

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED
SEPTEMBER 30, 2012**

**Created by:
Finance Office**

CITY OF WEATHERFORD, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2012

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INTRODUCTORY SECTION

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March 26, 2013

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, 2012, is hereby submitted.

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

The City of Weatherford's financial statements have been audited by Pattillo, Brown & Hill, L.L.P., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2012, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Weatherford's financial statements for the fiscal year ended September 30, 2012, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

Profile of the City of Weatherford

The City of Weatherford, incorporated in 1858, adopted its original charter and became a home rule city in 1918. The City is located 25 miles west of the Dallas/Fort Worth metropolitan area on Interstate Highway 20 (IH-20) and serves as the county seat of Parker County. The City currently occupies a land area of 26.52 square miles and serves an estimated population of 26,370. The City is empowered to levy a property tax on both real and personal properties located within its boundaries. It is also empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the City Council.

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

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

The annual budget serves as the foundation for the City's financial planning and control. All departments of the City are required to submit requests for appropriation to the City Manager prior to June 1 of each year. These requests are reviewed, prioritized and, based upon projected revenue availability, included in a proposed budget. The City Manager then presents the proposed budget to the City Council and Municipal Utility Board, respectively, for review prior to August 31. The Council and Board are required to hold public hearings on the proposed budget and to adopt a final budget by no later than September 30, the close of the City's fiscal year. The budget is prepared and appropriated by fund and department. Upon approval of the City Manager, department directors may make line-item transfers of appropriations within a department; however, appropriation transfers between departments require approval of the Council or Board. A summary budget-to-actual comparison for the General Fund is provided on pages 63 – 64 of this report. Budget-to-actual comparisons for each of the non-major special revenue governmental funds are found on pages 78 – 90.

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 2012, the City of Weatherford continued in a second strong-year of recovery, as the moderate recovery of 2011 gained solid traction. The state and more so the North Texas Metroplex/MSA, that includes Weatherford, continues to lead the nation in job creation (recovery) and new growth. Regional retail shopping, health care/physician recruitment, and service businesses are the current leading sectors in the local economy, with residential development/sales continuing an established recovery, back to a leading sector. Cutting-horse and cattle ranching, and agricultural crop production are still significant economic contributors to the area. In addition, 45 to 50 percent of local residents make the short commute east into the Fort Worth/Dallas metropolitan area for jobs at major Fortune 500 companies, such as Lockheed-Martin, Bell Helicopter/Textron, Alliance Airport, the Federal Currency Center, and many other major Fortune 500/regional employers.

Fiscal year 2012 was the historic high in sales tax revenue collections for the City of Weatherford. The 2012 City sales tax was about 9.1 percent above the 2011 \$8.8 million, at over \$9.6 million. The previous annual highs were 2008 at about \$9.2 million.

Local manufacturing includes many local shops and suppliers; national and international silicone rubber products (automotive, medical and aerospace, etc.); automotive fuel additives; natural gas drilling, service, production and training; PVC plastic pipe; regional lower-tier subcontractors to Metroplex aerospace companies; and international animal supplements. All experienced output declines and some job reductions in the last couple of years, but have continued to see growth in output and recovery in jobs through 2012. The natural gas drilling rig count has declined significantly, to about 25 percent of the peak, and will continue to decline as the Barnett Shale play matures. Employment in the natural resource and mining production and services sectors has grown to a historic high of 8.4 percent during the third quarter of 2012 of total county employment, up from 4.2 percent in 2006 and 6.1 percent in 2009.

The number of commercial construction permits increased from 2009 through 2011, declined slightly in 2012, but the 2012 count still exceeded 2010. The 2012 “adjusted” core total-value of permits for 2012 was actually higher than 2011, even with fewer permits. In 2012, the Weatherford Regional Medical Center completed a 46,000 square foot private-patient room and new Heart Cath-lab expansion and Weatherford College completed a 40,000 square foot and \$9 million new Academic Building. The City continues to develop as a major regional retail center at the IH-20 and S. Main node, with over 905,000 square feet of retail construction completed since 2005. The Weatherford Marketplace Center at the south east intersection of IH-20 and S. Main St. (State Highways 51/171) has been fully leased. Some vacancies are common but they tend to rotate occupancy and a new What-A-Burger was constructed on a pad-site in 2012. In 2007 the new Weatherford Ridge Center (north east intersection of IH-20 and S. Main St.) was started and rapidly built-out. In late 2011 into 2012, an economic development incentives agreement was completed on the 85,000 square foot final-phase of the center. By September 2012 45,000 square feet was constructed and occupied, anchored by a new 25,000 square foot TJ Maxx with the remaining 20,000 square feet of shop-space of the center leased, making the center shop-space leased at 100 percent. Only 5 pad-sites and a 15,000 square foot small-box remain to be leased and built-out. Also, on S. Main St. and W. Park Ave., a 39,000 square foot

vacant, for about three years, grocery store was redeveloped into 55,000 square feet of new retail shop-space and is about 30-40 percent leased, with the anchor-corner occupied in November 2012 by the Rio Mambo restaurant. In 2012, residential permits equaled the 2011 and 2009 levels, and exceeded the 2010 level. Values fluctuated as smaller and more duplex-housing units were constructed. The Multiple Listing Service has existing housing sales up by 7.9 percent from 2011 with average value up slightly.

The local unemployment rate has declined and fluctuated monthly for two years. The current rate is near the 2008 average rate of 5.1%. The City high was 8.5% in July 2009. The long-term unemployed workforce moderates this improvement in the local rate. The City routinely has the lowest unemployment rate of the County, the Fort Worth-Dallas MSA and the State, and much lower than national levels.

Due in part to a stable local service area economy, Standard & Poor's Rating Services assigned and affirmed its "AA-" rating and stable outlook to the City of Weatherford's series 2012 general obligation refunding bonds and the City's general obligation bonds, respectively, during 2012.

Long-term Financial Planning and Major Initiatives. In 2009, City Council adopted Financial Management Policy Statements to provide a framework for fiscal decision-making to ensure that financial resources are available to meet the present and future needs of the City. Management of the City believes we are currently in compliance with these policy statements. The policy statements state that current expenditures shall not exceed current revenues plus the planned use of fund balances for non-recurring expenditures. The policy statements are updated annually after the May elections and were updated in December 2012 to include the addition of the new storm water utility fund, a suggestion by City auditors to include a reference to revenue segregation for fund balance clarification for Governmental Accounting Standards Board 54 purposes, and a Utility Board Member's request to have all City delinquent or uncollectable procedures documented.

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

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

A focus of the City Council, as stated in the vision statement, is up-to-date infrastructure. The City made some great improvements and enhancements to the City over the last several years with a huge emphasis on implementing the 2006 Capital Committee's recommendations as well as a massive Pass-Through Toll Agreement with TxDOT that will provided approximately \$60 million in new or improved transportation infrastructure. However, this is no time to slow the progress of meeting the needs of the community. The streets department is currently undergoing a pavement condition survey to determine where funds and efforts need to be focused and plan

for them in the budget. The City implemented a new municipal storm water fee to meet storm water drainage needs around the City. The first such project is already underway with a Holland Lake Water Shed study. A new water master plan has been done and adopted. It is currently being implemented and future plans are being made in the budget to cover those needs. Staff is currently negotiating with firms to provide the utility with a water plant master plan for future need evaluations. The utility has already had a wastewater treatment plant master plan done and that is in the implementation process. A wastewater master plan does need to be done in the upcoming future but work is already progressing on the Black Warrior Creek project. Funding for these needs as well as a possible new list from the Capital Committee are never easy but the City has already incorporated the use of some excess reserves and working capital, planned for in the utility rate change adopted in 2010, and authorized through the adoption of the municipal storm water fee.

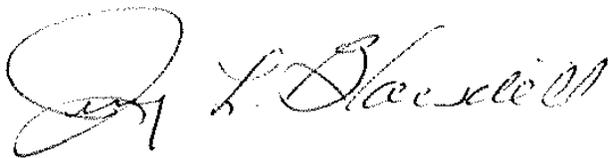
Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Weatherford for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2011. This was the 24th consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized CAFR. This report must satisfy both GAAP and applicable legal requirements.

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

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

Respectfully submitted,

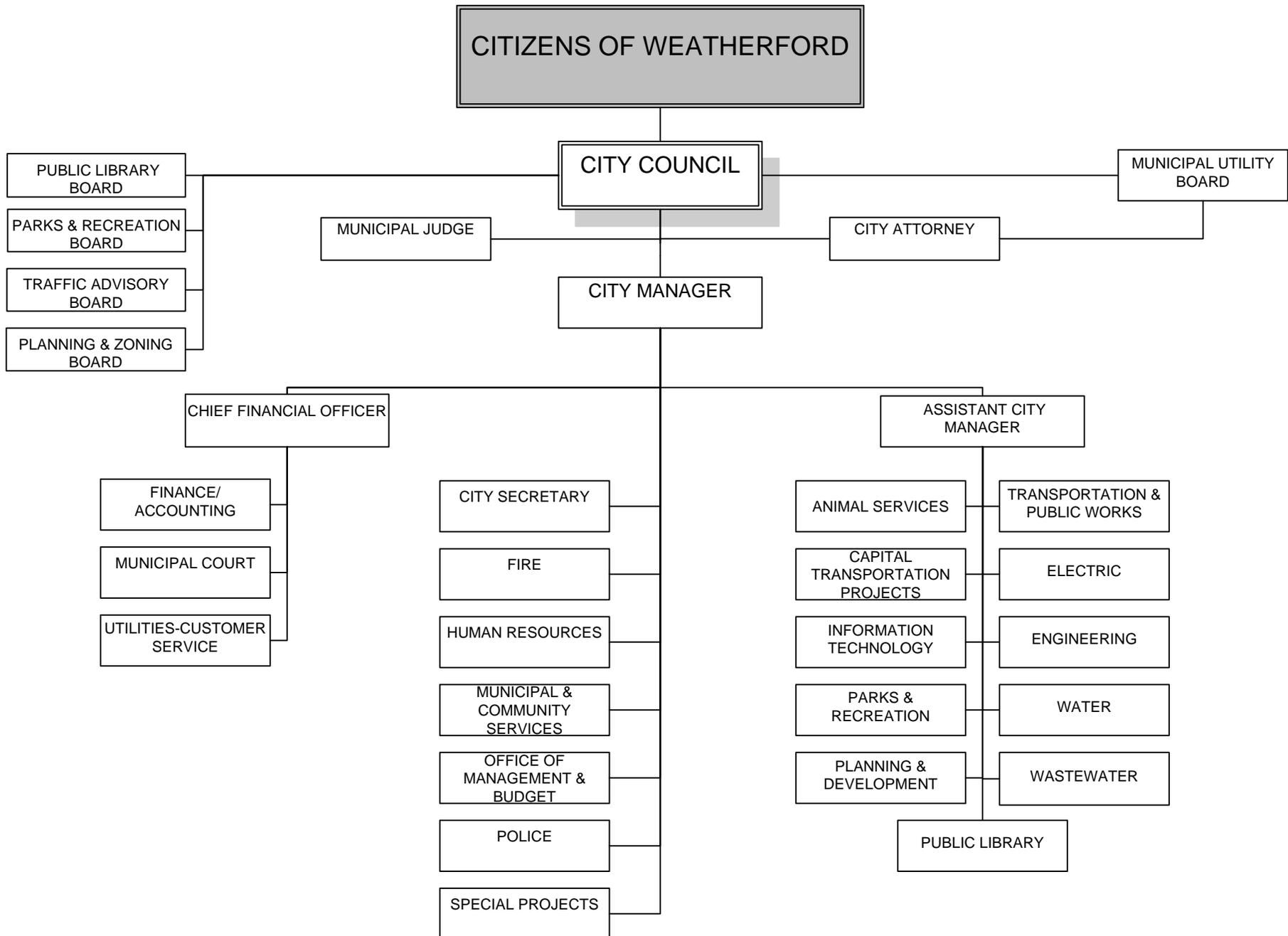


Jerry Blaisdell
City Manager



Janina Jewell
Chief Financial Officer

CITY OF WEATHERFORD, TEXAS ORGANIZATION CHART



**THE CITY OF
WEATHERFORD, TEXAS**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**YEAR ENDED
SEPTEMBER 30, 2012**

**ELECTED
CITY COUNCIL**

Dennis Hooks – Mayor

Craig Swancy – Mayor Pro Tem
Council Member

Waymon Hamilton – Council Member

Jeff Robinson – Council Member

Heidi Wilder – Council Member

**APPOINTED/DESIGNATED
MUNICIPAL UTILITY BOARD**

Dennis Hooks – Mayor – Chairman

Craig Swancy – Designated Council Member

Heidi Wilder – Designated Council Member

Ken Davis – Appointed Public Member

James Dickason – Appointed Public Member

Bob Glenn – Appointed Public Member

Howard McClurkin – Appointed Public Member

SENIOR STAFF

Jerry Blaisdell – City Manager

Sharon Hayes – Assistant City Manager

Malinda Nowell – City Secretary Ed Zellers – City Attorney

Diana Allen – Human Resources Director

Steve Bates – Municipal & Community Services Director

Dustin Deel – Interim Animal Services Director

Craig Farmer – Planning & Development Director

Danielle Felts – Parks & Recreation Director

Dale Fleeger – Library Director

Troy Garvin – Information Technology Director

Terry Hughes – Capital Transportation Projects Director

Chad Janicek – Office of Management & Budget Director

Janina Jewell – Chief Financial Officer

Mike Manning – Police Chief

Manny Palacios – Transportation & Public Works Director

Paul Rust – Fire Chief

Brent Smith – Special Projects Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to
City of Weatherford
Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2011

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



Christopher P. Morrell

President

Jeffrey R. Emer

Executive Director

FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Weatherford, Texas, as of and for the year ended September 30, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Weatherford, Texas' management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Weatherford, Texas, as of September 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2013, on our consideration of the City of Weatherford, Texas' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information and schedules of funding progress, on pages 3 through 16 and 63 through 67 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Weatherford, Texas' financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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

