>	<u>20,262</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(13,465)</u>	<u>(217,080)</u>	<u>(197,767)</u>	<u>19,313</u>
FUND BALANCE, BEGINNING	<u>258,580</u>	<u>258,580</u>	<u>258,580</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 245,115</u>	<u>\$ 41,500</u>	<u>\$ 60,813</u>	<u>\$ 19,313</u>

CITY OF WEATHERFORD, TEXAS

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

HOTEL/MOTEL TAX FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 755,000	\$ 785,000	\$ 1,050,085	\$ 265,085
Investment earnings	1,000	1,000	7,441	6,441
Miscellaneous	6,500	6,500	-	(6,500)
Total revenues	<u>762,500</u>	<u>792,500</u>	<u>1,057,526</u>	<u>265,026</u>
EXPENDITURES				
Current:				
General government	76,734	76,734	72,219	4,515
Cultural and recreational:				
Tourism program	96,000	96,000	96,000	-
Doss Historic and Cultural Center	5,000	5,000	5,000	-
Other	<u>129,877</u>	<u>159,877</u>	<u>117,088</u>	<u>42,789</u>
Total expenditures	<u>307,611</u>	<u>337,611</u>	<u>290,307</u>	<u>47,304</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>454,889</u>	<u>454,889</u>	<u>767,219</u>	<u>312,330</u>
OTHER FINANCING USES				
Transfers out	(361,221)	(361,221)	(361,221)	-
Total other financing uses	<u>(361,221)</u>	<u>(361,221)</u>	<u>(361,221)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>93,668</u>	<u>93,668</u>	<u>405,998</u>	<u>312,330</u>
FUND BALANCE, BEGINNING	<u>378,467</u>	<u>378,467</u>	<u>378,467</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 472,135</u>	<u>\$ 472,135</u>	<u>\$ 784,465</u>	<u>\$ 312,330</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, 2019

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 73,600	\$ 73,600	\$ 71,101	\$(2,499)
Contributions	-	-	370	370
Investment earnings	50	50	2,098	2,048
Miscellaneous	-	-	901	901
Total revenues	<u>73,650</u>	<u>73,650</u>	<u>74,470</u>	<u>820</u>
EXPENDITURES				
Current:				
Cultural and recreational	433,559	433,559	429,923	3,636
Capital outlay	-	6,800	-	6,800
Total expenditures	<u>433,559</u>	<u>440,359</u>	<u>429,923</u>	<u>10,436</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(359,909)</u>	<u>(366,709)</u>	<u>(355,453)</u>	<u>11,256</u>
OTHER FINANCING SOURCES				
Transfers in	<u>361,221</u>	<u>361,221</u>	<u>361,221</u>	<u>-</u>
Total other financing sources	<u>361,221</u>	<u>361,221</u>	<u>361,221</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>1,312</u>	<u>(5,488)</u>	<u>5,768</u>	<u>11,256</u>
FUND BALANCE, BEGINNING	<u>178,743</u>	<u>178,743</u>	<u>178,743</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 180,055</u>	<u>\$ 173,255</u>	<u>\$ 184,511</u>	<u>\$ 11,256</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, 2019

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

CITY OF WEATHERFORD, TEXAS

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

COURT TECHNOLOGY FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Fines and forfeitures	\$ -	\$ -	\$ 8,124	\$ 8,124
Investment earnings	10,000	10,000	776	(9,224)
Total revenues	<u>10,000</u>	<u>10,000</u>	<u>8,900</u>	<u>(1,100)</u>
EXPENDITURES				
Current:				
General government	10,909	64,190	1,731	62,459
Total expenditures	<u>10,909</u>	<u>64,190</u>	<u>1,731</u>	<u>62,459</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(909)</u>	<u>(54,190)</u>	<u>7,169</u>	<u>61,359</u>
FUND BALANCE, BEGINNING	<u>63,654</u>	<u>63,654</u>	<u>63,654</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 62,745</u>	<u>\$ 9,464</u>	<u>\$ 70,823</u>	<u>\$ 61,359</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, 2019

	Budgeted Amounts			Variance With Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Fines and forfeitures	\$ 10,000	\$ 10,000	\$ 6,092	\$(3,908)
Investment earnings	-	-	375	375
Total revenues	10,000	10,000	6,467	(3,533)
EXPENDITURES				
Current:				
General government	9,005	29,124	-	29,124
Total expenditures	9,005	29,124	-	29,124
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	995	(19,124)	6,467	25,591
FUND BALANCE, BEGINNING	29,125	29,125	29,125	-
FUND BALANCE, ENDING	\$ 30,120	\$ 10,001	\$ 35,592	\$ 25,591

CITY OF WEATHERFORD, TEXAS

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

LIBRARY FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 10,500	\$ 10,500	\$ 10,266	\$ (234)
Intergovernmental	-	-	500	500
Contributions	1,000	1,000	21,468	20,468
Investment earnings	100	100	3,686	3,586
Miscellaneous	-	-	14,917	14,917
Total revenues	<u>11,600</u>	<u>11,600</u>	<u>50,837</u>	<u>39,237</u>
EXPENDITURES				
Current:				
Cultural and recreational	<u>60,394</u>	<u>197,822</u>	<u>46,602</u>	<u>151,220</u>
Total expenditures	<u>60,394</u>	<u>197,822</u>	<u>46,602</u>	<u>151,220</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(48,794)</u>	<u>(186,222)</u>	<u>4,235</u>	<u>190,457</u>
OTHER FINANCING SOURCES				
Transfers in	<u>649</u>	<u>649</u>	<u>649</u>	<u>-</u>
Total other financing sources	<u>649</u>	<u>649</u>	<u>649</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>(48,145)</u>	<u>(185,573)</u>	<u>4,884</u>	<u>190,457</u>
FUND BALANCE, BEGINNING	<u>197,821</u>	<u>197,821</u>	<u>197,821</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 149,676</u>	<u>\$ 12,248</u>	<u>\$ 202,705</u>	<u>\$ 190,457</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, 2019

	<u>Budgeted Amounts</u>			Variance With Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Contributions	\$ 30,000	\$ 30,000	\$ 838,716	\$ 808,716
Investment earnings	-	-	18,814	18,814
Miscellaneous	70,000	70,000	1,768	(68,232)
Total revenues	<u>100,000</u>	<u>100,000</u>	<u>859,298</u>	<u>759,298</u>
EXPENDITURES				
Current:				
Health and welfare	-	-	159,463	(159,463)
Capital outlay	565,980	700,169	46,687	653,482
Total expenditures	<u>565,980</u>	<u>700,169</u>	<u>206,150</u>	<u>494,019</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(465,980)</u>	<u>(600,169)</u>	<u>653,148</u>	<u>1,253,317</u>
OTHER FINANCING SOURCES				
Transfers in	-	-	100,000	100,000
Total other financing sources	<u>-</u>	<u>-</u>	<u>100,000</u>	<u>100,000</u>
NET CHANGE IN FUND BALANCE	<u>(465,980)</u>	<u>(600,169)</u>	<u>753,148</u>	<u>1,353,317</u>
FUND BALANCE, BEGINNING	<u>700,166</u>	<u>700,166</u>	<u>700,166</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 234,186</u>	<u>\$ 99,997</u>	<u>\$ 1,453,314</u>	<u>\$ 1,353,317</u>

CITY OF WEATHERFORD, TEXAS

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

HERITAGE PARK FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 179,700	\$ 179,700	\$ 145,439	\$ (34,261)
Investment earnings	100	100	697	597
Miscellaneous	55,040	55,040	11,257	(43,783)
Total revenues	<u>234,840</u>	<u>234,840</u>	<u>157,393</u>	<u>(77,447)</u>
EXPENDITURES				
Current:				
Cultural and recreational	<u>347,386</u>	<u>347,386</u>	<u>306,969</u>	<u>40,417</u>
Total expenditures	<u>347,386</u>	<u>347,386</u>	<u>306,969</u>	<u>40,417</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(112,546)</u>	<u>(112,546)</u>	<u>(149,576)</u>	<u>(37,030)</u>
OTHER FINANCING SOURCES				
Transfers in	<u>112,796</u>	<u>112,796</u>	<u>112,796</u>	<u>-</u>
Total other financing sources	<u>112,796</u>	<u>112,796</u>	<u>112,796</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>250</u>	<u>250</u>	<u>(36,780)</u>	<u>(37,030)</u>
FUND BALANCE, BEGINNING	<u>72,631</u>	<u>72,631</u>	<u>72,631</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 72,881</u>	<u>\$ 72,881</u>	<u>\$ 35,851</u>	<u>\$ (37,030)</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, 2019

	Budgeted Amounts			Variance With Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Investment earnings	\$ 330	\$ 330	\$ 1,175	\$ 845
Total revenues	330	330	1,175	845
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	330	330	1,175	845
OTHER FINANCING USES				
Transfers out	(649)	(649)	(649)	-
Total other financing uses	(649)	(649)	(649)	-
NET CHANGE IN FUND BALANCE	(319)	(319)	526	845
FUND BALANCE, BEGINNING	50,783	50,783	50,783	-
FUND BALANCE, ENDING	\$ 50,464	\$ 50,464	\$ 51,309	\$ 845

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, 2019

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 3,835,333	\$ 3,835,333	\$ 3,831,614	\$ (3,719)
Intergovernmental	5,200,000	5,200,000	5,244,352	44,352
Investment earnings	60,000	60,000	272,442	212,442
Total revenues	<u>9,095,333</u>	<u>9,095,333</u>	<u>9,348,408</u>	<u>253,075</u>
EXPENDITURES				
Debt service:				
Principal	6,330,000	6,330,000	6,389,783	(59,783)
Interest and other	<u>2,029,690</u>	<u>2,029,690</u>	<u>2,015,041</u>	<u>14,649</u>
Total expenditures	<u>8,359,690</u>	<u>8,359,690</u>	<u>8,404,824</u>	<u>(45,134)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>735,643</u>	<u>735,643</u>	<u>943,584</u>	<u>207,941</u>
OTHER FINANCING SOURCES (USES)				
Refunding bonds issued	-	-	4,320,000	4,320,000
Transfers in	152,350	152,350	152,000	350
Payment to refunded bond escrow agent	<u>-</u>	<u>-</u>	<u>(4,296,070)</u>	<u>(4,296,070)</u>
Total other financing sources (uses)	<u>152,350</u>	<u>152,350</u>	<u>175,930</u>	<u>24,280</u>
NET CHANGE IN FUND BALANCE	<u>887,993</u>	<u>887,993</u>	<u>1,119,514</u>	<u>231,521</u>
FUND BALANCE, BEGINNING	<u>14,247,483</u>	<u>14,247,483</u>	<u>14,247,483</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 15,135,476</u>	<u>\$ 15,135,476</u>	<u>\$ 15,366,997</u>	<u>\$ 231,521</u>

INTERNAL SERVICE FUNDS

Internal service funds are used to account for services provided to other departments or agencies of the City on a cost-reimbursement basis.

Fleet Management Fund – to account for the City’s transportation fleet including fleet acquisition and disposal, preventative maintenance, repairs, and the rental of motor vehicles to other departments and related costs.

Health Insurance Fund – to account for the central management and billing of the City’s self-insured health insurance plan

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CITY OF WEATHERFORD, TEXAS
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2018

	Governmental-type Activities		
	Fleet Management	Health Insurance	Total
ASSETS			
Current assets			
Unrestricted assets			
Cash and cash equivalents	\$ 587,659	\$ 1,027,178	\$ 1,614,837
Investments	900,204	-	900,204
Accounts receivables	-	3,681	3,681
Total current assets	<u>1,487,863</u>	<u>1,030,859</u>	<u>2,518,722</u>
Noncurrent assets			
Capital assets			
Machinery and equipment	1,294,246	-	1,294,246
Less: accumulated depreciation	(469,168)	-	(469,168)
Total noncurrent assets	<u>825,078</u>	<u>-</u>	<u>825,078</u>
Total assets	<u>2,312,941</u>	<u>1,030,859</u>	<u>3,343,800</u>
LIABILITIES			
Current liabilities			
Accounts payable	-	96,614	96,614
Total liabilities	<u>-</u>	<u>96,614</u>	<u>96,614</u>
NET POSITION			
Net investment in capital assets	825,078	-	825,078
Unrestricted	<u>1,487,863</u>	<u>934,245</u>	<u>2,422,108</u>
Total net position	<u>\$ 2,312,941</u>	<u>\$ 934,245</u>	<u>\$ 3,247,186</u>

CITY OF WEATHERFORD, TEXAS

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

INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Governmental-type Activities		
	Fleet Management	Health Insurance	Total
OPERATING REVENUES			
Charges for services	563,712	3,591,659	4,155,371
Total operating revenues	<u>563,712</u>	<u>3,591,659</u>	<u>4,155,371</u>
OPERATING EXPENSES			
Contractual services	-	355,422	355,422
Materials and supplies	20,129	-	20,129
Claims	-	2,831,664	2,831,664
Depreciation	184,469	-	184,469
Total operating expenses	<u>204,598</u>	<u>3,187,086</u>	<u>3,391,684</u>
OPERATING INCOME	<u>359,114</u>	<u>404,573</u>	<u>763,687</u>
NONOPERATING REVENUES (EXPENSES)			
Investment earnings	27,303	13,878	41,181
Gain on disposal of assets	25,000	-	25,000
Total nonoperating revenues (expenses)	<u>52,303</u>	<u>13,878</u>	<u>66,181</u>
CHANGE IN NET POSITION	<u>411,417</u>	<u>418,451</u>	<u>829,868</u>
NET POSITION, BEGINNING	<u>1,901,524</u>	<u>515,794</u>	<u>2,417,318</u>
NET POSITION, ENDING	<u>\$ 2,312,941</u>	<u>\$ 934,245</u>	<u>\$ 3,247,186</u>

CITY OF WEATHERFORD, TEXAS

COMBINING STATEMENT OF CASH FLOWS

INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Governmental-type Activities		
	Fleet Management	Health Insurance	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 563,712	\$ 3,590,973	\$ 4,154,685
Cash paid to suppliers and service providers	(20,129)	(3,330,170)	(3,350,299)
Net cash provided by operating activities	543,583	260,803	804,386
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from disposal of capital assets	25,000	-	25,000
Acquisition of capital assets	(279,071)	-	(279,071)
Net cash used by capital and related financing activities	(254,071)	-	(254,071)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	27,303	13,878	41,181
Purchase of investments	(204,857)	-	(204,857)
Net cash provided by investing activities	(177,554)	13,878	(163,676)
NET INCREASE IN CASH	111,958	274,681	386,639
CASH AND CASH EQUIVALENTS, BEGINNING	475,701	752,497	1,228,198
CASH AND CASH EQUIVALENTS, ENDING	\$ 587,659	\$ 1,027,178	\$ 1,614,837
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating income	\$ 359,114	\$ 404,573	\$ 763,687
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	184,469	-	184,469
(Increase) decrease in accounts receivable	-	(686)	(686)
Increase (decrease) in accounts payable	-	(143,084)	(143,084)
Net cash provided by operating activities	\$ 543,583	\$ 260,803	\$ 804,386
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES			
Change in fair value of investments	\$ 4,857	-	\$ 4,857

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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, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
GOVERNMENTAL FUNDS CAPITAL ASSETS		
Land	\$ 15,103,319	\$ 14,779,541
Buildings and improvements	14,470,931	14,734,956
Infrastructure	58,957,152	57,160,896
Other improvements	41,603,137	38,524,665
Machinery and equipment	18,358,009	13,818,481
Construction in progress	<u>4,404,320</u>	<u>2,510,597</u>
Total governmental funds capital assets	<u>\$ 152,896,868</u>	<u>\$ 141,529,136</u>
INVESTMENTS IN GOVERNMENTAL FUNDS CAPITAL ASSETS BY SOURCE		
General fund revenues	\$ 45,861,150	\$ 38,706,054
Special revenue fund revenues	81,804	81,804
Capital projects fund general obligation bonds	39,941,771	37,671,072
Contributions	63,504,932	61,562,995
Grants	<u>3,507,211</u>	<u>3,507,211</u>
Total governmental funds capital assets	<u>\$ 152,896,868</u>	<u>\$ 141,529,136</u>

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CITY OF WEATHERFORD, TEXAS

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

SCHEDULE BY FUNCTION AND ACTIVITY

SEPTEMBER 30, 2019

Function and Activity	Total	Land	Buildings and Improvements
General government			
City Council	\$ 10,074,067	\$ 358,871	\$ 5,965,068
Facilities Maintenance	168,976	-	-
Finance	104,343	-	-
Municipal court	37,406	-	-
Planning and development	95,997	-	-
Total	<u>10,480,789</u>	<u>358,871</u>	<u>5,965,068</u>
Public safety			
Emergency management	3,359,691	-	-
Fire	8,035,300	467,884	2,625,997
Police	3,821,296	16,619	1,318,317
Total	<u>15,216,287</u>	<u>484,503</u>	<u>3,944,314</u>
Public works			
Administration	2,025,148	-	1,406,378
Street maintenance	98,420,561	11,724,058	6,077
Vehicle/equipment maintenance	50,833	-	50,833
Total	<u>100,496,542</u>	<u>11,724,058</u>	<u>1,463,288</u>
Health & Welfare	<u>1,622,196</u>	-	<u>964,818</u>
Cultural and Recreational			
Library	1,061,679	7,850	900,555
Parks and properties	23,932,132	2,528,037	1,232,888
Public market	24,792	-	-
Recreation	62,451	-	-
Total	<u>25,081,054</u>	<u>2,535,887</u>	<u>2,133,443</u>
Total governmental funds capital assets	\$ <u>152,896,868</u>	\$ <u>15,103,319</u>	\$ <u>14,470,931</u>

Infrastructure and Other Improvements	Machinery and Equipment	Construction in Progress
\$ 867,151	\$ 2,882,977	\$ -
81,323	87,653	-
-	104,343	-
-	37,406	-
-	95,997	-
<u>948,474</u>	<u>3,208,376</u>	<u>-</u>
-	3,359,691	-
549,793	4,391,626	-
<u>179,257</u>	<u>2,307,103</u>	<u>-</u>
<u>729,050</u>	<u>10,058,420</u>	<u>-</u>
74,466	415,846	128,458
80,929,985	2,835,799	2,924,642
-	-	-
<u>81,004,451</u>	<u>3,251,645</u>	<u>3,053,100</u>
<u>186,421</u>	<u>325,276</u>	<u>145,681</u>
23,475	129,799	-
17,643,626	1,322,042	1,205,539
24,792	-	-
-	62,451	-
<u>17,691,893</u>	<u>1,514,292</u>	<u>1,205,539</u>
\$ <u>100,560,289</u>	\$ <u>18,358,009</u>	\$ <u>4,404,320</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, 2019

Function and Activity	Balance 09/30/2018	Additions	Deletions	Balance 09/30/2019
General government				
City Council	\$ 9,153,140	\$ 1,634,951	\$(714,024)	\$ 10,074,067
Facilities maintenance	168,976	-	-	168,976
Finance	104,343	-	-	104,343
Municipal court	37,406	-	-	37,406
Planning and development	112,894	-	(16,897)	95,997
Total	<u>9,576,759</u>	<u>1,634,951</u>	<u>(730,921)</u>	<u>10,480,789</u>
Public Safety				
Emergency management	154,378	3,207,329	(2,016)	3,359,691
Fire	8,035,300	-	-	8,035,300
Police	3,685,622	220,981	(85,307)	3,821,296
Total	<u>11,875,300</u>	<u>3,428,310</u>	<u>(87,323)</u>	<u>15,216,287</u>
Public works				
Administration	2,010,119	15,029	-	2,025,148
Street maintenance	93,507,332	5,761,551	(848,322)	98,420,561
Vehicle/equipment maintenance	57,541	-	(6,708)	50,833
Total	<u>95,574,992</u>	<u>5,776,580</u>	<u>(855,030)</u>	<u>100,496,542</u>
Health & Welfare	<u>1,364,330</u>	<u>406,053</u>	<u>(148,187)</u>	<u>1,622,196</u>
Parks and recreation				
Library	1,061,679	-	-	1,061,679
Public market	24,792	-	-	24,792
Parks and properties	21,988,833	1,943,299	-	23,932,132
Recreation	62,451	-	-	62,451
Total	<u>23,137,755</u>	<u>1,943,299</u>	<u>-</u>	<u>25,081,054</u>
Total governmental funds capital assets	\$ <u>141,529,136</u>	\$ <u>13,189,193</u>	\$(<u>1,821,461</u>)	\$ <u>152,896,868</u>

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CITY OF WEATHERFORD, TEXAS

MUNICIPAL UTILITY SYSTEM

SCHEDULES OF CAPITAL ASSETS

SEPTEMBER 30, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
Land	\$ 3,271,941	\$ 2,877,235
Buildings and improvements	18,555,297	19,181,985
Other improvements	202,143,562	190,054,882
Machinery and equipment	8,585,217	8,151,430
Construction in progress	<u>7,572,657</u>	<u>9,251,945</u>
	240,128,674	229,517,477
Less accumulated depreciation	<u>(94,485,365)</u>	<u>(88,793,666)</u>
	<u>\$ 145,643,309</u>	<u>\$ 140,723,811</u>

CITY OF WEATHERFORD, TEXAS

MUNICIPAL UTILITY SYSTEM

SCHEDULE OF CHANGES IN CAPITAL ASSETS

FOR THE YEAR ENDED SEPTEMBER 30, 2019

<u>Function and Activity</u>	<u>Balance 09/30/2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 09/30/2019</u>
Administration	\$ 5,440,181	\$ 245,789	\$(39,552)	\$ 5,646,418
Water production	27,806,608	1,310,546	(705,851)	28,411,303
Water distribution	73,515,132	10,318,030	(6,302,694)	77,530,468
Wastewater	51,807,557	4,268,988	(1,295,508)	54,781,037
Electric production	1,192,894	-	-	1,192,894
Electric distribution	<u>69,755,105</u>	<u>2,988,856</u>	<u>(177,407)</u>	<u>72,566,554</u>
Total municipal utility capital assets	<u>\$ 229,517,477</u>	<u>\$ 19,132,209</u>	<u>\$(8,521,012)</u>	<u>\$ 240,128,674</u>