March 25, 2013

**MANAGEMENT'S
DISCUSSION AND ANALYSIS**

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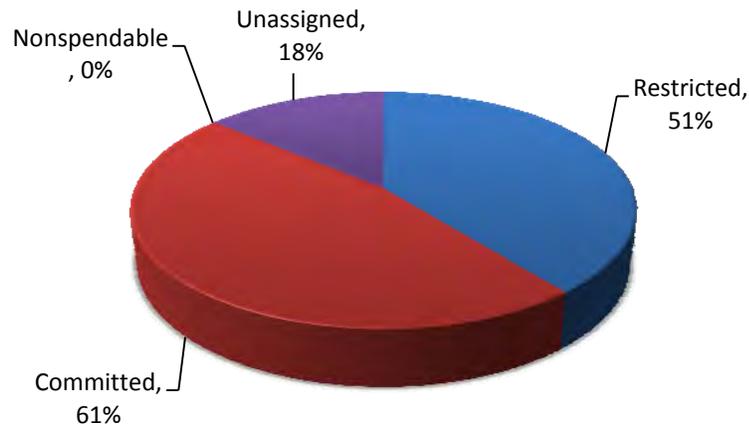
Management's Discussion and Analysis

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, 2012. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Financial Highlights

- The assets of the City of Weatherford exceeded its liabilities at the close of the most recent fiscal year by \$143,691,512 (net assets). Of this amount, \$37,108,119 (unrestricted net assets) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net assets increased by \$8,908,324. Positive operating results along with capital contributions from developers in the utility and solid waste systems resulted in an increase in net assets related to business-type activities of \$6,169,222. Net assets related to governmental activities increased by \$2,739,102, as a result of a combination of multiple increases and decreases with the most significant increase being the \$3,626,581 contractual pass through toll payment from the State of Texas Department of Transportation (TxDOT). This program is part of the overall agreement with TxDOT that the City construct the assets, once completed the assets go to the possession of the State, and then the State pays the City back over time for a portion of the assets.
- As of the close of the current fiscal year, the City of Weatherford's governmental funds reported combined ending fund balances of \$36,682,680, an increase of \$128,849 in comparison with the prior year. A variety of increases and decreases combine to make this small increase. For example, the above mentioned increase from the payment of \$3,626,581 for pass through toll program was offset with the decrease in fund balance of \$2,706,315 in capital project accounts due to the normal infrastructure capital improvements decreasing debt proceeds. The area of other financing proceeds also shows similar increases in capital leases which were offset by expenditures from implementing those lease improvements including performance contract, computer, and ball park lighting improvements. Increased revenues were offset with increased expenses overall in the governmental type funds.
- At the end of the current fiscal year, fund balance for all governmental funds totaled \$36,682,680. Approximately 18.2% of that total, \$6,693,692, is unassigned, all of which is in the general fund. This is about 26.6% of total general fund expenditures.

Government Funds Fund Balance by Type



- The City of Weatherford's total debt decreased by \$1,703,648 (1.5%) during the current fiscal year as a result normal principal retirement offset by the issuance of \$650,000 of a State Infrastructure Bank Loan, \$1,565,761 and \$195,387 for capital leases, and \$69,702 for computer leases.

Overview of the Financial Statements

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

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

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

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

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

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Weatherford uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds utilized by state and local governments can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Weatherford maintains twenty-three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and the general debt service fund which are considered to be major funds. Data from the other twenty-one governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

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

The basic governmental fund financial statements can be found on pages 20 and 22 of this report.

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

government's various functions. The City allocates costs directly to operating departments and accordingly does not account or report for any internal service funds.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the municipal utility system fund and the solid waste fund, both of which are considered to be major funds of the City. The basic proprietary fund financial statements can be found on pages 24-28 of this report.

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

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

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29-62 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 63-64 of this report. Required supplementary Information of pension and other post employee benefit funding progress are also included on pages 66 and 67.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Weatherford, assets exceeded liabilities by \$143,691,512 at the close of the most recent fiscal year.

	Governmental Activities		Business-type Activities		Totals	
	2012	2011	2012	2011	2012	2011
Current and other assets	\$ 40,952,447	\$ 40,784,264	\$ 41,852,384	\$ 38,786,354	\$ 82,804,831	\$ 79,570,618
Capital assets	<u>81,199,067</u>	<u>77,659,848</u>	<u>113,786,462</u>	<u>112,408,155</u>	<u>194,985,529</u>	<u>190,068,003</u>
Total assets	<u>122,151,514</u>	<u>118,444,112</u>	<u>155,638,846</u>	<u>151,194,509</u>	<u>277,790,360</u>	<u>269,638,621</u>
Long-term liabilities						
outstanding	82,305,916	81,481,500	42,254,160	44,047,488	124,560,076	125,528,988
Other liabilities	<u>2,994,993</u>	<u>2,851,109</u>	<u>6,543,779</u>	<u>6,475,336</u>	<u>9,538,772</u>	<u>9,326,445</u>
Total liabilities	<u>85,300,909</u>	<u>84,332,609</u>	<u>48,797,939</u>	<u>50,522,824</u>	<u>134,098,848</u>	<u>134,855,433</u>
Net assets:						
Invested in capital assets,						
net of related debt	17,007,106	17,759,659	75,402,883	70,468,654	92,409,989	88,228,313
Restricted	5,331,525	2,933,914	8,841,879	8,363,543	14,173,404	11,297,457
Unrestricted	<u>14,511,974</u>	<u>13,417,930</u>	<u>22,596,145</u>	<u>21,839,488</u>	<u>37,108,119</u>	<u>35,257,418</u>
Total net assets	\$ <u>36,850,605</u>	\$ <u>34,111,503</u>	\$ <u>106,840,907</u>	\$ <u>100,671,685</u>	\$ <u>143,691,512</u>	\$ <u>134,783,188</u>

By far the largest portion of the City of Weatherford's net assets (64.3%) reflects its investment in capital assets (land, building, infrastructure, machinery and equipment); less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City of Weatherford's net assets (9.9%) 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 \$37,108,119 (25.8%) balance of net assets 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 assets, both for the City as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

The City's total net assets increased by \$8,908,324 during the current fiscal year. Net assets related to business-type activities increased by \$6,169,222. This increase is largely attributable to positive operating results as well as capital grants and contributions from developers. Net assets related to governmental activities increased by \$2,739,102, as a result of a combination of multiple increases and decreases with the most significant increase being the \$3,626,581 for the contractual pass through toll payment from TxDOT.

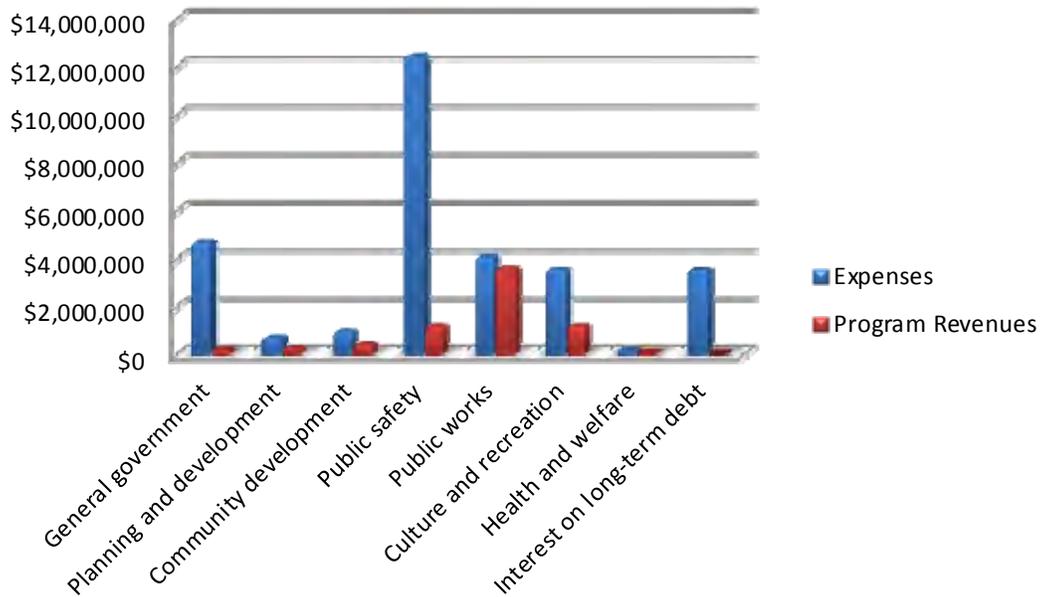
	Governmental Activities		Business-type Activities		Totals	
	2012	2011	2012	2011	2012	2011
Revenues:						
Program revenues:						
Charges for services	\$ 2,346,854	\$ 2,912,010	\$ 44,239,712	\$ 52,120,233	\$ 46,586,566	\$ 55,032,243
Operating grants and contributions	584,783	218,060	-	-	584,783	218,060
Capital grants and contributions	4,114,054	2,244,834	409,143	485,997	4,523,197	2,730,831
General revenues:						
Property taxes	8,232,881	8,095,074	-	-	8,232,881	8,095,074
Sales taxes	9,648,458	8,832,088	-	-	9,648,458	8,832,088
Other taxes	1,357,755	1,265,870	-	-	1,357,755	1,265,870
Other	341,114	529,044	572,872	264,611	913,986	793,655
Total revenues	26,625,899	24,096,980	45,221,727	52,870,841	71,847,626	76,967,821
Expenses:						
General government	4,688,501	3,398,442	-	-	4,688,501	3,398,442
Public safety	12,426,881	12,532,399	-	-	12,426,881	12,532,399
Public works	4,116,662	7,985,977	-	-	4,116,662	7,985,977
Planning and development	738,534	698,162	-	-	738,534	698,162
Community development	991,922	926,855	-	-	991,922	926,855
Health and welfare	160,169	46,764	-	-	160,169	46,764
Culture and recreational	3,579,674	3,442,335	-	-	3,579,674	3,442,335
Interest on long-term debt	3,584,869	2,758,163	-	-	3,584,869	2,758,163
Electric	-	-	21,532,861	28,530,839	21,532,861	28,530,839
Water	-	-	6,441,878	7,404,975	6,441,878	7,404,975
Wastewater	-	-	3,195,794	2,994,124	3,195,794	2,994,124
Solid waste	-	-	1,481,557	1,450,234	1,481,557	1,450,234
Total expenses	30,287,212	31,789,097	32,652,090	40,380,172	62,939,302	72,169,269
Increase (decrease) in net assets before transfers	(3,661,313)	(7,692,117)	12,569,637	12,490,669	8,908,324	4,798,552
Transfers	6,400,415	7,124,854	(6,400,415)	(7,124,854)	-	-
Increase (decrease) in net assets	2,739,102	(567,263)	6,169,222	5,365,815	8,908,324	4,798,552
Net assets, beginning	34,111,503	34,678,766	100,671,685	95,305,870	134,783,188	129,984,636
Net assets, ending	\$ 36,850,605	\$ 34,111,503	\$ 106,840,907	\$ 100,671,685	\$ 143,691,512	\$ 134,783,188

Governmental Activities. The City of Weatherford's total net assets related to governmental activities increased by \$2,739,102. Key elements of this increase are as follows:

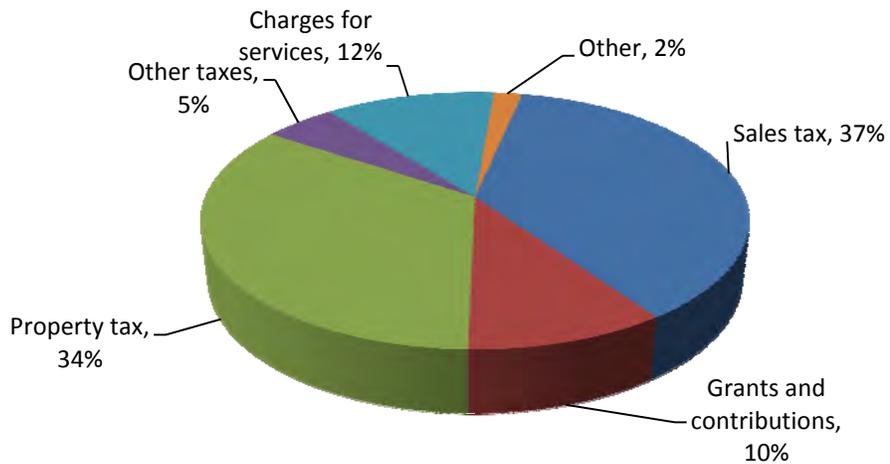
- The more than ten percent increase in revenues is primarily due to the slowly rebounding economy and grant/contractual agreements. An increase in sales tax revenues of \$816,370 (9.2%) as well as property tax assessed value increases giving an increase of \$137,807 (1.7%) offset reductions from various amounts normally received by building permits and public safety fines and fees and the one time transfers from other funds last fiscal year. Other increases came from the City receiving proceeds from TxDOT for the pass through toll project and various grants for public safety.

- Helping with the increase in governmental activity net assets was reduced expenses of \$1,501,885. Some of this was last fiscal year's contractual relinquishment of a road asset during the fiscal year to the State of Texas totaling \$3,790,310.