CITY OF WEATHERFORD, TEXAS

MUNICIPAL UTILITY SYSTEM

SCHEDULE OF CAPITAL ASSETS BY FUNCTION AND ACTIVITY

SEPTEMBER 30, 2019

<u>Function and Activity</u>	<u>Total</u>	<u>Land</u>	<u>Buildings and Improvements</u>
Administration	\$ 5,646,418	\$ 529,943	\$ 3,431,676
Water production	28,411,303	1,055,502	11,519,741
Water distribution	77,530,468	1,140,892	35,619
Wastewater	54,781,037	181,986	3,231,643
Electric production	1,192,894	11,334	336,618
Electric distribution	<u>72,566,554</u>	<u>352,285</u>	<u>-</u>
Total Municipal Utility System capital assets	\$ <u>240,128,674</u>	\$ <u>3,271,942</u>	\$ <u>18,555,297</u>

<u>Other Improvements</u>	<u>Machinery and Equipment</u>	<u>Construction in Progress</u>
\$ 1,244,938	\$ 439,861	\$ -
12,948,983	1,625,064	1,262,013
72,689,888	988,363	2,675,706
45,256,255	2,476,216	3,634,937
13,203	831,739	-
<u>69,990,295</u>	<u>2,223,974</u>	<u>-</u>
<u>\$ 202,143,562</u>	<u>\$ 8,585,217</u>	<u>\$ 7,572,656</u>

STATISTICAL SECTION

STATISTICAL SECTION (Unaudited)

This part of City of Weatherford, Texas' comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance has changed over time.	107 - 120
Revenue Capacity These schedules contain trend information to help the reader assess the factors affecting the City's ability to generate its electric utility, sales tax and property tax revenues.	121 - 138
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and its ability to issue additional debt in the future.	139 - 144
Economic and Demographic Indicators These schedules contain economic and demographic information to help the reader understand the environment within which the City's financial activities take place.	145 - 148
Operating Information These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	149 - 152

CITY OF WEATHERFORD, TEXAS

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

	Fiscal Year			
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Governmental activities:				
Net investment in capital assets	\$ 19,852,401	\$ 17,759,659	\$ 17,007,106	\$ 20,530,809
Restricted	6,101,207	2,933,914	5,331,525	6,571,469
Unrestricted	<u>8,725,158</u>	<u>13,417,930</u>	<u>14,511,974</u>	<u>11,361,121</u>
Total governmental activities net position	<u>\$ 34,678,766</u>	<u>\$ 34,111,503</u>	<u>\$ 36,850,605</u>	<u>\$ 38,463,399</u>
Business-type activities:				
Net investment in capital assets	\$ 67,232,594	\$ 70,468,654	\$ 75,402,883	\$ 79,820,405
Restricted	13,003,448	8,363,543	8,841,879	9,496,781
Unrestricted	<u>15,069,828</u>	<u>21,839,839</u>	<u>22,596,145</u>	<u>22,453,289</u>
Total business-type activities net position	<u>\$ 95,305,870</u>	<u>\$ 100,672,036</u>	<u>\$ 106,840,907</u>	<u>\$ 111,770,475</u>
Primary government:				
Net investment in capital assets	\$ 87,084,995	\$ 88,228,313	\$ 92,409,989	\$ 100,351,214
Restricted	19,104,655	11,297,457	14,173,404	16,068,250
Unrestricted	<u>23,794,986</u>	<u>35,257,769</u>	<u>37,108,119</u>	<u>33,814,410</u>
Total primary government net position	<u>\$ 129,984,636</u>	<u>\$ 134,783,539</u>	<u>\$ 143,691,512</u>	<u>\$ 150,233,874</u>

TABLE 1

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ 29,104,810	\$ 26,052,538	\$ 65,646,240	\$ 66,796,273	\$ 67,095,125	\$ 73,708,120
3,267,974	3,712,803	11,866,006	8,155,809	8,933,030	10,354,402
<u>5,969,809</u>	<u>4,118,774</u>	<u>2,943,161</u>	<u>3,766,405</u>	<u>(2,765,607)</u>	<u>(5,082,408)</u>
<u>\$ 38,342,593</u>	<u>\$ 33,884,115</u>	<u>\$ 80,455,407</u>	<u>\$ 78,718,487</u>	<u>\$ 73,262,548</u>	<u>\$ 78,980,114</u>
\$ 90,336,805	\$ 94,113,483	\$ 102,278,278	\$ 109,363,224	\$ 120,778,834	\$ 120,733,746
9,627,846	10,064,992	20,064,415	10,165,192	12,248,093	15,257,126
<u>20,463,931</u>	<u>25,952,451</u>	<u>18,332,728</u>	<u>33,672,680</u>	<u>34,008,837</u>	<u>45,267,502</u>
<u>\$ 120,428,582</u>	<u>\$ 130,130,926</u>	<u>\$ 140,675,421</u>	<u>\$ 153,201,096</u>	<u>\$ 167,035,764</u>	<u>\$ 181,258,374</u>
\$ 119,441,615	\$ 120,166,021	\$ 167,924,518	\$ 176,159,497	\$ 187,873,959	\$ 194,441,866
12,895,820	13,777,795	31,930,421	18,321,001	21,181,123	25,611,528
<u>26,433,740</u>	<u>30,071,225</u>	<u>21,275,889</u>	<u>37,439,085</u>	<u>31,243,230</u>	<u>40,185,094</u>
<u>\$ 158,771,175</u>	<u>\$ 164,015,041</u>	<u>\$ 221,130,828</u>	<u>\$ 231,919,583</u>	<u>\$ 240,298,312</u>	<u>\$ 260,238,488</u>

CITY OF WEATHERFORD, TEXAS

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

	Fiscal Year	
	<u>2010</u>	<u>2011</u>
EXPENSES		
Governmental activities:		
General government	\$ 3,160,927	\$ 3,398,442
Public safety	11,877,757	12,532,399
Public works	2,997,970	7,985,977
Planning and development	677,682	698,162
Community development	1,314,302	926,855
Health and welfare	45,000	46,764
Cultural and recreation	4,088,694	3,442,335
Interest on long-term debt	<u>2,996,869</u>	<u>2,758,163</u>
Total governmental activities expenses	<u>27,159,201</u>	<u>31,789,097</u>
Business-type activities:		
Electric	30,670,906	28,530,839
Water	6,433,439	7,404,975
Wastewater	3,281,199	2,994,124
Sanitation	1,434,931	1,450,234
Stormwater utility	-	-
Total business-type activities expenses	<u>41,820,475</u>	<u>40,380,172</u>
Total primary government program expenses	<u>\$ 68,979,676</u>	<u>\$ 72,169,269</u>
PROGRAM REVENUES		
Governmental activities:		
Charges for services:		
General government	\$ 260,293	\$ 275,022
Public safety	1,112,838	1,008,551
Public works	25,603	21,278
Planning and development	256,563	385,256
Community development	427,224	496,987
Health and welfare	31,607	49,660
Cultural and recreational	636,120	675,256
Operating grants and contributions	234,710	218,060
Capital grants and contributions	<u>1,191,580</u>	<u>2,244,834</u>
Total governmental activities program revenues	<u>4,176,538</u>	<u>5,374,904</u>
Business-type activities:		
Charges for services:		
Electric	35,217,275	35,024,442
Water	6,592,204	9,427,936
Wastewater	3,858,895	5,031,535
Sanitation	2,560,822	2,636,671
Stormwater utility	-	-
Capital grants and contributions	<u>1,068,437</u>	<u>485,997</u>
Total business-type activities program revenues	<u>49,297,633</u>	<u>52,606,581</u>
Total primary government program revenues	<u>\$ 53,474,171</u>	<u>\$ 57,981,485</u>

TABLE 2

		Fiscal Year							
		2012	2013	2014	2015	2016			
\$	4,688,501	\$	5,464,305	\$	6,035,033	\$	5,915,168	\$	7,005,789
	12,426,881		12,951,140		13,331,155		13,676,879		15,000,743
	4,116,662		5,032,489		32,880,317		13,686,840		5,252,727
	738,534		755,272		-		-		-
	991,922		1,031,282		-		-		-
	160,169		152,181		1,269,608		1,392,938		1,587,636
	3,579,674		4,217,332		4,442,143		4,485,475		4,761,634
	3,584,869		2,633,532		2,534,057		2,682,224		2,176,497
	<u>30,287,212</u>		<u>32,237,533</u>		<u>60,492,313</u>		<u>41,839,524</u>		<u>35,785,026</u>
	21,532,861		25,082,339		32,064,046		26,787,470		23,013,754
	6,441,878		7,384,830		8,083,005		7,376,079		7,385,407
	3,195,794		3,321,956		3,392,953		3,533,092		3,557,093
	1,481,557		1,528,130		1,502,670		1,498,046		1,619,025
	-		24,532		73,348		173,055		87,041
	<u>32,652,090</u>		<u>37,341,787</u>		<u>45,116,022</u>		<u>39,367,742</u>		<u>35,662,320</u>
\$	<u>62,939,302</u>	\$	<u>69,579,320</u>	\$	<u>105,608,335</u>	\$	<u>81,207,266</u>	\$	<u>71,447,346</u>
\$	195,897	\$	202,029	\$	29,617	\$	47,433	\$	59,969
	770,585		944,532		976,746		1,003,391		1,550,142
	7,240		177,938		571,551		586,304		937,918
	263,220		370,782		-		-		-
	438,947		422,703		-		-		-
	49,010		51,813		501,722		575,818		620,341
	621,955		735,500		696,460		719,869		794,834
	584,783		196,248		310,955		175,705		318,801
	4,114,054		3,873,294		29,049,784		8,582,987		1,604,594
	<u>7,045,691</u>		<u>6,974,839</u>		<u>32,136,835</u>		<u>11,691,507</u>		<u>5,886,599</u>
	27,763,091		31,300,347		38,114,195		34,860,799		27,737,753
	9,675,600		10,058,874		10,340,475		11,984,185		14,206,086
	4,719,203		4,663,157		4,533,122		4,985,923		5,830,166
	2,081,818		2,058,004		2,140,988		2,132,203		2,195,297
	-		594,526		839,597		852,004		1,237,658
	409,143		912,459		1,674,969		2,273,567		2,439,162
	<u>44,648,855</u>		<u>49,587,367</u>		<u>57,643,346</u>		<u>57,088,681</u>		<u>53,646,122</u>
\$	<u>51,694,546</u>	\$	<u>56,562,206</u>	\$	<u>89,780,181</u>	\$	<u>68,780,188</u>	\$	<u>59,532,721</u>