Expenses and Program Revenues – Governmental Activities



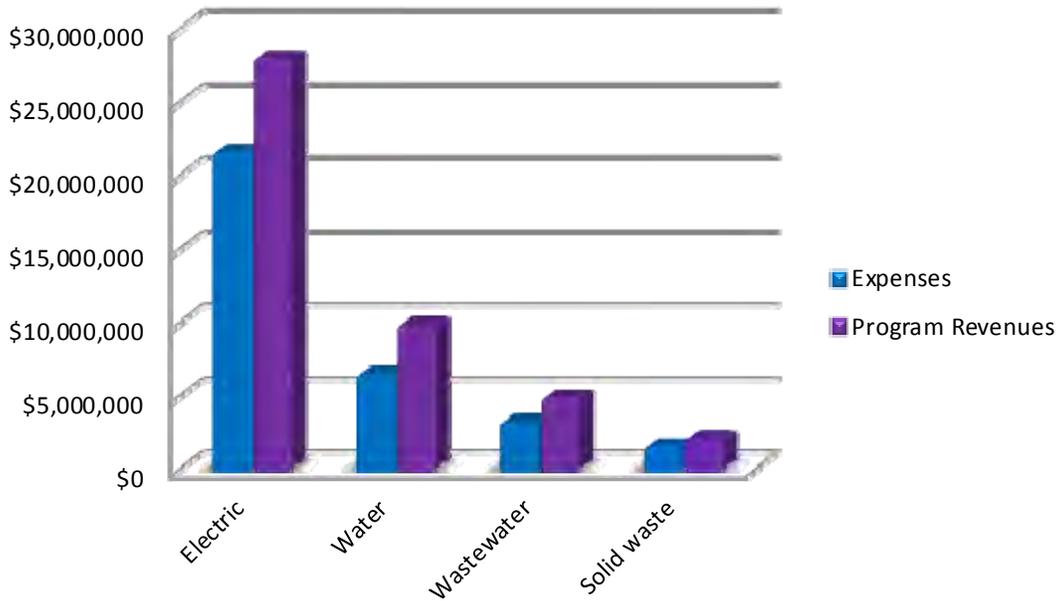
Revenues by Source – Governmental Activities



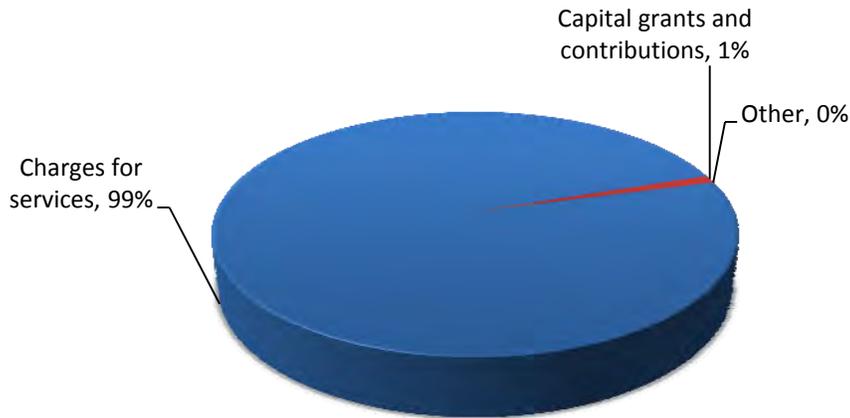
Business-Type Activities. Business-type activities increased the City of Weatherford’s net assets by \$6,169,222. Key elements of this increase are as follows:

- Revenues decreased \$7,649,114 or 14.5% under prior year revenues. This is primarily due the decreased rates and consumption in electric revenues. Power costs were significantly lower and that was passed on to customers. Consumption was also lower as the record summer temperatures of 2011 were not repeated in 2012. Water revenues were up due to the second year implementation of a three year phase-in rate structure. The rate structure primarily increased water and wastewater rates over a three year period. No changes were made to solid waste rates and electric rates were only shifted to the appropriate class of rate payer and the change was not to effect bottom line revenues of the City. Contributions have decreased \$1,411,261 or 77.5% in the past four fiscal years.
- Overall expenses decreased \$7,728,082 (-19%) compared to prior year for the business-type activities. The cost of power was reduced by \$5,892,546 (-28%) from the prior year due to continued reduced rates and the risk management plan of the City.

Expenses and Program Revenues – Business-type Activities



Revenues by Source – Business-type Activities



Financial Analysis of the City's Funds

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

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

As of the end of the current fiscal year, the City of Weatherford's governmental funds reported combined ending fund balances of \$36,682,680, an increase of \$128,849 in comparison with the prior year. A variety of increases and decreases combine to make this small increase. For example, the above mentioned increase from the payment of \$3,626,581 for pass through toll program was offset with the decrease in fund balance of \$2,706,315 in capital project accounts due to the normal infrastructure capital improvements decreasing debt proceeds. The area of other financing proceeds also shows similar increases in capital leases which were offset by expenditures from implementing those lease improvements including performance contract, computer, and ball park lighting improvements. Increased revenues in sales and property taxes were offset by continued lower public safety fines and fees and building permits. Grant revenues were up for the year in governmental funds as a large fire fighter assistance program was realized. Increased revenues were offset with increased expenses overall in the governmental type funds. Approximately 48.9% (\$17,931,403) of the fund balances constitutes either committed or unassigned fund balance, of which is available for spending at the government's discretion. Of that amount \$6,693,692 (18.2%) of the total is unassigned. Of the committed funds \$1,250,884 is designated for net OPEB obligation costs to date as detailed in Note 4, \$3,479,895 is committed to capital projects, \$204,678 is for Parks development, \$106,561 is for culture and recreation, \$96,213 is for community development and \$6,099,480 is the desired stabilization fund of 90 days' worth of general fund operation the Council retains for emergencies or unforeseen situations. The other \$18,751,277 (51.1%) of the fund balances are either nonspendable or restricted in use by an outside authority or covenant.

The general fund is the chief operating fund of the City of Weatherford. At the end of the current fiscal year, spendable and unrestricted fund balance of the general fund was \$14,044,056, while total fund balance was \$14,119,679. As a measure of the general fund's liquidity, it is useful to compare spendable, unrestricted fund balance to total fund expenditures. Spendable, unrestricted fund balance represents 55.7%, or approximately 203 days of total general fund expenditures.

The fund balance of the City's general fund increased overall by \$480,748 during the current fiscal year. Key factors in the ability to maintain a strong fund balance during these difficult times are as follows:

- The property tax rate for maintenance and operations remained the same at \$0.2920 per \$100 valuation. With the unchanged rate and slightly increased values of taxable property, the maintenance and operation portion of property tax collections increased \$83,240 for this fiscal year.
- The slowly rebounding economy is believed to be the main reason for the increase of \$816,370 in retail sales tax collections.
- After seeing an increase last year, after two years of decline, in building permit revenues, the revenue was down again for this year by \$160,464. Public safety fines and fees also took a significant drop this year, \$219,526, due to a significant drop in citations being written.
- Other financing sources did increase this year by another \$743,142. Last year the one time transfer from the solid waste fund of \$1,000,000 of landfill royalty funds for First Monday Trade Days and one-time expenses as well as an additional \$409,112 from utility transfers based on electricity and water sales due to the very hot and dry year increased other financing resources significantly over the prior year. While the transfer of landfill royalties was reduced to \$400,000 this year, other financing sources still grew as the City received \$1,072,572 from a capital lease issuance.
- While the economy is rebounding very slowly, staff and City Council continued to be conservative this year in holding budget appropriations to operate within resources and slowly bringing back those items placed on hold during the toughest economic times. Actual expenses at year-end were \$3,589,259 or 16.6% higher than the previous year. This increase does include the expenses associated with the capital lease purchase acquisitions for performance contract enhancements.

The debt service fund has a total fund balance of \$4,316,093, all of which is reserved for the payment of debt service. The net increase in fund balance during the current year in the debt service fund was \$2,283,496. This increase was mainly due to the increases from above mentioned \$3,626,581 contractual pass through toll payment from TxDOT. This program is part of the overall agreement with TxDOT that the City construct the assets, once completed the assets go to the possession of the State, and then the State pays the City back over time for a portion of the assets. This was partially offset by higher debt service payments planned on for this joint TxDOT project debt (Series 2007 Certificates of Obligation). This payment was still larger than originally expected for this time period so the City did, in fiscal year 2013, early retire an additional one million dollars of this obligation when refunding prior issuances for interest savings.

At the end of the fiscal year, the City's twelve active special revenue funds (state forfeiture, federal forfeiture, Weatherford beautification, hotel/motel tax, Chandor Gardens, SFX grant, Weatherford Aerospace grant, court technology, court security, library, animal shelter, and court juvenile case manager) had combined fund balances totaling \$1,326,736, compared to prior year balances of \$1,255,772.

The eight active capital projects funds (general capital, park capital, park development, series 2006 c.o., series 2007 g.o. bond, series 2007 c.o., series 2008 c.o., and series 2011 c.o.) had combined ending fund balances of \$16,870,051 compared to prior year balances of \$19,576,366, all of which is reserved for transportation, building, and park improvement projects. While there was a significant reduction in fund balance due to the continued construction, the City also issued \$195,387 in capital lease obligations to keep install ballpark lighting at Solider Spring Park.

The Doss permanent library fund had an ending fund balance of \$50,121, compared to the prior year balance of \$50,165.

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

Unrestricted net assets of the municipal utility fund at the end of the year amounted to \$21,144,285, compared to the prior year balance of \$20,405,148. The total growth in net assets for the municipal utility fund was \$5,950,412. Unrestricted net assets of the solid waste fund amounted to \$1,451,860 compared to \$1,434,340 in the prior year.

General Fund Budgetary Highlights

Increasing amendments to the original 2011-12 general fund annual expenditure appropriations netted to \$669,081, or less than 2.5% of the original budget. The majority of the budget amendments were to shift funds to the appropriate area. For example, the largest shift was from non-departmental where the First Monday Trade Day Grounds improvements were budgeted and, once approved, funds were shifted to the appropriate functional areas. Another major portion of the increase was the \$204,733 that established the office of management and budget for the City.

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 September 30, 2012 amounts to \$194,985,529 (net of accumulated depreciation) compared to \$190,068,003 in the prior year. Investment in capital assets related to governmental activities (\$81,199,067) 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 (\$113,786,462) 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:

- The expenditure of \$460,881 from the general capital projects fund was for completion of Town Creek Trail and professional services relating to the City’s comprehensive transportation plan.
- The \$390,189 from the park capital fund was for the new lighting of the ball fields at Solider Spring Park.
- The expenditure of \$49,012 from park development fee revenue was for painting of the bath house at Heritage Park, land purchases near Cherry Park, and shade structures for Holland Lake Park.
- \$1,076,097 was expended from the series 2007 c.o. fund and \$1,787,371 from the series 2011 c.o. fund for continued design, easement acquisition, and construction of the TxDOT transportation projects.
- Various system extensions and improvements to the City’s water, wastewater, and electric distribution system totaled \$4,757,387, of which \$409,143 represented facilities constructed by developers and dedicated to the City or for which the City was reimbursed.

City of Weatherford’s Capital Assets
(net of depreciation)

	Governmental Activities		Business-type Activities		Totals	
	2012	2011	2012	2011	2012	2011
Land	\$ 4,689,899	\$ 4,365,536	\$ 2,249,797	\$ 2,224,486	\$ 6,939,696	\$ 6,590,022
Buildings and systems Improvements other than buildings	9,244,985	8,551,243	10,949,392	10,847,300	20,194,377	19,398,543
Machinery and equipment	27,437,864	24,462,370	96,996,781	95,872,309	124,434,645	120,334,679
Infrastructure	2,154,697	2,085,774	2,477,804	2,064,046	4,632,501	4,149,820
Construction in progress	5,103,214	5,517,969	-	-	-	5,517,969
	<u>32,568,408</u>	<u>32,676,956</u>	<u>1,112,688</u>	<u>1,400,014</u>	<u>33,681,096</u>	<u>34,076,970</u>
Total capital assets	\$ <u>81,199,067</u>	\$ <u>77,659,848</u>	\$ <u>113,786,462</u>	\$ <u>112,408,155</u>	\$ <u>194,985,529</u>	\$ <u>190,068,003</u>

Additional information on the City of Weatherford’s capital assets can be found in Note 3 of this report.

Long-Term Debt. At the end of the current fiscal year the City of Weatherford had total bonded debt outstanding, including combination tax, revenue certificates of obligation, notes payable, and leases payable of \$115,967,198. Of this amount, \$33,895,000 comprises general obligation debt secured by property tax collections and backed by the full faith and credit of the City, \$41,655,000 represents combination tax and revenue certificates of obligation debt, \$37,425,000 represents bonds secured solely by revenue from the City’s combined electric, water and wastewater utility system, \$315,000 in notes payable to be paid from utility revenues, \$846,416 in State infrastructure loans payable from the utility system revenues and \$1,830,782 lease payable for performance contracting improvements, ball field lighting, and computers where \$1,241,765 is charged to governmental type funds and \$589,017 is payable from utility revenues.

City of Weatherford's Outstanding Debt

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

	Governmental Activities		Business-type Activities		Totals	
	2012	2011	2012	2011	2012	2011
	General obligation bonds	\$ 33,895,000	\$ 34,465,000	\$ -	\$ -	\$ 33,895,000
Certificates of obligation	41,655,000	42,225,000	-	-	41,655,000	42,225,000
Revenue bonds	-	-	37,425,000	40,140,000	37,425,000	40,140,000
Notes payable	-	-	1,161,416	768,931	1,161,416	768,931
Lease obligations	1,241,765	-	589,017	71,915	1,830,782	71,915
	<u>\$ 76,791,765</u>	<u>\$ 76,690,000</u>	<u>\$ 39,175,433</u>	<u>\$ 40,980,846</u>	<u>\$ 115,967,198</u>	<u>\$ 117,670,846</u>

The City of Weatherford's total debt decreased by \$1,703,648 (1.5%) during the current fiscal year as a result of normal principal retirement offset by the issuance of \$650,000 of a State Infrastructure Bank Loan, \$1,565,761 and \$195,387 for capital leases, and \$69,702 for computer leases.

The City's general obligation bonds and certificates of obligation are rated "Aa3" by Moody's Investors Service and "AA-" by Standard and Poor's Corporation at September 30, 2012. The City's combined utility system revenue debt is rated "A1" by Moody's Investors Service and "A" by Standard and Poor's Corporation at September 30, 2012.

State statutes limit the total property tax rate to \$2.50 per \$100 assessed valuation. The City's total property tax rate for 2011-12 was \$0.4636 per \$100 assessed valuation, of which \$0.1716 was for annual debt service. As a condition for issuance of additional debt, utility revenue bond covenants require net revenues of the system to be not less than 1.25 times average annual debt requirements and 1.10 times maximum annual requirements. Net utility system revenues available for debt service for the fiscal year ended September 30, 2012 were 3.43 times the annual debt service, which approximates maximum debt service.

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

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the City of Weatherford as of the fiscal year-end was 6.2%, down slightly from 7.1% in the prior year. As of the printing of this document rates were down to 5.7% for Weatherford's metropolitan area. This continues to compare favorably to national average unemployment rates.
- Sales tax collections for 2011-12 were up 9.2% from the prior year. Except for June and August, every month during the fiscal year had increased retail sales receipts compared to the prior year. No rebates for economic development were eligible, therefore allowing the City to retain all revenues. As of the printing of this document, collections for 2012-13 are above prior levels, although the rate of growth has slowed.
- New construction building permits issued decreased to 116 permits for 2011-12, after increasing last year after two years of decline. As mentioned earlier, this is continued signs of economic caution.

- The final total taxable assessed value of property within the City for the 2012 tax year increased by 0.9% from the 2011 assessed values, from almost \$1.805 billion to \$1.821 billion. This total includes new construction.
- As a result of economic development incentive agreements negotiated with Target and Lowe's Home Centers in 2003-04 as well as transportation developments with TxDOT, they and several other comparable retail stores and restaurants have either opened or are in the process of constructing stores in Weatherford at the intersection of Interstate Highway 20 and State Highways 51/171. The combined economic impact from these stores is expected to far exceed the original \$50 million estimated retail sales, \$20 million taxable property values, and the creation of more than 200 additional jobs.