CITY OF WEATHERFORD, TEXAS

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

	Fiscal Year		
	2017	2018	2019
EXPENSES			
Governmental activities:			
General government	\$ 7,921,911	\$ 8,106,437	\$ 10,158,163
Public safety	15,348,606	15,398,565	16,763,699
Public works	18,997,852	8,111,287	7,977,141
Planning and development	-	-	-
Community development	-	-	-
Health and welfare	1,813,923	1,638,085	1,951,690
Cultural and recreation	5,087,524	5,286,663	5,486,853
Interest on long-term debt	2,089,046	2,015,638	1,764,618
Total governmental activities expenses	<u>51,258,862</u>	<u>40,556,675</u>	<u>44,102,164</u>
Business-type activities:			
Electric	33,142,615	31,259,686	31,166,250
Water	7,913,939	8,367,589	8,125,192
Wastewater	3,899,352	4,047,566	3,821,537
Sanitation	1,913,154	2,384,254	2,404,817
Stormwater utility	211,910	1,107,179	445,837
Total business-type activities expenses	<u>47,080,970</u>	<u>47,166,274</u>	<u>45,963,633</u>
Total primary government program expenses	<u>\$ 98,339,832</u>	<u>\$ 87,722,949</u>	<u>\$ 90,065,797</u>
PROGRAM REVENUES			
Governmental activities:			
Charges for services:			
General government	\$ 2,442,189	\$ 2,731,701	\$ 3,311,749
Public safety	1,480,750	1,475,522	1,539,231
Public works	936,009	955,168	1,198,362
Planning and development	-	-	-
Community development	-	-	-
Health and welfare	630,807	655,218	729,497
Cultural and recreational	823,300	897,265	793,660
Operating grants and contributions	571,295	977,088	1,001,330
Capital grants and contributions	11,179,503	1,814,700	2,186,053
Total governmental activities program revenues	<u>18,063,853</u>	<u>9,506,662</u>	<u>10,759,882</u>
Business-type activities:			
Charges for services:			
Electric	32,807,183	36,476,388	36,486,773
Water	16,381,903	18,104,281	16,717,528
Wastewater	6,791,526	7,232,787	6,772,614
Sanitation	2,270,380	2,321,957	2,393,684
Stormwater utility	1,334,743	1,369,073	1,387,931
Capital grants and contributions	4,941,978	3,611,547	2,750,221
Total business-type activities program revenues	<u>64,527,713</u>	<u>69,116,033</u>	<u>66,508,751</u>
Total primary government program revenues	<u>\$ 82,591,566</u>	<u>\$ 78,622,695</u>	<u>\$ 77,268,633</u>

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CITY OF WEATHERFORD, TEXAS

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

	Fiscal Year	
	<u>2010</u>	<u>2011</u>
NET (EXPENSE) REVENUES		
Governmental activities	\$(22,982,663)	\$(26,414,193)
Business-type activities	<u>7,477,158</u>	<u>12,226,409</u>
Total primary government net expense	<u>(15,505,505)</u>	<u>(14,187,784)</u>
 GENERAL REVENUES AND OTHER CHANGES IN NET POSITION		
Governmental activities:		
Taxes		
Property	8,108,727	8,095,074
Retail sales	8,236,286	8,832,088
Franchise	581,566	620,052
Hotel/motel	474,607	588,225
Mixed beverage	57,822	57,593
Unrestricted grants and contributions	155,092	1,944
Investment earnings	763,500	72,783
Gain on sale of capital assets	-	-
Miscellaneous	474,809	454,317
Transfers	<u>5,241,931</u>	<u>7,124,854</u>
Total governmental activities	<u>24,094,340</u>	<u>25,846,930</u>
 Business-type activities:		
Investment earnings	64,432	43,834
Miscellaneous	178,060	220,777
Transfers	<u>(5,241,931)</u>	<u>(7,124,854)</u>
Total business-type activities	<u>(4,999,439)</u>	<u>(6,860,243)</u>
 Total primary government	<u>19,094,901</u>	<u>18,986,687</u>
 CHANGE IN NET POSITION		
Governmental activities	1,111,677	(567,263)
Business-type activities	<u>2,477,719</u>	<u>5,366,166</u>
 Total primary government	<u>\$ 3,589,396</u>	<u>\$ 4,798,903</u>

TABLE 2

Fiscal Year				
2012	2013	2014	2015	2016
\$(23,241,521)	\$(25,262,694)	\$(28,355,478)	\$(30,148,017)	\$(29,898,427)
<u>11,996,765</u>	<u>12,245,580</u>	<u>12,527,324</u>	<u>17,720,939</u>	<u>17,983,802</u>
(11,244,756)	(13,017,114)	(15,828,154)	(12,427,078)	(11,914,625)
8,232,881	8,396,517	8,674,852	9,238,347	9,942,877
9,648,458	9,969,043	10,591,223	11,303,850	11,619,054
697,980	681,611	673,641	777,549	723,275
602,256	659,759	676,407	687,665	655,350
57,519	68,658	92,016	94,465	113,061
18,626	21,637	16,749	15,153	23,301
57,691	39,617	66,346	125,353	149,661
-	-	-	-	-
264,797	237,957	295,224	221,976	149,601
<u>6,400,415</u>	<u>7,595,012</u>	<u>7,148,214</u>	<u>7,659,883</u>	<u>7,970,306</u>
<u>25,980,623</u>	<u>27,669,811</u>	<u>28,234,672</u>	<u>30,124,241</u>	<u>31,346,486</u>
49,858	46,514	35,548	352,023	278,695
523,014	597,310	687,949	777,280	662,796
(6,400,415)	(7,595,012)	(7,148,214)	(7,659,883)	(7,970,306)
(5,827,543)	(6,951,188)	(6,424,717)	(6,530,580)	(7,028,815)
<u>20,153,080</u>	<u>20,718,623</u>	<u>21,809,955</u>	<u>23,593,661</u>	<u>24,317,671</u>
2,739,102	2,407,117	(120,806)	(23,776)	1,448,059
<u>6,169,222</u>	<u>5,294,392</u>	<u>6,102,607</u>	<u>11,190,359</u>	<u>10,954,987</u>
<u>\$ 8,908,324</u>	<u>\$ 7,701,509</u>	<u>\$ 5,981,801</u>	<u>\$ 11,166,583</u>	<u>\$ 12,403,046</u>

CITY OF WEATHERFORD, TEXAS

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

	Fiscal Year		
	2017	2018	2019
NET (EXPENSE) REVENUES			
Governmental activities	\$(33,195,009)	\$(31,050,013)	\$(33,342,282)
Business-type activities	<u>17,446,743</u>	<u>21,949,759</u>	<u>20,545,118</u>
Total primary government net expense	<u>(15,748,266)</u>	<u>(9,100,254)</u>	<u>(12,797,164)</u>
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION			
Governmental activities:			
Taxes			
Property	10,586,095	11,631,462	12,309,376
Retail sales	12,963,401	13,634,260	14,571,947
Franchise	656,053	795,939	799,116
Hotel/motel	758,005	784,399	1,050,085
Mixed beverage	122,005	132,360	141,548
Unrestricted grants and contributions	4,407	7,158	-
Investment earnings	155,995	558,857	971,167
Gain on sale of capital assets	-	-	-
Miscellaneous	145,390	283,880	166,807
Transfers	<u>6,066,738</u>	<u>6,466,096</u>	<u>9,049,802</u>
Total governmental activities	<u>31,458,089</u>	<u>34,294,411</u>	<u>39,059,848</u>
Business-type activities:			
Investment earnings	440,796	766,287	2,104,148
Miscellaneous	704,874	646,101	623,146
Transfers	<u>(6,066,738)</u>	<u>(6,466,096)</u>	<u>(9,049,802)</u>
Total business-type activities	<u>(4,921,068)</u>	<u>(5,053,708)</u>	<u>(6,322,508)</u>
Total primary government	<u>26,537,021</u>	<u>29,240,703</u>	<u>32,737,340</u>
CHANGE IN NET POSITION			
Governmental activities	(1,736,920)	3,244,398	5,717,566
Business-type activities	<u>12,525,675</u>	<u>16,896,051</u>	<u>14,222,610</u>
Total primary government	<u>\$ 10,788,755</u>	<u>\$ 20,140,449</u>	<u>\$ 19,940,176</u>

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CITY OF WEATHERFORD, TEXAS

FUND BALANCES
GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General fund:				
Reserved	\$ 39,512	\$ -	\$ -	\$ -
Unreserved	11,162,818	-	-	-
Nonspendable	-	132,112	75,623	44,476
Committed	-	6,989,273	7,350,364	7,395,691
Unassigned	-	<u>6,517,546</u>	<u>6,693,692</u>	<u>5,363,522</u>
Total general fund	<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	\$ 21,061,652	\$ -	\$ -	\$ -
Unreserved, reported in:				
Special revenue funds	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
Unassigned	-	-	-	-
Total all other governmental funds	<u>\$ 22,249,052</u>	<u>\$ 22,914,900</u>	<u>\$ 22,563,001</u>	<u>\$ 19,134,820</u>

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

TABLE 3

2014	2015	2016	2017	2018	2019
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
69,071	64,270	57,083	144,910	55,757	97,964
7,674,783	7,679,715	7,679,715	8,159,341	8,696,348	9,608,733
<u>5,576,824</u>	<u>6,103,365</u>	<u>6,429,430</u>	<u>6,601,952</u>	<u>6,679,144</u>	<u>6,022,930</u>
<u>\$ 13,320,678</u>	<u>\$ 13,847,350</u>	<u>\$ 14,166,228</u>	<u>\$ 14,906,203</u>	<u>\$ 15,431,249</u>	<u>\$ 15,729,627</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
54,880	50,000	50,204	50,000	50,000	50,000
13,346,817	10,739,340	18,281,356	14,221,113	15,074,540	19,759,917
2,088,737	2,198,963	1,974,210	2,224,457	8,683,170	4,935,705
<u>(14)</u>	<u>-</u>	<u>(388,275)</u>	<u>(1,695,094)</u>	<u>(1,820,295)</u>	<u>(3,405,058)</u>
<u>\$ 15,490,420</u>	<u>\$ 12,988,303</u>	<u>\$ 19,917,495</u>	<u>\$ 14,800,476</u>	<u>\$ 21,987,415</u>	<u>\$ 21,340,564</u>

CITY OF WEATHERFORD, TEXAS

CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

	Fiscal Year			
	2010	2011	2012	2013
REVENUES				
Taxes	\$ 17,374,844	\$ 18,222,977	\$ 19,256,063	\$ 19,799,001
Licenses and permits	355,842	560,150	421,801	524,009
Intergovernmental	777,266	2,650,196	4,728,575	4,240,008
Charges for services	1,119,403	1,114,756	1,086,564	1,336,189
Fines and forfeitures	715,865	917,547	615,624	851,088
Contributions	34,546	22,344	125,387	63,482
Investment earnings	763,500	72,783	57,691	39,617
Miscellaneous	718,914	615,158	342,123	353,929
Total revenues	<u>21,860,180</u>	<u>24,175,911</u>	<u>26,633,828</u>	<u>27,207,323</u>
EXPENDITURES				
General government	2,836,078	3,174,872	4,474,348	5,228,111
Public safety	10,929,713	11,431,423	11,692,263	12,234,522
Public works	1,704,727	2,569,515	2,640,284	3,279,511
Planning and development	638,591	660,440	717,003	716,295
Community development	1,136,814	849,250	933,216	980,108
Health and welfare	45,000	45,000	122,774	150,072
Cultural and recreational	3,574,460	2,842,956	2,997,049	3,496,386
Debt service				
Principal	3,069,221	1,175,000	1,166,194	2,834,648
Interest	1,065,000	3,261,816	3,466,410	2,786,382
Capital outlay	<u>19,390,595</u>	<u>11,130,204</u>	<u>6,068,108</u>	<u>7,315,532</u>
Total expenditures	<u>44,390,199</u>	<u>37,140,476</u>	<u>34,277,649</u>	<u>39,021,567</u>

TABLE 4

		Fiscal Year									
		2014	2015	2016	2017	2018	2019				
\$	20,763,676	\$	22,124,979	\$	22,977,000	\$	25,100,335	\$	27,003,022	\$	28,807,033
	564,609		690,194		832,935		744,076		909,230		740,640
	4,720,631		5,600,417		7,496,220		1,310,016		7,037,599		6,693,914
	1,139,227		1,127,917		1,421,114		3,846,432		4,022,075		5,181,243
	576,240		521,768		639,394		562,465		529,159		481,308
	60,712		29,455		119,245		189,493		695,372		892,671
	66,346		125,353		149,661		152,360		536,961		929,986
	401,860		364,282		346,376		408,078		537,981		245,292
	<u>28,293,301</u>		<u>30,584,365</u>		<u>33,981,945</u>		<u>32,313,255</u>		<u>41,271,399</u>		<u>43,972,087</u>
	5,638,924		6,062,131		7,471,688		7,621,227		7,969,679		9,967,361
	12,507,199		12,946,043		13,778,617		14,419,019		14,927,507		15,453,810
	3,228,503		3,608,978		3,681,953		4,046,791		4,371,441		4,230,212
	-		-		-		-		-		-
	-		-		-		-		-		-
	1,178,664		1,309,641		1,504,303		1,666,541		1,525,208		1,775,327
	3,728,117		3,750,855		3,989,948		3,993,000		4,265,517		4,441,729
	3,838,005		4,124,085		4,343,123		5,204,615		6,223,822		6,511,783
	2,657,655		2,537,352		2,419,130		2,334,457		2,249,639		2,015,041
	5,923,681		7,669,247		3,905,307		3,151,961		3,667,119		9,638,502
	<u>38,700,748</u>		<u>42,008,332</u>		<u>41,094,069</u>		<u>42,437,611</u>		<u>45,199,932</u>		<u>54,033,765</u>

CITY OF WEATHERFORD, TEXAS

CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

	Fiscal Year			
	2010	2011	2012	2013
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$(22,530,019)</u>	<u>\$(12,964,565)</u>	<u>\$(7,643,821)</u>	<u>\$(11,814,244)</u>
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	-	33,475,000	1,267,959
Premium on debt issuance	-	-	255,694	-
Payment to escrow agent	-	-	(24,793,931)	-
Tax notes issued	-	-	-	-
Proceeds from insurance	-	-	-	93,842
Sale of assets	-	17,756	5,397	10,454
Transfers in	5,850,469	7,276,196	7,882,888	6,849,355
Transfers out	<u>(3,142,885)</u>	<u>(2,034,265)</u>	<u>(758,034)</u>	<u>(448,940)</u>
Total other financing sources (uses)	<u>2,707,584</u>	<u>5,259,687</u>	<u>16,067,014</u>	<u>7,772,670</u>
NET CHANGE IN FUND BALANCES	<u>\$(19,822,435)</u>	<u>\$(7,704,878)</u>	<u>\$ 8,423,193</u>	<u>\$(4,041,574)</u>
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	<u>15.90%</u>	<u>16.57%</u>	<u>17.13%</u>	<u>16.55%</u>

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

TABLE 4

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$(10,407,447)	\$(11,423,967)	\$(7,112,124)	\$(10,124,356)	\$(3,928,533)	\$(10,061,678)
85,080	7,638,924	85,151	-	5,060,000	4,868,433
-	698,462	-	-	-	-
-	(7,857,973)	-	-	-	(4,296,070)
-	985,000	6,065,000	-	-	-
13,776	120,344	38,141	98,779	44,473	38,140
32,966	203,882	201,596	29,215	69,949	52,900
15,710,708	8,058,368	8,662,201	7,211,509	8,151,632	10,991,468
(8,562,494)	(398,485)	(691,895)	(1,592,191)	(1,685,536)	(1,941,666)
<u>7,280,036</u>	<u>9,448,522</u>	<u>14,360,194</u>	<u>5,747,312</u>	<u>11,640,518</u>	<u>9,713,205</u>
\$(3,127,411)	\$(1,975,445)	\$ 7,248,070	\$(4,377,044)	\$ 7,711,985	\$(348,473)
<u>19.82%</u>	<u>20.40%</u>	<u>18.52%</u>	<u>19.35%</u>	<u>20.48%</u>	<u>19.27%</u>

TABLE 5**CITY OF WEATHERFORD, TEXAS**

GOVERNMENTAL FUNDS TAX REVENUES BY SOURCE

LAST TEN FISCAL YEARS

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Hotel/Motel Occupancy Tax	Mixed Beverage Tax	Totals
2010	\$ 8,024,563	\$ 8,236,286	\$ 581,566	\$ 474,607	\$ 57,822	\$ 17,374,844
2011	8,135,036	8,832,088	620,052	588,225	57,593	18,232,994
2012	8,249,851	9,648,458	697,980	602,256	57,519	19,256,064
2013	8,419,930	9,969,043	681,611	659,759	68,658	19,799,001
2014	8,730,389	10,591,223	673,641	676,407	92,016	20,763,676
2015	9,261,450	11,303,851	777,549	687,665	94,465	22,124,980
2016	9,866,260	11,619,054	723,275	655,350	113,061	22,977,000
2017	10,600,871	12,963,401	656,053	758,005	122,005	25,100,335
2018	11,632,110	13,534,041	685,605	784,399	132,360	26,768,515
2019	12,244,337	14,571,947	799,116	1,050,085	141,548	28,807,033

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CITY OF WEATHERFORD, TEXAS

ELECTRIC RATES

LAST TEN FISCAL YEARS

	Fiscal Year			
	2010	2011	2012	2013
Residential				
Base rate	\$ 4.25	\$ 6.17	\$ 8.08	\$ 10.08
Per KWH (May - October)	0.0750	0.0481	0.0462	0.0443
Per KWH (November - April)	0.0690	0.0443	0.0443	0.0443
Small General Service (Demand does not exceed 20 KW)				
Base rate	16.00	19.55	19.55	19.55
Per KWH	0.0765	0.0490	0.0490	0.0490
Large General Service 1 (Demand 20 - 200 KW)				
Base rate	21.00	28.17	35.33	42.50
Per KWH	0.0605	0.0322	0.0289	0.0265
Per KVA demand	3.25	3.43	3.62	3.80
Large General Service 2 (Demand 200 KW - 1000 KVA)				
Base rate	22.25	48.17	74.08	100.00
Per KWH	0.0565	0.0297	0.0278	0.0260
Per KWH (if primary metered)	0.0545	0.0297	0.0278	0.0260
Per KVA demand	2.55	2.96	3.38	3.79
Large General Service 3 (Demand 20 - 200 KW)				
Base rate	22.25	79.83	137.42	195.00
Per KWH for first 2500 KWH	0.0860	0.0194 (2)	0.0212 (2)	0.0230 (2)
Per KWH for next 3500 KWH	0.0520 (1)	0.0194 (2)	0.0212 (2)	0.0230 (2)
Per KWH for all additional KWH	0.0260	0.0194 (2)	0.0212 (2)	0.0230 (2)
Per KVA demand > 10 KVA	8.10	6.62 (2)	5.13 (2)	3.65 (2)
Municipal				
Base rate	12.25	(3)	(3)	(3)
Per KWH	0.0665	(3)	(3)	(3)
School/Church				
Base rate	16.00	(3)	(3)	(3)
Per KWH	0.0645	(3)	(3)	(3)
Per KW demand	2.25	(3)	(3)	(3)
Security Lights				
Per light	10.00	10.00	10.00	10.00

Notes:

The energy charges stated in all rate schedules applicable for the current billing month will be increased or decreased by the amount by which the average cost of purchased power plus production costs per KWH exceeds \$0.0150.

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

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

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

TABLE 6

		Fiscal Year									
		2014	2015	2016	2017	2018	2019				
\$	10.08	\$	11.75	\$	13.50	\$	15.00	\$	15.00	\$	15.00
	0.0443		0.0432		0.0424		0.0412		0.0412		0.0412
	0.0443		0.0432		0.0424		0.0412		0.0412		0.0412
	19.55		19.55		19.55		19.55		19.55		19.55
	0.0490		0.0467		0.0446		0.0424		0.0424		0.0424
	42.50		42.50		42.50		42.50		42.50		42.50
	0.0265		0.0244		0.0238		0.0232		0.0232		0.0232
	3.80		3.96		3.96		3.96		3.96		3.96
	100.00		100.00		100.00		100.00		100.00		100.00
	0.0260		0.0256		0.0249		0.0240		0.0240		0.0240
	0.0260		0.0256		0.0249		0.0240		0.0240		0.0240
	3.79		4.00		4.30		4.65		4.65		4.65
	195.00		195.00		195.00		195.00		195.00		195.00
	0.0230 (2)		0.0225 (2)		0.0223 (2)		0.0220 (2)		0.0220 (2)		0.0220 (2)
	0.0230 (2)		0.0225 (2)		0.0223 (2)		0.0220 (2)		0.0220 (2)		0.0220 (2)
	0.0230 (2)		0.0225 (2)		0.0223 (2)		0.0220 (2)		0.0220 (2)		0.0220 (2)
	3.65 (2)		4.05 (2)		4.35 (2)		4.75 (2)		4.75 (2)		4.75 (2)
	(3)		(3)		(3)		(3)		(3)		(3)
	(3)		(3)		(3)		(3)		(3)		(3)
	(3)		(3)		(3)		(3)		(3)		(3)
	(3)		(3)		(3)		(3)		(3)		(3)
	(3)		(3)		(3)		(3)		(3)		(3)
	10.00		10.00		10.90		10.90		10.90		10.90

TABLE 7**CITY OF WEATHERFORD, TEXAS**

NUMBER OF ELECTRIC CUSTOMERS BY TYPE

LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Residential</u>	<u>Commercial⁽²⁾</u>	<u>Industrial</u>	<u>Other⁽¹⁾</u>	<u>Total</u>
2010	11,314	1,801	48	255	13,418
2011	11,420	2,087	53	-	13,560
2012	11,586	2,128	53	-	13,767
2013	11,754	2,146	53	-	13,953
2014	11,818	2,156	53	-	14,027
2015	12,104	2,183	56	-	14,343
2016	12,202	2,197	57	-	14,456
2017	12,401	2,225	60	-	14,686
2018	12,601	2,232	58	-	14,892
2019	12,762	2,256	58	-	15,076