All of the above factors were considered in preparing the City of Weatherford's budget for the 2012-13 fiscal year. The property tax rate remained the same at \$0.4636 per \$100 of assessed value. Sales tax collections, accounting for approximately 37.8% of general fund revenues and other financing sources, were projected to be slightly higher (1.5%) than fiscal year 2011-12 after accounting for expected rebates for economic development incentive agreements. One-time approved expenditures in the general fund total \$2,678,278. No new full-time, permanent positions were added in the 2012-13 budget. There is a planned draw down of fund balance of \$2,485,913, which covers these mentioned one-time expenses. This still leaves the City with fund balance covering more than 123 days of operating costs, which well exceeds our target of 90 days of general fund expenditures.

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

Requests for Information

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

**BASIC
FINANCIAL STATEMENTS**

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CITY OF WEATHERFORD, TEXAS

STATEMENT OF NET ASSETS

SEPTEMBER 30, 2012

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 36,856,787	\$ 21,802,864	\$ 58,659,651
Receivables (net of allowance for uncollectibles):			
Taxes	393,789	-	393,789
Accounts	573,487	5,233,931	5,807,418
Other	-	97,567	97,567
Due from other governments	1,983,031	-	1,983,031
Prepays	4,220	100	4,320
Inventories	72,003	3,400,251	3,472,254
Restricted assets:			
Cash and investments	39,935	10,943,702	10,983,637
Accrued interest	-	9,146	9,146
Deferred debt issuance cost	1,029,195	364,823	1,394,018
Capital assets:			
Land	4,689,899	2,249,797	6,939,696
Buildings	14,087,042	19,674,290	33,761,332
Improvements other than buildings	31,740,853	144,824,026	176,564,879
Infrastructure	13,159,199	-	13,159,199
Machinery and equipment	8,220,245	7,842,286	16,062,531
Construction in progress	32,568,408	1,112,688	33,681,096
Less: accumulated depreciation	(23,266,579)	(61,916,625)	(85,183,204)
Total capital assets	81,199,067	113,786,462	194,985,529
Total assets	122,151,514	155,638,846	277,790,360
LIABILITIES			
Accounts payable	807,819	1,887,026	2,694,845
Accrued liabilities	505,651	160,646	666,297
Retainage payable	1,301,405	-	1,301,405
Accrued interest	282,194	22,484	304,678
Due to other governments	50,579	-	50,579
Customer deposits and escrows	44,470	1,167,255	1,211,725
Unearned revenue	2,875	2,918,964	2,921,839
Payable from restricted assets:			
Accrued interest	-	149,904	149,904
Revenue bonds payable-due within one year	-	237,500	237,500
Noncurrent liabilities:			
Due within one year	2,872,976	3,152,622	6,025,598
Due in more than one year	79,432,940	39,101,538	118,534,478
Total liabilities	85,300,909	48,797,939	134,098,848
NET ASSETS			
Invested in capital assets, net of related debt	17,007,106	75,402,883	92,409,989
Restricted for:			
Construction	-	4,381,741	4,381,741
Debt service	4,130,215	4,460,138	8,590,353
Culture and recreation:			
Expendable	121	-	121
Nonexpendable	50,000	-	50,000
Public safety	514,425	-	514,425
Community development	636,764	-	636,764
Unrestricted	14,511,974	22,596,145	37,108,119
Total net assets	\$ 36,850,605	\$ 106,840,907	\$ 143,691,512

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

CITY OF WEATHERFORD, TEXAS

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2012

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 4,688,501	\$ 195,897	\$ -	\$ -
Public safety	12,426,881	770,585	441,552	16,500
Public works	4,116,662	7,240	-	3,626,581
Planning and development	738,534	263,220	-	-
Community development	991,922	438,947	-	-
Health and welfare	160,169	49,010	-	-
Cultural and recreation	3,579,674	621,955	143,231	470,973
Interest on long-term debt	3,584,869	-	-	-
Total governmental activities	<u>30,287,212</u>	<u>2,346,854</u>	<u>584,783</u>	<u>4,114,054</u>
Business-type activities:				
Electric	21,532,861	27,763,091	-	136,003
Water	6,441,878	9,675,600	-	151,570
Wastewater	3,195,794	4,719,203	-	121,570
Sanitation	1,481,557	2,081,818	-	-
Total business-type activities	<u>32,652,090</u>	<u>44,239,712</u>	<u>-</u>	<u>409,143</u>
Total primary government	<u>\$ 62,939,302</u>	<u>\$ 46,586,566</u>	<u>\$ 584,783</u>	<u>\$ 4,523,197</u>
General revenues:				
Taxes:				
Property				
Sales				
Other				
Grants and contributions not restricted to specific programs				
Investment earnings				
Royalties				
Miscellaneous				
Transfers				
Total general revenues and transfers				
Change in net assets				
Net assets, beginning				
Net assets, ending				

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

Net (Expense) Revenue and Changes in Net Assets

Primary Government		
Governmental Activities	Business-type Activities	Total
\$(4,492,604)	\$ -	\$(4,492,604)
(11,198,244)	-	(11,198,244)
(482,841)	-	(482,841)
(475,314)	-	(475,314)
(552,975)	-	(552,975)
(111,159)	-	(111,159)
(2,343,515)	-	(2,343,515)
(3,584,869)	-	(3,584,869)
<u>(23,241,521)</u>	<u>-</u>	<u>(23,241,521)</u>
-	6,366,233	6,366,233
-	3,385,292	3,385,292
-	1,644,979	1,644,979
-	600,261	600,261
<u>-</u>	<u>11,996,765</u>	<u>11,996,765</u>
<u>(23,241,521)</u>	<u>11,996,765</u>	<u>(11,244,756)</u>
8,232,881	-	8,232,881
9,648,458	-	9,648,458
1,357,755	-	1,357,755
18,626	-	18,626
57,691	49,858	107,549
189,800	523,014	712,814
74,997	-	74,997
<u>6,400,415</u>	<u>(6,400,415)</u>	<u>-</u>
<u>25,980,623</u>	<u>(5,827,543)</u>	<u>20,153,080</u>
2,739,102	6,169,222	8,908,324
<u>34,111,503</u>	<u>100,671,685</u>	<u>134,783,188</u>
<u>\$ 36,850,605</u>	<u>\$ 106,840,907</u>	<u>\$ 143,691,512</u>

CITY OF WEATHERFORD, TEXAS

BALANCE SHEET

GOVERNMENTAL FUNDS

SEPTEMBER 30, 2012

	General	Debt Service	Other Governmental	Total Governmental Funds
ASSETS				
Cash and investments	\$ 12,936,296	\$ 4,249,233	\$ 19,671,258	\$ 36,856,787
Restricted cash and investments	39,935	-	-	39,935
Receivables (net of allowance for uncollectibles of \$612,802):				
Taxes	297,472	96,317	-	393,789
Accounts	404,127	-	169,360	573,487
Due from other governments	1,703,977	-	279,054	1,983,031
Prepays	3,620	-	600	4,220
Due from other funds	-	67,159	-	67,159
Inventories	72,003	-	-	72,003
 Total assets	\$ 15,457,430	\$ 4,412,709	\$ 20,120,272	\$ 39,990,411
 LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	277,702	300	529,817	807,819
Retainage payable	-	-	1,301,405	1,301,405
Accrued liabilities	478,484	-	27,167	505,651
Deposits and escrows	32,370	-	12,100	44,470
Due to other governments	50,579	-	-	50,579
Due to other funds	67,159	-	-	67,159
Deferred revenue	431,457	96,316	2,875	530,648
Total liabilities	1,337,751	96,616	1,873,364	3,307,731
Fund balances:				
Nonspendable				
Doss library	-	-	50,000	50,000
Prepays	3,620	-	-	3,620
Inventory	72,003	-	-	72,003
Restricted for:				
Capital projects	-	-	13,158,251	13,158,251
Debt service	-	4,316,093	-	4,316,093
Culture and recreation	-	-	121	121
Public safety	-	-	514,425	514,425
Community development	-	-	636,764	636,764
Committed:				
Other post employee benefits	1,250,884	-	-	1,250,884
Stabilization arrangement	6,099,480	-	-	6,099,480
Capital projects	-	-	3,479,895	3,479,895
Park development	-	-	204,678	204,678
Culture and recreation	-	-	106,561	106,561
Community development	-	-	96,213	96,213
Unassigned	6,693,692	-	-	6,693,692
Total fund balances	14,119,679	4,316,093	18,246,908	36,682,680
 Total liabilities and fund balances	\$ 15,457,430	\$ 4,412,709	\$ 20,120,272	\$ 39,990,411

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

CITY OF WEATHERFORD, TEXAS

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

SEPTEMBER 30, 2012

Total fund balances - governmental funds balance sheet	\$ 36,682,680
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	81,199,067
Other long-term assets are not available to pay for current period expenditures, and, therefore are deferred in the funds.	527,773
Some liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(81,558,915)</u>
Net assets of governmental activities - statement of net assets	\$ <u>36,850,605</u>

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

CITY OF WEATHERFORD, TEXAS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	General	Debt Service	Other Governmental	Total Governmental Funds
REVENUES				
Taxes	\$ 15,603,501	\$ 3,050,306	\$ 602,256	\$ 19,256,063
Licenses and permits	421,801	-	-	421,801
Intergovernmental	702,814	3,626,581	399,180	4,728,575
Charges for services	971,522	-	115,042	1,086,564
Fines and forfeitures	494,797	-	120,827	615,624
Contributions	-	-	125,387	125,387
Royalties and rental	1,610	-	188,190	189,800
Investment earnings	23,240	4,900	29,551	57,691
Miscellaneous	91,211	-	61,112	152,323
Total revenues	18,310,496	6,681,787	1,641,545	26,633,828
EXPENDITURES				
Current:				
General government	4,269,043	-	205,305	4,474,348
Public safety	11,603,607	-	88,656	11,692,263
Public works	2,578,944	-	61,340	2,640,284
Planning and development	717,003	-	-	717,003
Community development	926,208	-	7,008	933,216
Health and welfare	122,774	-	-	122,774
Cultural and recreation	2,547,332	-	449,717	2,997,049
Capital outlay	2,408,427	-	3,659,681	6,068,108
Debt service:				
Principal retirement	26,194	1,140,000	-	1,166,194
Interest and fiscal charges	-	3,466,410	-	3,466,410
Total expenditures	25,199,532	4,606,410	4,471,707	34,277,649
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(6,889,036)	2,075,377	(2,830,162)	(7,643,821)
OTHER FINANCING SOURCES (USES)				
Issuance of capital lease	1,072,572	-	195,387	1,267,959
Sale of capital assets	3,272	-	7,182	10,454
Proceeds from insurance	93,842	-	-	93,842
Transfers in	6,400,415	208,119	240,821	6,849,355
Transfers out	(200,317)	-	(248,623)	(448,940)
Total other financing sources and uses	7,369,784	208,119	194,767	7,772,670
NET CHANGE IN FUND BALANCES	480,748	2,283,496	(2,635,395)	128,849
FUND BALANCES, BEGINNING	13,638,931	2,032,597	20,882,303	36,553,831
FUND BALANCES, ENDING	\$ 14,119,679	\$ 4,316,093	\$ 18,246,908	\$ 36,682,680

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

CITY OF WEATHERFORD, TEXAS

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

FOR THE YEAR ENDED SEPTEMBER 30, 2012

Net change in fund balances - total governmental funds:		\$	128,849
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.			3,525,721
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net assets.			13,498
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
Property taxes	(16,969)	
Court fines	(<u>7,460</u>)	
	(24,429)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also governmental funds report the issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.			(220,224)
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>684,313</u>)
Change in net assets of governmental activities		\$	<u>2,739,102</u>

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

CITY OF WEATHERFORD, TEXAS

STATEMENT OF NET ASSETS

ENTERPRISE FUNDS

SEPTEMBER 30, 2012

	Business-type Activities - Enterprise Funds		
	Municipal Utility System	Solid Waste	Total
ASSETS			
Current assets			
Unrestricted assets			
Cash and cash equivalents	\$ 16,935,547	\$ 1,676,387	\$ 18,611,934
Investments	3,190,930	-	3,190,930
Receivables:			
Accounts, net of allowances for uncollectible accounts of \$2,527,265	3,134,422	1,451	3,135,873
Earned but unbilled customer accounts	1,996,169	101,889	2,098,058
Other	97,567	-	97,567
Prepays	100	-	100
Inventory	3,382,022	18,229	3,400,251
Restricted assets			
Cash and cash equivalents	8,862,452	-	8,862,452
Investments	2,081,250	-	2,081,250
Accrued interest	9,146	-	9,146
Total current assets	39,689,605	1,797,956	41,487,561
Noncurrent assets			
Deferred charges	364,823	-	364,823
Capital assets			
Land	2,249,797	-	2,249,797
Construction in progress	1,112,688	-	1,112,688
Buildings and improvements	19,476,681	197,609	19,674,290
Other improvements	144,813,449	10,577	144,824,026
Machinery and equipment	6,862,309	979,977	7,842,286
Less: accumulated depreciation	(61,328,404)	(588,221)	(61,916,625)
Total noncurrent assets	113,551,343	599,942	114,151,285
Total assets	153,240,948	2,397,898	155,638,846

(continued)

CITY OF WEATHERFORD, TEXAS

STATEMENT OF NET ASSETS

ENTERPRISE FUNDS

(Continued)

SEPTEMBER 30, 2012

	Business-type Activities - Enterprise Funds		
	Municipal Utility System	Solid Waste	Total
LIABILITIES			
Current liabilities (payable from current assets):			
Accounts payable	\$ 1,847,859	\$ 39,167	\$ 1,887,026
Accrued wages	131,626	29,020	160,646
Accrued interest	22,484	-	22,484
Unearned revenue	2,918,964	-	2,918,964
Customer deposits	1,167,255	-	1,167,255
Notes payable	256,135	-	256,135
Capital lease payable	57,334	-	57,334
Revenue bonds payable	2,678,408	-	2,678,408
Compensated absences	145,549	15,196	160,745
Current liabilities (payable from restricted assets):			
Accrued interest	149,904	-	149,904
Revenue bonds payable- current	237,500	-	237,500
Total current liabilities	9,613,018	83,383	9,696,401
Noncurrent liabilities			
Notes payable	905,281	-	905,281
Capital lease payable	531,683	-	531,683
Revenue bonds payable	35,395,599	-	35,395,599
Compensated absences	824,778	86,114	910,892
Net pension obligation	516,402	57,919	574,321
Net OPEB obligation	665,082	118,680	783,762
Total noncurrent liabilities	38,838,825	262,713	39,101,538
Total liabilities	48,451,843	346,096	48,797,939
NET ASSETS			
Invested in capital assets, net of related debt	74,802,941	599,942	75,402,883
Restricted for:			
Construction	4,381,741	-	4,381,741
Debt service	4,460,138	-	4,460,138
Unrestricted	21,144,285	1,451,860	22,596,145
Total net assets	\$ 104,789,105	\$ 2,051,802	\$ 106,840,907