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

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

TABLE 8

CITY OF WEATHERFORD, TEXAS

TEN LARGEST ELECTRIC CUSTOMERS

CURRENT YEAR AND NINE YEARS AGO

Customer	2019	
	Revenue	Percentage of Electric Revenue
Atkore Plastic Pipe Co	\$ 1,086,215	3.07%
Jamak, Inc.	556,791	1.57%
Medical City Weatherford	418,245	1.18%
WISD-High School	438,274	1.24%
Wal-Mart #1-963	357,807	1.01%
Medical City Weatherford	296,943	0.84%
Albertson's Inc #4176	207,876	0.59%
Lowe's	173,541	0.49%
Weatherford College	164,070	0.46%
Brookshire Grocery Co	<u>142,476</u>	<u>0.40%</u>
	3,842,238	10.87%
Revenue from other customers	<u>31,510,013</u>	<u>89.13%</u>
Total	\$ <u>35,352,251</u>	<u>100.00%</u>
Customer	2010	
	Revenue	Percentage of Electric Revenue
Weatherford ISD	\$ 1,470,031	4.18%
Heritage Plastic	809,628	2.30%
Jamak, Inc.	716,680	2.04%
W'ford Texas Hospital Corp.	585,032	1.66%
Wal-Mart	491,785	1.40%
Weatherford Aerospace	432,814	1.23%
Weatherford College	429,585	1.22%
Albertson's	252,079	0.72%
Lowe's	237,286	0.67%
Home Depot	<u>235,194</u>	<u>0.67%</u>
	5,660,114	16.09%
Revenue from other customers	<u>29,540,365</u>	<u>83.91%</u>
Total	\$ <u>35,200,479</u>	<u>100.00%</u>

CITY OF WEATHERFORD, TEXAS

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY⁽¹⁾

LAST TEN FISCAL YEARS

Category	Fiscal Year	
	2010	
	Actual Value	Percentage of Total
Real, residential, single family	\$ 966,262,300	49.35%
Real, residential, multi-family	66,142,950	3.38%
Real, vacant lots/tracts	32,079,260	1.64%
Real, acreage (land only)	132,053,460	6.74%
Real, farm and ranch improvements	21,383,540	1.09%
Real, commercial	522,311,300	26.68%
Real, industrial	10,348,560	0.53%
Real, oil, gas and other minerals	566,870	0.03%
Total real property	1,751,148,240	89.44%
Real and tangible personal, utilities	16,470,860	0.84%
Tangible personal, commercial	139,204,420	7.11%
Tangible personal, industrial	35,221,400	1.80%
Tangible, personal, mobile homes	1,469,130	0.08%
Intangible personal	68,300	- %
Inventory	14,240,990	0.73%
Total personal property	206,675,100	10.56%
Constitutional exempt ⁽³⁾	-	- %
Total actual value	1,957,823,340	100.00%
Less: exemptions/reductions	157,276,330	
Total	\$ 1,800,547,010	
Total direct rate ⁽²⁾	\$ 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	
Actual Value	Percentage of Total	Actual Value	Percentage of Total
\$ 982,593,310	50.07%	\$ 972,512,560	43.63%
60,050,380	3.06%	80,671,490	3.62%
31,012,210	1.58%	32,176,140	1.44%
127,192,770	6.48%	128,278,870	5.75%
23,630,120	1.20%	23,116,890	1.04%
525,936,480	26.80%	531,927,220	23.86%
11,655,760	0.59%	12,505,740	0.56%
7,210,230	0.37%	5,683,360	0.25%
<u>1,769,281,260</u>	<u>90.15%</u>	<u>1,786,872,270</u>	<u>80.15%</u>
16,699,920	0.85%	16,174,680	0.73%
130,474,700	6.65%	127,511,850	5.72%
32,101,270	1.64%	37,029,220	1.66%
1,505,490	0.08%	1,229,600	0.06%
45,610	- %	14,880	- %
<u>12,406,480</u>	<u>0.63%</u>	<u>13,787,850</u>	<u>0.62%</u>
193,233,470	9.85%	195,748,080	8.79%
<u>-</u>	<u>- %</u>	<u>246,451,960</u>	<u>11.06%</u>
1,962,514,730	<u>100.00%</u>	2,229,072,310	<u>100.00%</u>
<u>156,813,562</u>		<u>408,409,581</u>	
\$ <u>1,805,701,168</u>		\$ <u>1,820,662,729</u>	
\$ 0.4636		\$ 0.4636	

CITY OF WEATHERFORD, TEXAS

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY⁽¹⁾

LAST TEN FISCAL YEARS

Category	Fiscal Year	
	2013	
	Actual Value	Percentage of Total
Real, residential, single family	\$ 982,550,650	43.23%
Real, residential, multi-family	84,299,640	3.71%
Real, vacant lots/tracts	34,086,840	1.50%
Real, acreage (land only)	134,640,710	5.92%
Real, farm and ranch improvements	22,225,190	0.98%
Real, commercial	548,072,350	24.11%
Real, industrial	12,501,170	0.55%
Real, oil, gas and other minerals	4,664,840	0.21%
Total real property	1,823,041,390	80.21%
Real and tangible personal, utilities	16,355,940	0.72%
Tangible personal, commercial	126,788,970	5.58%
Tangible personal, industrial	40,321,640	1.77%
Tangible, personal, mobile homes	1,213,240	0.05%
Intangible personal	18,570	- %
Inventory	11,958,300	0.53%
Total personal property	196,656,660	8.65%
Constitutional exempt ⁽³⁾	253,109,550	11.14%
Total actual value	2,272,807,600	100.00%
Less: exemptions/reductions	418,378,500	
Total	\$ 1,854,429,100	
Total direct rate ⁽²⁾	\$ 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			
2014		2015	
Actual Value	Percentage of Total	Actual Value	Percentage of Total
\$ 1,006,337,454	43.35%	\$ 1,034,971,854	43.80%
90,319,170	3.89%	104,811,750	4.44%
38,125,306	1.64%	33,652,737	1.42%
94,742,100	4.08%	93,952,512	3.98%
51,873,530	2.23%	54,556,426	2.31%
571,460,670	24.62%	560,405,830	23.72%
13,008,950	0.56%	13,008,950	0.55%
2,275,350	0.10%	5,985,920	0.25%
<u>1,868,142,530</u>	<u>80.47%</u>	<u>1,901,345,979</u>	<u>80.47%</u>
17,262,560	0.74%	21,042,270	0.89%
131,917,910	5.68%	138,816,860	5.87%
39,526,310	1.70%	36,339,910	1.54%
1,215,030	0.05%	1,349,900	0.06%
42,500	- %	42,500	- %
<u>12,057,760</u>	<u>0.53%</u>	<u>11,708,460</u>	<u>0.50%</u>
202,022,070	8.70%	209,299,900	8.86%
<u>251,257,370</u>	<u>10.83%</u>	<u>252,218,540</u>	<u>10.67%</u>
2,321,421,970	<u>100.00%</u>	2,362,864,419	<u>100.00%</u>
<u>412,152,600</u>		<u>413,851,642</u>	
\$ <u>1,909,269,370</u>		\$ <u>1,949,012,777</u>	
\$ 0.4636		\$ 0.4636	

CITY OF WEATHERFORD, TEXAS

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY⁽¹⁾

LAST TEN FISCAL YEARS

Category	Fiscal Year	
	2016	
	Actual Value	Percentage of Total
Real, residential, single family	\$ 1,142,303,188	44.72%
Real, residential, multi-family	129,924,745	5.09%
Real, vacant lots/tracts	42,550,667	1.67%
Real, acreage (land only)	95,950,433	3.76%
Real, farm and ranch improvements	56,815,663	2.22%
Real, commercial	588,309,410	23.03%
Real, industrial	13,250,790	0.52%
Real, oil, gas and other minerals	5,525,550	0.22%
Total real property	<u>2,074,630,446</u>	<u>81.23%</u>
Real and tangible personal, utilities	24,183,510	0.95%
Tangible personal, commercial	150,602,440	5.90%
Tangible personal, industrial	41,708,130	1.63%
Tangible, personal, mobile homes	1,269,000	0.05%
Intangible personal	85,750	- %
Inventory	<u>9,238,900</u>	<u>0.36%</u>
Total personal property	<u>227,087,730</u>	<u>8.89%</u>
Constitutional exempt ⁽³⁾	<u>252,440,020</u>	<u>9.88%</u>
Total actual value	<u>2,554,158,196</u>	<u>100.00%</u>
Less: exemptions/reductions	<u>439,147,037</u>	
Total	\$ <u>2,115,011,159</u>	
Total direct rate ⁽²⁾	\$ 0.4866	

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			
2017		2018	
Actual Value	Percentage of Total	Actual Value	Percentage of Total
\$ 1,178,862,188	45.56%	\$ 1,399,133,725	46.93%
132,609,745	5.13%	153,525,192	5.15%
44,070,837	1.70%	44,244,134	1.48%
95,581,570	3.69%	107,261,732	3.60%
56,543,451	2.19%	75,380,199	2.53%
586,963,740	22.68%	683,321,436	22.92%
13,250,790	0.51%	13,306,330	0.45%
2,653,410	0.10%	3,333,370	0.11%
<u>2,110,535,731</u>	<u>81.56%</u>	<u>2,479,506,118</u>	<u>83.17%</u>
25,457,720	0.99%	27,733,550	0.93%
139,508,400	5.39%	155,689,290	5.22%
40,884,120	1.58%	44,631,700	1.50%
1,258,280	0.05%	1,331,130	0.04%
113,750	- %	-	- %
9,062,060	0.35%	9,741,664	0.33%
<u>216,284,330</u>	<u>8.36%</u>	<u>239,127,334</u>	<u>8.02%</u>
<u>260,974,435</u>	<u>10.08%</u>	<u>262,500,707</u>	<u>8.81%</u>
<u>2,587,794,496</u>	<u>100.00%</u>	<u>2,981,134,159</u>	<u>100.00%</u>
<u>458,355,853</u>		<u>531,197,724</u>	
\$ <u>2,129,438,643</u>		\$ <u>2,449,936,435</u>	
\$ 0.5116		\$ 0.4899	

CITY OF WEATHERFORD, TEXAS

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY⁽¹⁾

LAST TEN FISCAL YEARS

Category	Fiscal Year	
	2019	
	Actual Value	Percentage of Total
Real, residential, single family	\$ 1,446,333,102	46.77%
Real, residential, multi-family	160,447,377	5.19%
Real, vacant lots/tracts	47,868,367	1.55%
Real, acreage (land only)	109,121,093	3.53%
Real, farm and ranch improvements	71,252,614	2.30%
Real, commercial	691,689,229	22.37%
Real, industrial	41,561,890	1.34%
Real, oil, gas and other minerals	3,778,280	0.12%
Total real property	2,572,051,952	83.17%
Real and tangible personal, utilities	25,791,920	0.84%
Tangible personal, commercial	168,471,020	5.45%
Tangible personal, industrial	48,647,760	1.57%
Tangible, personal, mobile homes	1,332,160	0.04%
Intangible personal	-	- %
Inventory	12,739,534	0.41%
Total personal property	256,982,394	8.31%
Constitutional exempt ⁽³⁾	263,400,869	8.52%
Total actual value	3,092,435,215	100.00%
Less: exemptions/reductions	492,038,321	
Total	\$ 2,600,396,894	
Total direct rate ⁽²⁾	\$ 0.4899	

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

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CITY OF WEATHERFORD, TEXAS

DIRECT AND OVERLAPPING PROPERTY TAX RATES⁽¹⁾

LAST TEN FISCAL YEARS

Fiscal Year	City Direct Rates			Overlapping Rates ⁽²⁾				
	Operating	Debt Service	Total Direct	Parker County	Weatherford School District	Parker County Hospital District	Parker County Junior College	Peaster School District
2010	\$ 0.2920	\$ 0.1716	\$ 0.4636	\$ 0.3754	\$ 1.4000	\$ 0.1136	\$ 0.1049	\$ 1.3528
2011	0.2920	0.1716	0.4636	0.3897	1.4000	0.1130	0.1049	1.3528
2012	0.2920	0.1716	0.4636	0.4102	1.4000	0.1130	0.1119	1.3528
2013	0.2920	0.1716	0.4636	0.4123	1.4000	0.1120	0.1129	1.3528
2014	0.2920	0.1716	0.4636	0.4123	1.3900	0.1179	0.1146	1.3528
2015	0.3150	0.1716	0.4866	0.4183	1.3800	0.1118	0.1074	1.4000
2016	0.3400	0.1716	0.5116	0.3338	1.4690	0.1118	0.1202	1.4000
2017	0.3400	0.1716	0.5116	0.3117	1.4540	0.1115	0.1195	1.4400
2018	0.3343	0.1553	0.4899	0.3117	1.4540	0.1150	0.1195	1.4400
2019	0.3343	0.1553	0.4899	0.3023	1.4490	0.1115	0.1195	1.4400

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

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

Source Representatives of the taxing jurisdictions

TABLE 11

CITY OF WEATHERFORD, TEXAS

PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2019	
	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value
Parker County Hospital	\$ 43,338,170	1.67%
Enbridge G&P	28,255,560	1.09%
Weatherford Dunhill	27,084,630	1.04%
Holland Lake Partners	21,115,926	0.81%
LB-UBS 2006-C7	18,666,040	0.72%
Brown Southgate Glen	18,097,846	0.70%
Wal-Mart Stores	17,170,560	0.66%
Power Service Products	14,662,190	0.56%
Target Corporation	11,345,040	0.44%
Lowe's Home Stores	11,274,670	0.43%
Total	\$ 211,010,632	8.12%

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

Source: Parker County Appraisal District

CITY OF WEATHERFORD, TEXAS

PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN FISCAL YEARS

<u>Fiscal Year Ended</u>	<u>Taxes Levied for the Fiscal Year</u>	<u>Adjustments</u>	<u>Total Adjusted Levies</u>
2010	\$ 8,016,933	\$(48,357)	\$ 7,968,576
2011	8,085,420	(45,177)	8,040,243
2012	8,201,957	(31,775)	8,170,182
2013	8,351,358	(5,877)	8,345,481
2014	8,616,369	(293)	8,616,076
2015	9,217,917	6,287	9,224,204
2016	9,953,115	(148,374)	9,804,741
2017	10,496,784	5,812	10,502,596
2018	11,547,532	(71,021)	11,476,511
2019	12,250,303	(41,126)	12,209,177

Source: Parker County Appraisal District

TABLE 12

Collected With the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
Amount	Percentage of Levy		Amount	Percentage of Levy
\$ 7,837,978	97.77%	\$ 124,248	\$ 7,962,226	99.92%
7,942,051	98.23%	92,450	8,034,501	99.93%
8,074,208	98.44%	90,249	8,164,457	99.93%
8,237,331	98.63%	100,071	8,337,402	99.90%
8,537,374	99.08%	70,458	8,607,832	99.90%
9,118,352	98.92%	81,239	9,199,591	99.73%
9,739,379	97.85%	41,183	9,780,562	99.75%
10,424,412	99.31%	45,476	10,469,888	99.69%
11,425,551	98.94%	34,313	11,459,864	99.85%
12,116,163	98.91%	-	12,116,163	99.24%

CITY OF WEATHERFORD, TEXAS

TAXABLE SALES BY CATEGORY

LAST TEN FISCAL YEARS

	Fiscal Year		
	2010	2011	2012
Agriculture/Forestry/Fishing/Hunting	\$ -	\$ 17,350	\$ 18,620
Mining/Quarrying/Oil and Gas Extraction	88,530,759	2,708,174	2,713,403
Utilities	-	1,564	10,963
Construction	4,005,474	4,479,619	4,190,173
Manufacturing	9,179,698	10,344,074	9,892,982
Wholesale Trade	17,613,952	21,158,427	23,204,529
Retail Trade	296,338,740	318,843,374	343,724,417
Transportation/Warehousing	-	-	868
Information	3,007,895	5,614,520	4,177,775
Finance/Insurance	1,007,196	884,715	757,758
Real Estate/Rental/Leasing	3,780,111	2,894,047	4,792,747
Professional/Scientific/Technical Services	2,525,977	2,248,780	1,959,793
Admin/Support/Waste Mgmt/Remediation Services	4,142,197	4,703,324	4,805,924
Educational Services	2,053,012	1,569,743	646,524
Health Care/Social Assistance	189,402	62,584	85,603
Arts/Entertainment/Recreation	1,333,491	1,278,258	998,428
Accommodations/Food Services	66,627,927	72,763,277	77,679,707
Other Services (except Public Administration)	17,911,085	20,237,260	19,931,337
Public Administration	13,610,308	12,573,279	11,017,187
Other Services			
Unclassified	<u>1,163,476</u>	<u>9,584</u>	<u>8,220</u>
Total	\$ <u>533,020,700</u>	\$ <u>482,391,953</u>	\$ <u>510,616,958</u>
City direct sales tax rate	1.50%	1.50%	1.50%

Source: Texas Comptroller

⁽¹⁾ The third quarter (July 2019 - September 2019) was not available at the time of issuing this document.

TABLE 13

		Fiscal Year							
		2013	2014	2015	2016	2017			
\$	18,470	\$	20,710	\$	38,271	\$	21,805	\$	28,465
	2,531,239		5,581,565		9,450,845		6,034,468		8,317,104
	11,992		14,806		29,277		116,189		90,965
	8,613,306		8,888,143		10,711,347		7,980,552		15,982,462
	14,477,480		22,793,527		17,724,630		14,446,761		18,298,287
	22,230,671		24,108,087		28,378,471		37,428,143		40,097,662
	365,801,041		380,622,776		400,578,606		419,237,212		445,224,594
	36,051		39,413		67,779		70,319		55,118
	3,752,266		7,149,200		11,098,495		14,935,800		24,889,039
	733,579		729,685		768,147		723,736		685,068
	7,236,213		7,252,145		8,157,086		7,067,849		8,051,672
	2,348,015		2,667,218		3,012,331		3,623,350		4,032,927
	4,917,272		5,813,773		6,562,417		5,991,476		7,058,845
	480,843		320,397		668,197		689,863		750,388
	173,433		120,471		256,777		474,103		358,474
	829,047		966,239		1,859,886		2,739,694		3,156,767
	84,374,406		90,204,897		97,331,847		105,951,222		112,642,651
	21,107,648		15,024,627		16,956,498		17,741,942		19,788,842
	11,667,511		13,458,787		12,811,345		10,422,945		12,251,773
	141,548		27,628,775		-		-		-
(450,015)	(24,952,529)	(457,885)		-		-
\$	<u>551,032,016</u>	\$	<u>588,452,712</u>	\$	<u>626,004,367</u>	\$	<u>655,697,429</u>	\$	<u>721,761,103</u>
	1.50%		1.50%		1.50%		1.50%		1.50%

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CITY OF WEATHERFORD, TEXAS

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities			
	General Obligation Bonds	Certificates of Obligation	Tax Note	Capital Leases
2010	\$ 10,215,000	\$ 57,500,000	\$ -	\$ -
2011	34,465,000	42,225,000	-	-
2012	34,041,416	42,067,031	-	1,241,765
2013	58,571,448	14,185,531	-	1,266,484
2014	55,338,662	13,627,476	-	1,058,560
2015	52,146,413	13,054,421	869,915	1,103,399
2016	48,481,077	12,456,365	6,796,238	925,617
2017	44,695,740	11,798,309	5,862,562	775,810
2018	40,660,405	11,115,254	9,223,885	646,988
2019	40,360,069	6,530,758	7,520,209	1,008,637

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

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

TABLE 14

Business-type Activities				Total Primary Government	Percentage of Personal Income	Per Capita ⁽¹⁾
Revenue Bonds	Tax Note	Term Loan	Capital Leases			
\$ 43,739,876	\$ 510,000	\$ 416,667	\$ 41,094	\$ 112,422,637	11.00%	\$ 4,156
41,098,654	415,000	353,933	71,916	118,629,503	12.18%	4,698
38,502,473	315,000	846,416	589,017	117,603,118	9.55%	4,431
35,537,670	215,000	690,281	531,669	110,998,083	10.09%	4,199
32,427,865	110,000	553,428	499,670	103,615,661	8.39%	3,846
50,125,280	-	297,819	466,830	118,064,077	8.84%	4,252
46,011,227	-	167,365	433,144	115,271,033	7.98%	4,011
52,468,255	-	73,885	398,588	116,073,149	7.95%	3,873
52,154,587	-	37,632	363,141	114,201,892	7.17%	3,726
48,346,137	-	-	326,780	104,092,590	6.14%	3,270

CITY OF WEATHERFORD, TEXAS

RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING

LAST TEN FISCAL YEARS

Fiscal Year	General Bonded Debt Outstanding			
	General Obligation Bonds	Certificates of Obligation	Tax Note	Total
2010	\$ 10,215,000	\$ 57,500,000	\$ -	\$ 67,715,000
2011	34,465,000	42,225,000	-	76,690,000
2012	34,041,416	42,067,031	-	76,108,447
2013	58,571,448	14,185,531	-	72,756,979
2014	55,338,662	13,627,476	-	68,966,138
2015	52,146,413	13,054,421	869,915	66,070,749
2016	48,481,077	12,456,365	6,796,238	67,733,680
2017	44,695,741	11,798,309	5,862,562	62,356,612
2018	40,660,405	11,115,254	9,223,885	60,999,544
2019	40,360,069	6,530,758	7,520,209	54,411,036

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

<u>Less: Amounts Available in Debt Service Fund⁽²⁾</u>	<u>Net Bonded Debt</u>	<u>Actual Taxable Value of Property</u>	<u>Percentage of Actual Taxable Value of Property</u>	<u>Per Capita⁽¹⁾</u>
\$ 1,271,889	\$ 66,443,111	\$ 1,800,547,010	3.69%	\$ 2,456
1,857,403	74,832,597	1,805,701,168	4.14%	2,964
4,130,215	71,978,232	1,820,662,729	3.95%	2,730
5,068,393	67,688,586	1,854,429,100	3.65%	2,613
1,618,603	67,347,535	1,909,269,370	3.53%	2,500
2,069,856	64,000,893	1,949,012,777	3.28%	2,305
10,458,977	57,274,703	2,128,986,143	2.69%	1,993
7,303,798	55,052,814	2,129,438,643	2.59%	1,837
8,055,973	52,943,571	2,449,936,435	2.16%	1,727
9,194,876	45,216,160	2,600,396,894	1.74%	1,420