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

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CITY OF WEATHERFORD, TEXAS
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET ASSETS
ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Business-type Activities - Enterprise Funds		
	Municipal Utility System	Solid Waste	Total
OPERATING REVENUES			
Electric sales	\$ 27,231,266	\$ -	\$ 27,231,266
Electric services	421,194	-	421,194
Water sales	8,418,620	-	8,418,620
Water services	38,582	-	38,582
Wastewater services	4,481,825	-	4,481,825
Sanitation services	-	2,036,818	2,036,818
Total operating revenues	<u>40,591,487</u>	<u>2,036,818</u>	<u>42,628,305</u>
OPERATING EXPENSES			
Personal services	4,863,596	876,077	5,739,673
Contractual services	3,047,899	201,173	3,249,072
Purchased power	15,092,644	-	15,092,644
Materials and supplies	1,776,323	288,894	2,065,217
Depreciation	4,477,723	115,413	4,593,136
Total operating expenses	<u>29,258,185</u>	<u>1,481,557</u>	<u>30,739,742</u>
OPERATING INCOME	<u>11,333,302</u>	<u>555,261</u>	<u>11,888,563</u>
NONOPERATING REVENUES (EXPENSES)			
Investment earnings	47,769	2,089	49,858
Miscellaneous	42,346	45,000	87,346
Rentals	1,013,765	-	1,013,765
Royalties	-	523,014	523,014
Interest and fiscal charges	(1,912,348)	-	(1,912,348)
Total nonoperating revenues (expenses)	<u>(808,468)</u>	<u>570,103</u>	<u>(238,365)</u>
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	10,524,834	1,125,364	11,650,198
Capital contributions	919,439	-	919,439
Transfers in	41,581	-	41,581
Transfers out	(5,535,442)	(906,554)	(6,441,996)
CHANGE IN NET ASSETS	5,950,412	218,810	6,169,222
NET ASSETS, BEGINNING	<u>98,838,693</u>	<u>1,832,992</u>	<u>100,671,685</u>
NET ASSETS, ENDING	<u>\$ 104,789,105</u>	<u>\$ 2,051,802</u>	<u>\$ 106,840,907</u>

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

CITY OF WEATHERFORD, TEXAS
STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Business-type Activities - Enterprise Funds		
	Municipal Utility System	Solid Waste	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 41,978,592	\$ 2,036,602	\$ 44,015,194
Cash paid to employees for services	(4,797,916)	(837,271)	(5,635,187)
Cash paid to suppliers for goods and services	(20,695,249)	(506,467)	(21,201,716)
Net cash provided by operating activities	<u>16,485,427</u>	<u>692,864</u>	<u>17,178,291</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Cash received from rentals	1,013,765	-	1,013,765
Cash received from royalties	-	523,014	523,014
Cash received from miscellaneous items	42,346	45,000	87,346
Transfers from other funds	41,581	-	41,581
Transfers to other funds	(5,535,442)	(906,554)	(6,441,996)
Net cash used by noncapital financing activities	<u>(4,437,750)</u>	<u>(338,540)</u>	<u>(4,776,290)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from long-term debt	1,212,891	-	1,212,891
Proceeds from developers for contributions in aid of construction	510,296	-	510,296
Principal payments on long-term debt	(3,018,304)	-	(3,018,304)
Acquisition and construction of capital assets	(5,256,582)	(316,703)	(5,573,285)
Interest and fiscal charges on debt	(1,934,748)	-	(1,934,748)
Net cash used by capital and related financing activities	<u>(8,486,447)</u>	<u>(316,703)</u>	<u>(8,803,150)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	89,560	2,089	91,649
Purchase of investments	(1,271,349)	-	(1,271,349)
Net cash provided (used) by investing activities	<u>(1,181,789)</u>	<u>2,089</u>	<u>(1,179,700)</u>
NET INCREASE IN CASH	2,379,441	39,710	2,419,151
CASH AND CASH EQUIVALENTS, BEGINNING	<u>23,418,558</u>	<u>1,636,677</u>	<u>25,055,235</u>
CASH AND CASH EQUIVALENTS, ENDING	<u>\$ 25,797,999</u>	<u>\$ 1,676,387</u>	<u>\$ 27,474,386</u>
RECONCILIATION OF TOTAL CASH AND CASH EQUIVALENTS			
Current assets - cash and cash equivalents	\$ 16,935,547	\$ 1,676,387	\$ 18,611,934
Restricted assets - cash and cash equivalents	<u>8,862,452</u>	<u>-</u>	<u>8,862,452</u>
Total cash and cash equivalents	<u>\$ 25,797,999</u>	<u>\$ 1,676,387</u>	<u>\$ 27,474,386</u>

(continued)

CITY OF WEATHERFORD, TEXAS
STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
(Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Business-type Activities - Enterprise Funds		
	Municipal Utility System	Solid Waste	Total
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating income	\$ 11,333,302	\$ 555,261	\$ 11,888,563
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	4,477,723	115,413	4,593,136
(Increase) decrease in accounts receivable	352,680	(216)	352,464
(Increase) decrease in unbilled accounts	364,169	(7,721)	356,448
(Increase) decrease in inventory	(203,537)	(7,497)	(211,034)
(Increase) decrease in prepaids	35,082	-	35,082
Increase (decrease) in accounts payable	(609,928)	(1,182)	(611,110)
Increase (decrease) in accrued wages payable	1,204	8,632	9,836
Increase (decrease) in unearned revenue	605,369	-	605,369
Increase (decrease) in customer deposits	64,887	-	64,887
Increase (decrease) in compensated absences	(159,239)	(7,558)	(166,797)
Increase (decrease) in net pension obligation	54,080	7,376	61,456
Increase (decrease) in net OPEB obligation	<u>169,635</u>	<u>30,356</u>	<u>199,991</u>
Net cash provided by operating activities	<u>\$ 16,485,427</u>	<u>\$ 692,864</u>	<u>\$ 17,178,291</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES			
Capital contributions from developers	\$ 409,143	\$ -	\$ 409,143
Change in fair value of investments	47,769	-	47,769

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

CITY OF WEATHERFORD, TEXAS

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2012

I. SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Weatherford, Texas (the City) was incorporated January 2, 1858, and became a home rule city on April 23, 1918. The City operates as a home rule City, under a Council-Manager form of government and provides the following services as authorized by its charter: public safety (police and fire), highways and streets, water, electric and sewer utilities, sanitation, health and social services, parks and recreation, public improvements, planning and zoning, and general administrative services. The City Council consists of an elected Mayor and four Council members. The City of Weatherford Municipal Utility System (the "Utility System") Board of Trustees, consisting of the Mayor, two Council members, and four trustees appointed by the Council, exercises management control of the electric, water, and wastewater systems that serve the City. The setting of rates for user charges and bond issuances authorizations require approval by the Council. The City also retains title to all property of the system.

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

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements; 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.

(continued)

I. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be *available* when it is collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenue to be available if collected within 30 days of the end of the current fiscal period. Property taxes availability period is considered to be 60 days. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The City has selected the option to not follow private sector standards of accounting and financial reporting issued subsequent to November 30, 1989, for its propriety activities.

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

The City reports the following major governmental funds:

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

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

(continued)

I. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The City reports the following major proprietary funds:

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

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

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

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

(continued)

I. SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Net Assets or Equity

1. Cash, Cash Equivalents, and Investments

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

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

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

2. Property Taxes

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

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

The City is permitted by Article XI, Section 5 of the State of Texas Constitution to levy taxes up to \$2.50 per \$100 of assessed valuation for general governmental services including the payment of principal and interest. The combined tax rate to finance general governmental service and debt service for the year ended September 30, 2012, was \$.4636 per \$100 of assessed valuation. The assessed value upon which the completed fiscal 2011 levy was based was approximately \$1,854,430,100.

(continued)

I. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

3. Restricted assets

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

4. Inventory

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

5. Capital Assets

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

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

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

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

(continued)

I. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

5. Capital Assets (Continued)

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

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

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

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

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

7. Long-term Obligations

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

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

(continued)

I. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

8. Interfund Receivables/Payables

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

9. Interfund Services Provided and Used

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

10. Fund Balance

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

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

(continued)

I. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

10. Fund Balance (Continued)

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

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

(continued)

I. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

11. Net Assets

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

12. Use of Estimates

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

13. Concentration of Credit Risk

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

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net assets – governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains, “Some liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.” The details of this \$(81,558,915) difference are as follows:

(continued)

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

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

Bonds payable	\$(75,550,000)
Capital lease	(1,241,765)
Deferred charge for issuance costs (to be amortized over life of debt)	1,029,195
Deferred loss on refunding	1,244,389
Issuance premium (to be amortized as interest expense)	(558,447)
Accrued interest payable	(282,194)
Compensated absences	(3,075,580)
Net pension obligation	(1,438,871)
Net OPEB obligation	<u>(1,685,642)</u>
 Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	 <u><u>\$(81,558,915)</u></u>

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

The governmental fund statement of revenue, expenditures and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental fund* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains, “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$3,525,721 difference are as follows:

Capital outlay	\$ 6,290,287
Depreciation expense	<u>(2,764,566)</u>
 Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	 <u><u>\$ 3,525,721</u></u>

Another element of that reconciliation states, “The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net assets.” The details of this \$13,498 difference are as follows:

(continued)

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

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

Donations of capital assets	\$ 16,500
Sale of capital assets	<u>(3,002)</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ 13,498</u>

Another element of that reconciliation states, “The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$(220,224) difference are as follows:

Principal repayments	\$ 1,166,194
Issuance of capital lease	(1,267,959)
Accrued interest	(6,233)
Amortization of issuance costs	(73,888)
Amortization of deferred loss on refunding	(82,959)
Amortization of bond premium	<u>44,621</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$(220,224)</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 \$(675,973) difference are as follows:

Compensated absences	\$(70,684)
Pension cost	(186,560)
OPEB cost	<u>(418,729)</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$(675,973)</u>

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

Description	Maturity Date	Market Value 09/30/12	% of Total	Weighted Average Maturity (Days)
Local Government Investment				
Pools (2a-7 like pools):				
TexPool	N/A	\$ 28,137,496	44.15%	41
TexStar	N/A	22,268,428	34.94%	49
U. S. Government Securities:				
U.S. Treasury Note	08/13/14	2,081,250	3.27%	316
Federal Home Loan Mortgage Corp	12/28/12	2,002,820	3.14%	89
Federal Home Loan Mortgage Corp	03/28/13	2,507,275	3.93%	179
Federal Home Loan Mortgage Corp	01/15/13	1,012,190	1.59%	107
Federal Home Loan Mortgage Corp	03/21/14	1,000,200	1.57%	537
Federal Home Loan Bank	03/20/13	1,006,870	1.58%	171
Federal Home Loan	09/27/13	1,038,510	1.63%	362
Federal Home Loan Mortgage Corp	08/20/14	660,385	1.04%	689
Federal National Mortgage Association	08/28/14	1,010,950	1.59%	332
Federal Home Loan Bank	02/24/14	<u>1,000,340</u>	<u>1.57%</u>	512
Total		<u>13,320,790</u>	<u>20.90%</u>	
Total all investments		<u>\$ 63,726,714</u>	<u>100.00%</u>	

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

Credit Risk: Safety of principal is the primary objective of the City’s investment policy. To address this objective the City tries to mitigate credit risk (or default risk) by limiting its investments to only those investments that have been issued one of the top ratings by a nationally recognized credit rating agency. As of September 30, 2012, the City’s investment in TexPool and TexStar were rated AAAM by Standard & Poor’s and the U. S. Government Securities were rated AAA by Moody.

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

(continued)

III. DETAILED NOTES ON ALL FUNDS (Continued)

A. Deposits and Investments (Continued)

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

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

The Texas Short-term Asset Reserve Program, TexStar, is managed by a five-member Board of Directors in accordance with its bylaws which set forth procedures governing the selection of, and actions taken by the Board. Board oversight is maintained through daily, weekly, and monthly reporting contracts. Administration of TexStar is maintained by JP Morgan Chase, Inc. and First Southwest Asset Management, Inc. who serve as co-administrators for TexStar under contract with the Board. The contract may be extended periodically to a term of two years or less. In accordance with the Public Funds Investment Act, TexStar maintains an advisory board. The members of the Board are composed of participants and other persons who do not have a business relationship with TexStar. Members are appointed and serve at the will of the Board of Directors. TexStar is rated AAAM by Standard & Poor's and operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. All investments are stated at amortized cost rather than market value. Accordingly, the fair value of the position in TexStar is the same as the value of the TexStar shares.

(continued)

III. DETAILED NOTES ON ALL FUNDS (Continued)

A. Deposits and Investments (Continued)

As of September 30, 2012, the City held restricted cash and investments of \$10,983,637 for the following purposes:

Governmental activities:	
Capital asset purchase	\$ 39,935
Business-type activities:	
Revenue bond debt service	838,690
Revenue bond reserve	3,999,706
Construction	1,701,150
Water impact fee	2,660,393
Wastewater impact fee	1,721,348
Capital asset purchase	<u>22,415</u>
Total business-type activities	<u>10,943,702</u>
 Total restricted cash and investments	 <u>\$ 10,983,637</u>

B. Interfund Receivables, Payables and Transfers

The composition of interfund balances as of September 30, 2012, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Debt service	General	\$ 67,159

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

Interfund transfers during the year were as follows:

	<u>Transfers In</u>				<u>Total</u>
	<u>General</u>	<u>Debt Service</u>	<u>Nonmajor Governmental</u>	<u>Municipal Utility System</u>	
Transfers Out:					
General	\$ -	\$ 64,564	\$ 135,753	\$ -	\$ 200,317
Municipal utility system	5,535,442	-	-	-	5,535,442
Solid waste	864,973	-	-	41,581	906,554
Nonmajor governmental	<u>-</u>	<u>143,555</u>	<u>105,068</u>	<u>-</u>	<u>248,623</u>
 Total Transfers	 <u>\$ 6,400,415</u>	 <u>\$ 208,119</u>	 <u>\$ 240,821</u>	 <u>\$ 41,581</u>	 <u>\$ 6,890,936</u>

(continued)

III. DETAILED NOTES ON ALL FUNDS (Continued)

B. Interfund Receivables, Payables and Transfers (Continued)

Transfers are generally used 1) to transfer franchise fees to the General Fund from the Utility System Fund; 2) to transfer funds from the Utility System Fund to the General Fund for return on investment of the City owned utility system; 3) to transfer funds from the Solid Waste Fund to the General Fund for upkeep of the roads used by Solid Waste during their collection and disposal services; 4) to transfer funds from the General Fund to fund various capital projects; and 5) to transfer funds from the proprietary funds to the General Fund for administrative services provided by the General Fund.

C. Capital Assets

Capital asset activity for the year ended September 30, 2012, was as follows:

	Beginning Balance	Additions	Transfers/ Retirements	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 4,365,536	\$ 324,363	\$ -	\$ 4,689,899
Construction in progress	32,676,956	3,785,019	(3,893,567)	32,568,408
Total assets not being depreciated	<u>37,042,492</u>	<u>4,109,382</u>	<u>(3,893,567)</u>	<u>37,258,307</u>
Capital assets, being depreciated:				
Buildings and improvements	13,083,891	1,056,738	(53,587)	14,087,042
Infrastructure	13,115,520	43,679	-	13,159,199
Other improvements	27,420,489	426,797	3,893,567	31,740,853
Machinery and equipment	7,659,405	670,191	(109,351)	8,220,245
Total capital assets being depreciated	<u>61,279,305</u>	<u>2,197,405</u>	<u>3,730,629</u>	<u>67,207,339</u>
Less accumulated depreciation:				
Buildings and improvements	(4,532,648)	(359,995)	50,586	(4,842,057)
Infrastructure	(7,597,551)	(458,434)	-	(8,055,985)
Other improvements	(2,958,119)	(1,344,870)	-	(4,302,989)
Machinery and equipment	(5,573,631)	(601,267)	109,350	(6,065,548)
Total accumulated depreciation	<u>(20,661,949)</u>	<u>(2,764,566)</u>	<u>159,936</u>	<u>(23,266,579)</u>
Total capital assets being depreciated, net	<u>40,617,356</u>	<u>(567,161)</u>	<u>3,890,565</u>	<u>43,940,760</u>
Governmental activities capital assets, net	<u>\$ 77,659,848</u>	<u>\$ 3,542,221</u>	<u>\$(3,002)</u>	<u>\$ 81,199,067</u>

(continued)

III. DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital Assets (Continued)

	Beginning Balance	Additions	Transfers/ Retirements	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 2,224,486	\$ 25,311	\$ -	\$ 2,249,797
Construction in progress	1,400,014	1,153,409	(1,440,735)	1,112,688
Total assets not being depreciated	<u>3,624,500</u>	<u>1,178,720</u>	<u>(1,440,735)</u>	<u>3,362,485</u>
Capital assets, being depreciated:				
Buildings and improvements	19,128,588	545,702	-	19,674,290
Other improvements	140,236,881	3,275,827	1,311,318	144,824,026
Machinery and equipment	7,156,658	980,858	(295,230)	7,842,286
Total capital assets being depreciated	<u>166,522,127</u>	<u>4,802,387</u>	<u>1,016,088</u>	<u>172,340,602</u>
Less accumulated depreciation:				
Buildings and improvements	(8,281,288)	(443,610)	-	(8,724,898)
Other improvements	(44,364,572)	(3,585,415)	122,742	(47,827,245)
Machinery and equipment	(5,092,612)	(564,111)	292,241	(5,364,482)
Total accumulated depreciation	<u>(57,738,472)</u>	<u>(4,593,136)</u>	<u>414,983</u>	<u>(61,916,625)</u>
Total capital assets being depreciated, net	<u>108,783,655</u>	<u>209,251</u>	<u>1,431,071</u>	<u>110,423,977</u>
Business-type activities capital assets, net	<u>\$ 112,408,155</u>	<u>\$ 1,387,971</u>	<u>\$(9,664)</u>	<u>\$ 113,786,462</u>

The City capitalized interest expense of \$24,406 on various construction projects in progress during the year. For the year ended September 30, 2012, the Municipal Utility System's total amount of interest expense was \$1,912,348.

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

Governmental activities:	
General government	\$ 176,351
Public safety	438,838
Public works	1,606,072
Planning and development	5,497
Community development	31,507
Cultural and recreational	<u>506,301</u>
Total depreciation expense - governmental activities	<u>\$ 2,764,566</u>
Business-type activities:	
Electric	\$ 1,734,954
Water	1,864,608
Wastewater	878,161
Sanitation	<u>115,413</u>
Total depreciation expense - business-type activities	<u>\$ 4,593,136</u>

(continued)

III. DETAILED NOTES ON ALL FUNDS (Continued)

D. Deferred Revenue

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

	<u>Unavailable</u>	<u>Unearned</u>
General fund		
Delinquent property taxes receivable	\$ 174,581	\$ -
Court fines	<u>256,876</u>	<u>-</u>
Total general fund	<u>431,457</u>	<u>-</u>
Debt service fund		
Delinquent property taxes receivable	<u>96,316</u>	<u>-</u>
Total debt service fund	<u>96,316</u>	<u>-</u>
Nonmajor governmental		
Grant	-	1,864
Miscellaneous	<u>-</u>	<u>1,011</u>
Total nonmajor government funds	<u>-</u>	<u>2,875</u>
Total governmental funds	<u>\$ 527,773</u>	<u>\$ 2,875</u>

(continued)

III. DETAILED NOTES ON ALL FUNDS (Continued)

E. Bonds and Certificates of Obligation Payable

Bonds and certificates of obligation payable at September 30, 2012, consist of the following individual issues:

Governmental activities

\$1,800,000 2002 Certificates of Obligation, to acquire and improve property for a convention center, due in annual installments through March 1, 2022, 4.80% - 5.50%.	\$ 1,130,000
\$3,500,000 2003 Certificates of Obligation, for constructing and improving park and recreational facilities and street improvements, due in annual installments through March 1, 2026, 4.00% - 5.00%.	2,460,000
\$4,000,000 2006 Certificates of Obligation, for constructing and improving park and recreational facilities and street improvements, due in annual installments through March 1, 2022, 4.00% - 5.00%.	3,465,000
\$46,490,000 2007 Certificates of Obligation, for street construction and improvements, due in annual installments through March 1, 2022, 4.00% - 5.00%.	23,735,000
\$10,800,000 2007 General Obligation Bonds, for constructing and equipping Fire Station 4 and street improvements, due in annual installments through March 1, 2027, 4.00% - 5.00%.	9,075,000
\$3,000,000 2008 Certificates of Obligation, for acquiring, constructing and improving roads, streets, and highways within the City due in annual installments through September 1, 2028, 4.27%.	2,580,000
\$25,130,000 2010 General Obligation Refunding Bonds, to refund and restructure the City's General Obligation Bonds, Series 2000, Tax and Utility System Surplus Revenue Certificates of Obligation, Series 2001, and a portion of the Tax and Utility System Revenue Certificates of Obligation, Series 2007, due in annual installments through March 1, 2028, 2.00% - 4.35%.	24,820,000
\$8,345,000 2011 Combination Tax & Revenue Certificates of Obligation, for acquiring, constructing and improving roads, streets, and highways within the City due in annual installments through March 1, 2034, 3.00 - 4.50%.	<u>8,285,000</u>
Total governmental activities	<u>\$ 75,550,000</u>

(continued)

III. DETAILED NOTES ON ALL FUNDS (Continued)

E. Bonds and Certificates of Obligation Payable (Continued)

Business-type activities

\$21,055,000 2005 Utility System Refunding Bonds, to refund a portion of the 1999 Utility System Revenue Bonds, due in annual installments through September 1, 2018, 3.00% - 5.00% .	\$ 14,300,000
\$20,000,000 2006 Utility System Revenue Bonds, for improvements and extensions to the City's water, wastewater, and electric systems, due in annual installments through September 1, 2026, 4.00% - 5.125%.	19,250,000
\$6,575,000 2008 Utility System Refunding Bonds, to refund a portion of the 1996 Utility System Refunding Bonds and to refund the 1999 Utility System Refunding/Improvement Bonds due in annual installments through September 1, 2018, 3.46%.	<u>3,875,000</u>
Total business-type activities	<u>\$ 37,425,000</u>

The annual debt payment requirements for bonds payable as of September 30, 2012, are as follows:

Governmental Activities

Fiscal Year	General Obligation		Certificates of Obligation		Total
	Principal	Interest	Principal	Interest	
2013	\$ 590,000	\$ 1,382,965	\$ 1,745,000	\$ 1,782,887	\$ 5,500,852
2014	615,000	1,357,490	2,805,000	1,686,892	6,464,382
2015	640,000	1,330,571	2,955,000	1,563,088	6,488,659
2016	590,000	1,305,487	3,305,000	1,428,972	6,629,459
2017	525,000	1,283,771	3,575,000	1,279,557	6,663,328
2018-2022	5,520,000	6,020,937	18,970,000	3,768,573	34,279,510
2023-2027	23,340,000	2,721,756	4,710,000	1,281,357	32,053,113
2028-2032	2,075,000	45,131	2,720,000	488,473	5,328,604
2033-2034	-	-	870,000	33,075	903,075
	<u>\$ 33,895,000</u>	<u>\$ 15,448,108</u>	<u>\$ 41,655,000</u>	<u>\$ 13,312,874</u>	<u>\$ 104,310,982</u>

Business-type Activities

Fiscal Year	Revenue Bonds		
	Principal	Interest	Total
2013	\$ 2,840,000	\$ 1,787,416	\$ 4,627,416
2014	2,985,000	1,655,752	4,640,752
2015	3,115,000	1,517,523	4,632,523
2016	3,255,000	1,372,909	4,627,909
2017	3,390,000	1,243,486	4,633,486
2018-2021	13,355,000	4,061,235	17,416,235
2023-2026	<u>8,485,000</u>	<u>1,106,039</u>	<u>9,591,039</u>
	<u>\$ 37,425,000</u>	<u>\$ 12,744,360</u>	<u>\$ 50,169,360</u>

(continued)

III. DETAILED NOTES ON ALL FUNDS (Continued)

E. Bonds and Certificates of Obligation Payable (Continued)

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

Below is a summary of the various restricted asset accounts required by the bond ordinances along with the actual cash reserved as September 30, 2012.

	<u>Required</u>	<u>Actual</u>
Reserve fund	\$ <u>3,987,280</u>	\$ <u>3,999,706</u>
Total, September 30, 2012	\$ <u>3,987,280</u>	\$ <u>3,999,706</u>
Bond fund	\$ <u>444,904</u>	\$ <u>838,690</u>
Total, September 30, 2012	\$ <u>444,904</u>	\$ <u>838,690</u>

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, 2012, no bonds were defeased.

(continued)

III. DETAILED NOTES ON ALL FUNDS (Continued)

F. Notes Payable

Notes payable at September 30, 2012, consisted of the following:

Business-type activities:

Bank of America:

2009 Tax Notes, for improvements to the City's electric system due in annual installments through March 1, 2015, 3.63%. \$ 315,000

Texas Department of Transportation:

May 2003, the City received a State Infrastructure Bank loan in the amount of \$193,325. Payable in 10 annual installments of \$24,098, including interest at 4.2% 23,127

March 2009, the City received a State Infrastructure Bank loan in the amount of \$320,000. Payable in 10 annual installments of \$39,061, including interest at 3.8%. To fund utility relocations in connection with replacement of two bridges over railroad tracks on U. S. 180. 236,190

March 2009, the City received a State Infrastructure Bank Loan in the amount of \$70,000. Payable in five annual installments of \$15,504, including interest at 3.5% for sewer line relocation along FM 51. 29,452

February 2012, the City received a State Infrastructure Bank Loan in the amount of \$650,000. Payable in five annual installments of \$101,034, including interest at 2.45% for sewer line relocation along FM 51/SH 171. 557,647

\$ 1,161,416

The annual debt payment requirements for notes payable as of September 30, 2012, are as follows:

Business-type Activities

Fiscal Year	Notes Payable		
	Principal	Interest	Totals
2013	\$ 256,135	\$ 33,181	\$ 289,316
2014	241,852	24,646	266,498
2015	235,308	16,784	252,092
2016	128,844	11,252	140,096
2017	132,483	7,612	140,095
2018-2019	<u>166,794</u>	<u>5,379</u>	<u>172,173</u>
	<u>\$ 1,161,416</u>	<u>\$ 98,854</u>	<u>\$ 1,260,270</u>

(continued)

III. DETAILED NOTES ON ALL FUNDS (Continued)

G. Capital Lease Obligation

The City has entered into lease agreements as lessee for financing the acquisition of computers and building improvements. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of minimum lease payments as of the inception date. The computers were acquired through a capital lease and were below the City's capitalization threshold; therefore, the computers were not capitalized. The building improvements were capitalized in the governmental and business-type activities for \$963,023 and \$540,526, respectively. As of September 30, 2012, the building improvements have accumulated depreciation of \$2,006 and \$1,126, respectively, and have a book value of \$961,017 and \$539,400, respectively.