CITY OF WEATHERFORD, TEXAS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

SEPTEMBER 30, 2019

Government Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Debt repaid with property taxes			
Aledo Independent School District	\$ -	0.55%	\$ -
Parker County	116,835,000	20.48%	23,927,808
Parker County Junior College District	2,225,429	20.48%	455,768
Peaster Independent School District	20,942,306	2.83%	592,667
Weatherford Independent School District	119,030,803	47.31%	56,313,473
Other debt			
Parker County Junior College, note payable	4,211,071	20.48%	<u>862,427</u>
Subtotal overlapping debt			82,152,143
City of Weatherford direct debt	61,646,532	100.00%	<u>61,646,532</u>
Total direct and overlapping debt			<u>\$ 143,798,675</u>

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

Source: Representatives of taxing jurisdictions

CITY OF WEATHERFORD, TEXAS

PLEDGED REVENUE COVERAGE

LAST TEN FISCAL YEARS

Fiscal Year	Utility System and Storm Water Utility Revenue Obligations						Coverage
	Gross Revenue ⁽¹⁾	Less: Operating Expenses ⁽²⁾	Net Available Revenue	Debt Service ⁽³⁾			
				Principal	Interest		
2010	\$ 44,648,091	\$ 34,190,600	\$ 10,457,491	\$ 2,615,000	\$ 2,121,884	2.21	
2011	48,143,263	32,655,996	15,487,267	2,715,000	2,015,352	3.34	
2012	40,639,256	24,787,800	15,851,456	2,840,000	1,912,988	3.43	
2013	44,969,078	29,429,195	15,539,883	2,985,000	1,787,416	3.36	
2014	51,923,460	37,140,069	14,783,391	3,115,000	1,517,523	3.19	
2015	51,902,458	31,326,472	20,575,986	3,830,000	2,053,006	3.50	
2016	48,168,116	27,060,795	21,107,321	3,960,000	1,930,757	3.58	
2017	56,603,108	34,060,633	22,542,475	4,645,000	1,887,917	3.45	
2018	62,814,234	35,639,353	27,174,881	3,565,000	1,841,223	5.03	
2019	62,231,883	35,158,584	27,073,299	3,710,000	987,054	5.76	

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.
- (3) Principal and interest payments due for the following fiscal year.

CITY OF WEATHERFORD, TEXAS

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN CALENDAR YEARS

<u>Calendar Year</u>	<u>Population⁽¹⁾</u>	<u>Personal Income⁽²⁾</u>	<u>Per Capita Income⁽²⁾</u>	<u>School Enrollment⁽³⁾</u>	<u>Unemployment Rate⁽⁴⁾</u>
2010	27,050	\$ 1,021,786,700	\$ 37,774	7,672	6.9%
2011	25,250	974,018,750	38,575	7,543	7.1%
2012	26,370	1,230,977,970	46,681	7,529	7.0%
2013	25,900	1,100,465,100	42,489	7,741	5.8%
2014	26,940	1,235,348,257	45,856	7,709	4.2%
2015	27,769	1,336,184,153	48,118	7,734	4.2%
2016	28,742	1,444,486,694	48,692 *	7,861	4.4%
2017	29,969	1,459,250,548	48,692 *	8,021	3.2%
2018	30,654	1,591,862,220	51,930 *	8,116	3.0%
2019	31,836	1,696,508,604	53,289 *	8,081	2.8%

Sources: (1) Bureau of Census and North Central Texas Council of Governments.
(2) Bureau of Economic Analysis. *Parker County
(3) Texas Education Agency
(4) U.S. Bureau of Labor Statistics and Texas Workforce Commission

TABLE 19

CITY OF WEATHERFORD, TEXAS

PRINCIPAL EMPLOYERS

CURRENT AND NINE YEARS AGO

<u>Employer</u>	<u>2019</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Weatherford ISD	800	1	6.03%
Medical City	585	2	4.41%
Parker County	450	3	3.39%
City of Weatherford	371	4	2.80%
Walmart	350	5	2.64%
Weatherford College	298	6	2.25%
CD Hartnett	276	7	2.08%
Jamak Inc.	240	8	1.81%
Weatherford Aerospace	142	9	1.07%
Petro	<u>135</u>	10	<u>1.02%</u>
Total	<u>3,647</u>		<u>27.50%</u>

<u>Employer</u>	<u>2010</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Weatherford ISD	1,017	1	8.57%
Weatherford Regional Medical Center	486	2	4.10%
Parker County	483	3	4.07%
City of Weatherford	374	4	3.15%
Jerry's Transportation Center	336	5	2.83%
Wal-Mart	326	6	2.75%
Weatherford College	298	7	2.51%
C.D. Hartnett	276	8	2.33%
Jamak Inc.	251	9	2.12%
Southwest Ford	<u>160</u>	10	<u>1.35%</u>
Total	<u>4,007</u>		<u>33.78%</u>

Source: Weatherford Economic Development Authority

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,			
	2010	2011	2012	2013
General government	24	24	24	24
Public safety	130	132	138	137
Public works	22	23	26	27
Planning and development	10	10	9	10
Community development	24	23	21	23
Health and welfare	-	-	-	-
Cultural and recreational	51	52	56	56
Electric	54	55	55	55
Water	28	28	28	28
Wastewater	16	16	16	16
Sanitation	19	19	19	17
Total	<u>378</u>	<u>382</u>	<u>392</u>	<u>393</u>

Source: City's Human Resource Department

TABLE 20

Fulltime Equivalent Employees as of September 30,						
2014	2015	2016	2017	2018	2019	
42	45	45	49	49	49	
139	135	138	141	141	144	
29	30	31	24	24	21	
-	-	-	-	-	-	
-	-	-	-	-	-	
15	17	18	18	19	24	
55	54	54	47	48	49	
34	36	35	39	39	31	
28	28	29	31	31	31	
26	26	27	28	28	14	
<u>20</u>	<u>20</u>	<u>20</u>	<u>18</u>	<u>18</u>	<u>19</u>	
<u>388</u>	<u>391</u>	<u>397</u>	<u>395</u>	<u>396</u>	<u>382</u>	

CITY OF WEATHERFORD, TEXAS

OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	Fiscal Year			
	2010	2011	2012	2013
Public safety				
Police				
Police personnel and officers	76	80	80	80
Arrests	1,591	1,104	957	1,132
Violations other than parking	6,855	6,628	4,455	5,691
Parking violations	88	71	87	133
Fire				
Paid fire personnel and officers	51	55	58	66
Calls answered	3,985	4,142	4,360	4,505
Planning and development				
New construction permits issued	120	186	116	211
Cultural and recreation				
Library holdings	98,241	102,847	101,404	104,834
Electric				
Service connections	13,418	13,560	13,767	13,953
Total system peak demand (KW)	90,289	96,681	92,466	94,161
Annual kilo-watt hour sales (KWH)	365,673,529	381,826,440	371,081,397	371,982,863
Water				
Service connections	10,604	10,722	10,845	11,084
Daily average consumption (thousands of gallons)	3,072	3,884	3,649	3,493
Annual water sales (thousands of gallons)	1,121,197	1,417,482	1,331,738	1,227,698
Wastewater				
Service connections	9,769	9,881	9,994	10,201
Daily average consumption (thousands of gallons)	2,261	2,133	2,242	2,115
Sanitation				
Refuse collected (tons)	8,951	8,789	8,881	9,239
Brush and special pickups (tons)	1,601	1,936	1,882	1,792

Source: Various City Departments

(1) The City of Weatherford Sanitation discontinued taking brush pick ups to the landfill during FY 2016/2017.

TABLE 21

Fiscal Year						
2014	2015	2016	2017	2018	2019	
78	78	76	76	81	86	
1,302	1,404	1,793	1,766	1,613	1,552	
4,488	4,675	3,948	2,969	3,710	2,479	
57	89	94	81	47	54	
56	56	59	59	60	60	
5,201	4,660	5,239	5,041	4,577	4,627	
220	204	211	244	217	174	
104,834	103,028	100,809	95,921	93,702	94,069	
14,115	14,161	14,292	14,844	15,036	15,196	
96,681	94,249	96,067	101,300	114,570	98,000	
389,421,402	386,452,762	387,044,014	392,239,811	432,494,992	421,511,975	
11,138	11,350	11,497	11,907	12,161	12,304	
3,277	3,058	3,328	3,232	3,808	3,209	
1,179,691	1,116,010	1,214,712	1,179,666	1,389,963	1,171,155	
10,251	10,481	10,761	11,239	11,619	11,831	
2,148	2,195	2,357	2,115	1,948	2,450	
9,565	10,218	10,242	11,416	11,430	14,630	
1,612	1,605	2,330	1,786 (1)	1,397	1,738	

CITY OF WEATHERFORD, TEXAS

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

Function/Program	2010	2011	2012	2013
Public safety				
Police				
Police stations	1	1	1	1
Police patrol units	22	22	22	22
Fire				
Fire stations	4	4	4	4
Fire trucks	17	18	18	18
Fire boat	-	-	-	-
Cultural and recreation				
Parks and recreation				
Community centers	2	2	2	2
Parks	10	10	10	10
Park acreage	300	301	301	301
Swimming pools	1	1	1	1
Tennis courts	3	3	3	3
Soccer fields	8	8	8	8
Softball/baseball fields	13	11	11	12
Multipurpose fields and courts	9	7	7	3
Electric				
Miles of distribution lines	313	316	326	326
Water				
Miles of water mains	254	266	272	272
Number of fire hydrants	1,320	1,342	1,355	1,384
Maximum daily capacity of plant (thousands of gallons)	14,000	14,000	14,000	14,000
Total water storage capacity (thousands of gallons)	7,600	7,600	7,600	7,600
Wastewater				
Miles of sanitary sewers	195	202	207	233
Permitted daily capacity of plant (thousands of gallons)	4,500	4,500	4,500	4,500

Source: Various City Departments

TABLE 22

2014	2015	2016	2017	2018	2019
1	1	1	1	1	1
22	23	26	25	26	27
4	3	3	3	3	3
18	17	17	14	21	14
-	1	1	1	1	1
2	2	3	3	3	3
10	10	26	26	26	26
301	301	501	501	501	856
1	1	1	1	1	1
3	3	7	7	7	7
8	8	11	11	11	11
12	12	12	12	12	12
3	3	5	5	5	5
342	342	346	355	362	363
268	275	274	277	285	288
1,447	1,450	1,509	1,557	1,633	1,678
14,000	14,000	14,000	1,400	14,000	14,000
7,600	7,600	7,600	7,600	7,600	7,600
233	208	208	212	212	213
4,500	4,500	4,500	4,500	4,500	4,500

COMPLIANCE SECTION

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited, in accordance with the 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, the 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 (the "City"), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated February 19, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Waco, Texas
February 19, 2020