Governmental Activities

<u>Fiscal Year</u>	<u>Capital Lease</u>
2013	\$ 148,531
2014	148,531
2015	122,337
2016	122,337
2017	122,337
2018-2022	407,378
2023-2027	<u>407,378</u>
Total minimum lease payments	1,478,829
Less: amount representing interest	<u>(237,064)</u>
Present value of minimum lease payments	<u>\$ 1,241,765</u>

Business-type Activities

<u>Fiscal Year</u>	<u>Capital Lease</u>
2013	\$ 73,600
2014	45,731
2015	45,731
2016	45,731
2017	45,731
2018-2022	228,653
2023-2027	<u>228,653</u>
Total minimum lease payments	713,830
Less: amount representing interest	<u>(124,813)</u>
Present value of minimum lease payments	<u>\$ 589,017</u>

(continued)

III. DETAILED NOTES ON ALL FUNDS (Continued)

H. Long-term Liability Activity

Long-term liability activity for the year ended September 30, 2012, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligations	\$ 34,465,000	\$ -	\$ 570,000	\$ 33,895,000	\$ 590,000
Certificates of obligation	42,225,000	-	570,000	41,655,000	1,745,000
Issuance premium	603,068	-	44,621	558,447	44,621
Less deferred amount on refunding	(1,327,348)	-	(82,959)	(1,244,389)	(82,959)
Total bonds payable	75,965,720	-	1,101,662	74,864,058	2,296,662
Capital lease obligation	-	1,267,959	26,194	1,241,765	114,977
OPEB obligation	1,266,913	634,421	215,692	1,685,642	-
Pension obligation	1,243,971	2,249,548	2,054,648	1,438,871	-
Compensated absences	3,004,896	1,477,464	1,406,780	3,075,580	461,337
Governmental activities long-term liabilities	<u>\$ 81,481,500</u>	<u>\$ 5,629,392</u>	<u>\$ 4,804,976</u>	<u>\$ 82,305,916</u>	<u>\$ 2,872,976</u>

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

Business-type activities:					
Bonds payable:					
Revenue bonds	\$ 40,140,000	\$ -	\$ 2,715,000	\$ 37,425,000	\$ 2,840,000
Issuance premium/discount	1,202,278	-	124,805	1,077,473	124,805
Less: deferred amount on refunding	(243,623)	-	(52,657)	(190,966)	(48,897)
Total bonds payable	41,098,655	-	2,787,148	38,311,507	2,915,908
Tax note	415,000	-	100,000	315,000	100,000
State infrastructure loans	353,931	650,000	157,515	846,416	156,135
Capital lease obligation	71,915	562,891	45,789	589,017	57,334
OPEB obligation	583,771	294,982	94,991	783,762	-
Pension obligation	512,865	916,250	854,794	574,321	-
Compensated absences	1,238,434	229,758	396,555	1,071,637	160,745
Business-type activities long-term liabilities	<u>\$ 44,274,571</u>	<u>\$ 2,653,881</u>	<u>\$ 4,436,792</u>	<u>\$ 42,491,660</u>	<u>\$ 3,390,122</u>

IV. OTHER INFORMATION

A. Retirement Plan

Plan Description

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

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

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

	<u>Plan Year 2011</u>	<u>Plan Year 2012</u>
Employee deposit rate	7.0%	7.0%
Matching ratio (city to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service retirement eligibility (expressed as age/years of service)	60/5, 0/20	60/5, 0/20
Updated service credit	100% repeating, transfers	100% repeating, transfers
Annuity increase (to retirees)	70% of CPI repeating	70% of CPI repeating

Contributions

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

(continued)

IV. OTHER INFORMATION (Continued)

A. Retirement Plan (Continued)

Contributions (Continued)

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

Annual required contribution (ARC)	\$ 3,148,531
Interest on net pension obligation	122,979
Adjustment to ARC	<u>(105,713)</u>
Annual pension cost	3,165,797
Contributions made	<u>(2,909,441)</u>
Change in net pension obligation	256,356
Net pension obligation, beginning of year	<u>1,756,836</u>
Net pension obligation, end of year	<u>\$ 2,013,192</u>
Percentage of APC contributed	92%

Three-year Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Annual Contribution Made	Percentage of APC Contributed	Net Pension Obligation
09/30/2010	\$ 3,315,328	\$ 2,666,331	80%	\$ 1,138,119
09/30/2011	3,476,369	2,857,839	82%	1,756,836
09/30/2012	3,165,797	2,909,441	92%	2,013,192

(continued)

IV. OTHER INFORMATION (Continued)

A. Retirement Plan (Continued)

Contributions (Continued)

The required contribution rates for fiscal year 2012 were determined as part of the December 31, 2009 and 2010 actuarial valuations. Additional information as of the latest actuarial valuation, December 31, 2011, also follows:

Actuarial Valuation Date	12/31/09	12/31/10	12/31/11
Actuarial cost method	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
Amortization method	Level percent of payroll	Level percent of payroll	Level percent of payroll
GASB 25 equivalent single amortization period	28.1 years; closed period	27.2 years; closed period	26.2 years; closed period
Amortization period for new gains/losses	30 years	30 years	30 years
Asset valuation method	10-year smoothed market	10-year smoothed market	10-year smoothed market
Actuarial Assumptions:			
Investment rate of return*	7.5%	7.0%	7.0%
Projected salary increases*	varies by age and service	varies by age and service	varies by age and service
*Includes inflation at	3.0%	3.0%	3.0%
Cost-of-living adjustments	2.1%	2.1%	2.1%

Funded Status and Funding Progress

The funded status as of December 31, 2011, the most recent actuarial date, is presented as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/11	\$ 64,824,032	\$ 83,255,041	\$ 18,431,009	77.9%	\$ 17,280,980	106.7%

(continued)

IV. OTHER INFORMATION (Continued)

A. **Retirement Plan** (Continued)

Funded Status and Funding Progress (Continued)

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

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

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

Retiree Health Plan

Plan Description

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

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

(continued)

IV. OTHER INFORMATION (Continued)

B. Other Postemployment Benefits (OPEB) (Continued)

Retiree Health Plan (Continued)

Plan Description (Continued)

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

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

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

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

Funding Policy

The City's annual OPEB cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance within the parameters of GASB Statement No. 45. The ARC represents an amount that is projected to recognize the normal cost each year and the amortization of any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The City had its first OPEB actuarial valuation performed for the fiscal year beginning October 1, 2008, as required by GASB. The City's annual OPEB cost for the fiscal year ending September 30, 2012, is as follows:

(continued)

IV. OTHER INFORMATION (Continued)

B. Other Postemployment Benefits (OPEB) (Continued)

Retiree Health Plan (Continued)

Funding Policy (Continued)

Annual required contribution	\$ 923,281
Interest on OPEB obligation	83,281
Adjustment to ARC	<u>(77,159)</u>
Annual OPEB cost	929,403
Net estimated employer contributions	<u>(310,683)</u>
Increase in net OPEB obligation	618,720
Net OPEB obligation, beginning of year	<u>1,850,684</u>
 Net OPEB obligation, end of year	 <u>\$ 2,469,404</u>

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

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Employer Contribution</u>	<u>Percentage Contributed</u>	<u>Net OPEB Obligation End of Year</u>
9/30/2010	\$ 949,739	\$ 321,382	33.8%	\$ 1,245,655
9/30/2011	900,509	295,480	32.8%	1,850,684
9/30/2012	929,403	310,683	33.4%	2,469,404

Funded Status and Funding Progress

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

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
12/31/10	\$ -	\$ 10,420,335	\$ 10,420,335	- %	\$ 18,204,776	57.24%

(continued)

IV. OTHER INFORMATION (Continued)

B. Other Postemployment Benefits (OPEB) (Continued)

Retiree Health Plan (Continued)

Funded Status and Funding Progress (Continued)

Actuarial valuations of an ongoing plan involve estimates of the value reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the health care cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress presented as Required Supplementary Information following the notes to the financial statements, presents multi-trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. The 2010 actuarial valuation is the most recent actuarial valuation available, and the 2008 and 2010 actuarial valuations are the only one's performed.

Actuarial Methods and Assumptions

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

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

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

(continued)

IV. OTHER INFORMATION (Continued)

B. Other Postemployment Benefits (OPEB) (Continued)

Retiree Health Plan (Continued)

Actuarial Methods and Assumptions (Continued)

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

Supplemental Death Benefits Plan for Retirees

Plan Description

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

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

Contributions

The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to pre-fund retiree term life insurance during employees’ entire careers. The City’s contributions to the TMRS SDBF for the years ended 2012, 2011 and 2010, were \$31,129, \$37,773 and \$36,012, respectively, which equaled the required contributions each year.

Schedule of Contribution Rates
(Retiree Portion of the Rate)

<u>Plan/ Calendar Year</u>	<u>Annual Required Contribution (ARC)</u>	<u>Actual Contribution</u>	<u>Percentage of ARC Contributed</u>
2010	0.04%	0.04%	100.0%
2011	0.04%	0.04%	100.0%
2012	0.04%	0.04%	100.0%

(continued)

IV. OTHER INFORMATION (Continued)

C. Deferred Compensation Plan

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

D. Risk Management

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

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

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

*Actual cash value

**Blanket limit

There have been no reductions in coverage from the coverage in the prior year, and there have been no settlements that exceeded coverage in the current or past four fiscal years.

(continued)

IV. OTHER INFORMATION (Continued)

E. Contingencies

The City participates in a number of federal and state grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Any programs are subject to program compliance audits by the grantors of their representatives. Any liability that may arise as the result of these audits is not believed to be estimatable or probable.

F. Commitments

On February 24, 2009, the City Council approved a contract with Ed Bell Construction in the amount of \$24,849,878.57 for the Interstate 20 west and east bound frontage roads between Highway 171/FM 51 to FM 2552 and ramps, U-turns and a bridge for Holland Lease Road. This project is being funded with certificate of obligation bonds and is scheduled for completion in August 2013. As of September 30, 2012, work completed and billed totaled \$24,267,027.

On November 22, 2011, the City Council approved a contract with Jay Mills Contracting in the amount of \$7,675,026.44 for the widening of State Highway 171, South Main Street from Interstate Highway 20 to a point 0.127 miles north of Farm to Market Highway 1884. This project is being funded with certificate of obligation bonds and is scheduled for completion in October 2013. As of September 30, 2012, work completed and billed totaled \$1,761,087.

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

In an effort to protect the City from price changes for the purchase of power, the City fixed certain rates included in the purchase price of the AEP contract. AS of September 30, 2012, various rates were fixed for the following months:

<u>Month</u>	<u>Percent Fixed</u>
October 2012	50%
November 2012	50%
December 2012	25%
January 2013	25%
February 2013	25%
March 2013	25%

(continued)

IV. OTHER INFORMATION (Continued)

F. Commitments (Continued)

This normal purchase contract is reported at historic prices when an exchange occurs.

During the year ended September 30, 2012, the total KWHs purchased, total cost, and cost per KWH were as follows:

<u>Power Supplier</u>	<u>KWH Purchased</u>	<u>Total Cost</u>	<u>Cost Per KWH</u>
American Electric Power	<u>395,708,595</u>	<u>\$ 15,076,443</u>	<u>\$ 0.0381</u>

G. Subsequent Event

On December 1, 2012, the City issued \$25,110,000 of General Obligation Refunding Bonds, Series 2012 with a 2.0-4.0% interest rate. The advance refunding allowed the City to restructure future debt payments and achieve interest savings.

H. New Accounting Principles

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

Statement No. 61 (“GASB 61”), The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34 is effective for periods beginning after June 15, 2012. The requirements of this Statement result in financial reporting entity financial statements being more relevant by improving guidance for including, presenting, and disclosing information about component units and equity interest transactions of a financial reporting entity.

Statement No. 63 (“GASB 63”), Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, is effective for periods beginning after December 15, 2011. The requirements of this Statement will improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government’s net position.

Statement No. 65 (“GASB 65”), Items Previously Reported as Assets and Liabilities, is effective for periods beginning after December 15, 2012. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

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

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**REQUIRED
SUPPLEMENTARY INFORMATION**

CITY OF WEATHERFORD, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 14,460,079	\$ 14,460,079	\$ 15,603,501	\$ 1,143,422
Licenses and permits	534,550	534,550	421,801	(112,749)
Intergovernmental	488,963	647,504	702,814	55,310
Charges for services	993,261	1,013,916	971,522	(42,394)
Fines and forfeitures	728,500	728,500	494,797	(233,703)
Investment earnings	20,000	20,000	23,240	3,240
Royalties and rental	-	-	1,610	1,610
Miscellaneous	<u>130,000</u>	<u>130,000</u>	<u>91,211</u>	<u>(38,789)</u>
Total revenues	<u>17,355,353</u>	<u>17,534,549</u>	<u>18,310,496</u>	<u>775,947</u>
EXPENDITURES				
Current:				
General government				
City council	89,350	89,350	55,447	33,903
Administration	706,278	718,124	660,244	57,880
Economic development	181,602	181,602	170,795	10,807
Human resources	326,918	376,646	410,851	(34,205)
Management and budget	-	204,733	201,171	3,562
Finance	497,736	497,736	474,335	23,401
Facilities maintenance	1,580,795	1,670,073	1,586,584	83,489
City attorney	141,490	141,490	65,574	75,916
Municipal court	343,692	345,979	330,603	15,376
Information technology	1,190,911	1,220,911	835,835	385,076
Non-departmental	<u>1,538,675</u>	<u>1,307,234</u>	<u>712,310</u>	<u>594,924</u>
Total general government	<u>6,597,447</u>	<u>6,753,878</u>	<u>5,503,749</u>	<u>1,250,129</u>
Public safety				
Police services	7,396,990	7,498,381	6,804,266	694,115
Fire	<u>5,044,176</u>	<u>5,161,298</u>	<u>5,047,514</u>	<u>113,784</u>
Total public safety	<u>12,441,166</u>	<u>12,659,679</u>	<u>11,851,780</u>	<u>807,899</u>
Public works				
Transportation and public works	550,572	444,456	437,795	6,661
Field operations/inspections	139,548	139,548	140,751	(1,203)
Traffic control	184,926	184,926	177,218	7,708
Street maintenance	2,166,932	2,148,485	1,909,913	238,572
Vehicle/equipment maintenance	<u>166,221</u>	<u>168,493</u>	<u>159,261</u>	<u>9,232</u>
Total public works	<u>3,208,199</u>	<u>3,085,908</u>	<u>2,824,938</u>	<u>260,970</u>
Planning and development	<u>754,922</u>	<u>754,922</u>	<u>717,003</u>	<u>37,919</u>

(continued)

CITY OF WEATHERFORD, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
(Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES (Continued)				
Current: (Continued)				
Community development				
Animal control	\$ 692,684	\$ 789,247	\$ 757,309	\$ 31,938
Code/Health enforcement	190,739	191,523	168,899	22,624
Total community development	<u>883,423</u>	<u>980,770</u>	<u>926,208</u>	<u>54,562</u>
Health and welfare				
Environmental health	92,269	93,199	77,774	15,425
Parker County committee on aging	30,000	30,000	30,000	-
Rape crisis program	15,000	15,000	15,000	-
Total health and welfare	<u>137,269</u>	<u>138,199</u>	<u>122,774</u>	<u>15,425</u>
Cultural and recreation				
Parks	863,570	879,993	868,338	11,655
Recreation	352,632	352,632	350,621	2,011
Municipal and community services	140,512	144,688	131,426	13,262
Library	1,117,399	1,119,242	1,084,918	34,324
First Monday	518,161	813,870	815,385	(1,515)
Public market	3,400	3,400	2,392	1,008
Total cultural and recreation	<u>2,995,674</u>	<u>3,313,825</u>	<u>3,253,080</u>	<u>60,745</u>
Total expenditures	<u>27,018,100</u>	<u>27,687,181</u>	<u>25,199,532</u>	<u>2,487,649</u>
EXCESS (DEFICIENCY) OF REVENUES				
OVER (UNDER) EXPENDITURES	<u>(9,662,747)</u>	<u>(10,152,632)</u>	<u>(6,889,036)</u>	<u>3,263,596</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from capital lease	1,013,800	1,013,800	1,072,572	58,772
Proceeds from insurance	-	-	93,842	93,842
Sale of capital assets	1,000	1,000	3,272	2,272
Transfers in	6,237,939	6,237,939	6,400,415	162,476
Transfers out	(196,068)	(316,723)	(200,317)	116,406
Total other financing sources and uses	<u>7,056,671</u>	<u>6,936,016</u>	<u>7,369,784</u>	<u>433,768</u>
NET CHANGE IN FUND BALANCE	<u>(2,606,076)</u>	<u>(3,216,616)</u>	<u>480,748</u>	<u>3,697,364</u>
FUND BALANCE, BEGINNING	<u>13,638,931</u>	<u>13,638,931</u>	<u>13,638,931</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 11,032,855</u>	<u>\$ 10,422,315</u>	<u>\$ 14,119,679</u>	<u>\$ 3,697,364</u>

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CITY OF WEATHERFORD, TEXAS

NOTES TO BUDGETARY SCHEDULES

SEPTEMBER 30, 2012

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 Juvenile Case Manager, General Capital Projects, Parks, Parks Development, Series 2006 C.O., Series 2007 C.O., Series 2007 G.O., Series 2008 C.O. and Series 2011 C.O. Funds, which adopt project-length budgets. The budgets presented are adopted on a basis consistent with generally accepted accounting principles (GAAP).

Excess of Expenditures Over Appropriations

During the year ended September 30, 2012, the City incurred expenditures in excess of appropriations within the following funds:

General fund:	
Human resources	\$ 34,205
Field operations/inspections	1,203
First Monday	1,515
Special revenue fund:	
Animal shelter fund	1,008

CITY OF WEATHERFORD, TEXAS

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

FOR THE YEAR ENDED SEPTEMBER 30, 2012

<u>Year</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Annual Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll ((b-a)/c)</u>
12/31/2009	\$ 35,653,368	\$ 58,401,386	\$ 22,748,018	61.0%	\$ 17,587,671	129.3%
12/31/2010	59,110,509	78,326,714	19,216,205	75.5%	17,646,909	108.9%
12/31/2011	64,824,032	83,255,041	18,431,009	77.9%	17,280,980	106.7%

CITY OF WEATHERFORD, TEXAS

REQUIRED SUPPLEMENTARY INFORMATION

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

FOR THE YEAR ENDED SEPTEMBER 30, 2012

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
12/31/08	\$ -	\$ 10,339,130	\$ 10,339,130	0.0%	\$ 16,311,246	63.39%
12/31/10	-	10,420,335	10,420,335	0.0%	18,204,776	57.24%

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**COMBINING AND INDIVIDUAL
FUND STATEMENTS AND SCHEDULES**

NONMAJOR SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

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

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

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

CAPITAL PROJECTS FUNDS

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

General Capital Projects Fund – This fund is used to account for capital asset acquisition and construction from committed funds by City Council, grants and committed royalties.

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

Park Development Fund – This fund is used to account for funds committed by City Council from general revenues (park development fees) for future acquisition of park and open space areas.

Series 2006 C.O. Fund – This fund is used to account for proceeds from the issuance of \$4,000,000 of certificates of obligation for Holland Lake Park Improvements, BB Fielder Road east of 171 and all other transportation improvements.

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

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

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

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

PERMANENT FUND

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

CITY OF WEATHERFORD, TEXAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2012

	Special Revenue Funds		
	State Forfeiture	Federal Forfeiture	Weatherford Beautification
ASSETS			
Cash and investments	\$ 57,636	\$ 445,150	\$ 2,398
Accounts receivable	-	-	-
Prepays	-	-	-
Due from other governments	-	-	-
Total assets	\$ 57,636	\$ 445,150	\$ 2,398
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ -	\$ 40,333	\$ -
Retainage payable	-	-	-
Accrued liabilities	-	-	-
Deposits and escrows	-	-	-
Deferred revenue	-	-	-
Total liabilities	-	40,333	-
Fund balances:			
Nonspendable- Doss library	-	-	-
Restricted:			
Capital projects	-	-	-
Culture and recreation	-	-	-
Public safety	57,636	404,817	-
Community development	-	-	2,398
Committed:			
Capital projects	-	-	-
Park development	-	-	-
Culture and recreation	-	-	-
Community development	-	-	-
Total fund balances	57,636	404,817	2,398
Total liabilities and fund balances	\$ 57,636	\$ 445,150	\$ 2,398

Special Revenue Funds

Hotel/Motel Tax	Chandor Gardens	SFX Grant	Weatherford Aerospace Grant	Court Technology	Court Security
\$ 491,638	\$ 92,983	\$ -	\$ -	\$ 21,312	\$ 27,911
151,798	-	3,728	-	-	-
600	-	-	-	-	-
-	-	-	-	-	-
\$ 644,036	\$ 92,983	\$ 3,728	\$ -	\$ 21,312	\$ 27,911
\$ -	\$ 817	\$ -	\$ -	\$ 46	\$ -
-	-	-	-	-	-
11,534	11,080	-	-	-	-
-	12,100	-	-	-	-
-	-	1,864	-	-	-
11,534	23,997	1,864	-	46	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	21,266	27,911
632,502	-	1,864	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	68,986	-	-	-	-
632,502	68,986	1,864	-	21,266	27,911
\$ 644,036	\$ 92,983	\$ 3,728	\$ -	\$ 21,312	\$ 27,911

(continued)

CITY OF WEATHERFORD, TEXAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

(Continued)

SEPTEMBER 30, 2012

	Special Revenue Funds		
	Library	Animal Shelter	Juvenile Case Manager
ASSETS			
Cash and investments	\$ 69,651	\$ 37,314	\$ 2,795
Accounts receivable	-	-	-
Prepays	-	-	-
Due from other governments	-	-	-
Total assets	\$ 69,651	\$ 37,314	\$ 2,795
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 404	\$ -	\$ -
Retainage payable	-	-	-
Accrued liabilities	-	-	-
Deposits and escrows	-	-	-
Deferred revenue	-	-	-
Total liabilities	404	-	-
Fund balances:			
Nonspendable- Doss library	-	-	-
Restricted:			
Capital projects	-	-	-
Culture and recreation	-	-	-
Public safety	-	-	2,795
Community development	-	-	-
Committed:			
Capital projects	-	-	-
Park development	-	-	-
Culture and recreation	69,247	37,314	-
Community development	-	-	-
Total fund balances	69,247	37,314	2,795
Total liabilities and fund balances	\$ 69,651	\$ 37,314	\$ 2,795

Capital Projects Funds

General Capital Projects	Park	Park Development	Series 2006 C. O.	Series 2007 C. O.	Series 2007 G. O.	Series 2008 C. O.
\$ 3,215,527	\$ 27,227	\$ 204,689	\$ 354,029	\$ 5,092,685	\$ 1,618,292	\$ 819,378
9,868	-	-	-	-	-	-
-	-	-	-	-	-	-
279,054	-	-	-	-	-	-
<u>\$ 3,504,449</u>	<u>\$ 27,227</u>	<u>\$ 204,689</u>	<u>\$ 354,029</u>	<u>\$ 5,092,685</u>	<u>\$ 1,618,292</u>	<u>\$ 819,378</u>
\$ 14,043	\$ -	\$ 11	\$ -	\$ 55,602	\$ -	\$ -
8,048	-	-	-	1,205,303	-	-
1,452	-	-	-	3,101	-	-
-	-	-	-	-	-	-
1,011	-	-	-	-	-	-
24,554	-	11	-	1,264,006	-	-
-	-	-	-	-	-	-
-	-	-	354,029	3,828,679	1,618,292	819,378
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
3,479,895	-	-	-	-	-	-
-	-	204,678	-	-	-	-
-	-	-	-	-	-	-
-	27,227	-	-	-	-	-
<u>3,479,895</u>	<u>27,227</u>	<u>204,678</u>	<u>354,029</u>	<u>3,828,679</u>	<u>1,618,292</u>	<u>819,378</u>
<u>\$ 3,504,449</u>	<u>\$ 27,227</u>	<u>\$ 204,689</u>	<u>\$ 354,029</u>	<u>\$ 5,092,685</u>	<u>\$ 1,618,292</u>	<u>\$ 819,378</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, 2012

	Special Revenue Funds		
	State Forfeiture	Federal Forfeiture	Weatherford Beautification
REVENUES			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Charges for services	-	-	-
Fines and forfeitures	15,099	81,666	-
Contributions	-	-	-
Royalties and rental	-	-	-
Investment earnings	88	661	4
Miscellaneous	-	-	-
Total revenues	<u>15,187</u>	<u>82,327</u>	<u>4</u>
EXPENDITURES			
Current:			
General government	-	-	-
Public safety	7,201	81,455	-
Public works	-	-	-
Community development	-	-	-
Cultural and recreational	-	-	-
Capital outlay	-	20,025	-
Total expenditures	<u>7,201</u>	<u>101,480</u>	<u>-</u>
EXCESS (DEFICIENCY OF REVENUES OVER (UNDER) EXPENDITURES	<u>7,986</u>	<u>(19,153)</u>	<u>4</u>
OTHER FINANCING SOURCES (USES)			
Issuance of capital lease	-	-	-
Sale of capital assets	558	-	-
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>558</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	8,544	(19,153)	4
FUND BALANCES, BEGINNING	<u>49,092</u>	<u>423,970</u>	<u>2,394</u>
FUND BALANCES, ENDING	<u>\$ 57,636</u>	<u>\$ 404,817</u>	<u>\$ 2,398</u>

Special Revenue Funds

Hotel/Motel Tax	Chandor Gardens	SFX Grant	Weatherford Aerospace Grant	Court Technology	Court Security
\$ 602,256	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	82,625	-	-	-	-
-	-	-	-	12,593	9,346
-	33	-	-	-	-
-	-	22,368	13,875	-	-
503	231	-	-	27	37
-	1	-	-	-	-
<u>602,759</u>	<u>82,890</u>	<u>22,368</u>	<u>13,875</u>	<u>12,620</u>	<u>9,383</u>
89,240	-	22,368	13,875	2,278	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
151,400	285,633	-	-	-	-
-	-	-	-	-	-
<u>240,640</u>	<u>285,633</u>	<u>22,368</u>	<u>13,875</u>	<u>2,278</u>	<u>-</u>
<u>362,119</u>	<u>(202,743)</u>	<u>-</u>	<u>-</u>	<u>10,342</u>	<u>9,383</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	140,721	-	-	-	-
<u>(248,523)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(248,523)</u>	<u>140,721</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
113,596	(62,022)	-	-	10,342	9,383
<u>518,906</u>	<u>131,008</u>	<u>1,864</u>	<u>-</u>	<u>10,924</u>	<u>18,528</u>
<u>\$ 632,502</u>	<u>\$ 68,986</u>	<u>\$ 1,864</u>	<u>\$ -</u>	<u>\$ 21,266</u>	<u>\$ 27,911</u>

(continued)

CITY OF WEATHERFORD, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
(Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Special Revenue Funds		
	Library	Animal Shelter	Juvenile Case Manager
REVENUES			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Charges for services	11,762	-	-
Fines and forfeitures	-	-	2,123
Contributions	3,348	27,256	-
Royalties and rental	-	-	-
Investment earnings	101	47	4
Miscellaneous	-	211	-
Total revenues	<u>15,211</u>	<u>27,514</u>	<u>2,127</u>
EXPENDITURES			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Community development	-	7,008	-
Cultural and recreational	12,684	-	-
Capital outlay	<u>14,990</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>27,674</u>	<u>7,008</u>	<u>-</u>
EXCESS (DEFICIENCY OF REVENUES OVER (UNDER) EXPENDITURES	<u>(12,463)</u>	<u>20,506</u>	<u>2,127</u>
OTHER FINANCING SOURCES (USES)			
Issuance of capital lease	-	-	-
Sale of capital assets	-	-	-
Transfers in	100	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>100</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>(12,363)</u>	<u>20,506</u>	<u>2,127</u>
FUND BALANCES, BEGINNING	<u>81,610</u>	<u>16,808</u>	<u>668</u>
FUND BALANCES, ENDING	<u>\$ 69,247</u>	<u>\$ 37,314</u>	<u>\$ 2,795</u>

Capital Projects Funds

General Capital Projects	Park	Park Development	Series 2006 C. O.	Series 2007 C. O.	Series 2007 G. O.	Series 2008 C. O.	Series 2011 C. O.
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
399,180	-	-	-	-	-	-	-
-	20,655	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	94,750	-	-	-	-	-	-
151,947	-	-	-	-	-	-	-
3,922	-	304	399	6,196	1,869	936	14,166
-	-	60,900	-	-	-	-	-
<u>555,049</u>	<u>115,405</u>	<u>61,204</u>	<u>399</u>	<u>6,196</u>	<u>1,869</u>	<u>936</u>	<u>14,166</u>
77,544	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	61,340	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>383,337</u>	<u>390,189</u>	<u>49,012</u>	<u>-</u>	<u>1,014,757</u>	<u>-</u>	<u>-</u>	<u>1,787,371</u>
<u>460,881</u>	<u>390,189</u>	<u>49,012</u>	<u>-</u>	<u>1,076,097</u>	<u>-</u>	<u>-</u>	<u>1,787,371</u>
<u>94,168</u>	<u>(274,784)</u>	<u>12,192</u>	<u>399</u>	<u>(1,069,901)</u>	<u>1,869</u>	<u>936</u>	<u>(1,773,205)</u>
-	195,387	-	-	-	-	-	-
-	6,624	-	-	-	-	-	-
-	100,000	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>-</u>	<u>302,011</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
94,168	27,227	12,192	399	(1,069,901)	1,869	936	(1,773,205)
<u>3,385,727</u>	<u>-</u>	<u>192,486</u>	<u>353,630</u>	<u>4,898,580</u>	<u>1,616,423</u>	<u>818,442</u>	<u>8,311,078</u>
<u>\$ 3,479,895</u>	<u>\$ 27,227</u>	<u>\$ 204,678</u>	<u>\$ 354,029</u>	<u>\$ 3,828,679</u>	<u>\$ 1,618,292</u>	<u>\$ 819,378</u>	<u>\$ 6,537,873</u>

(continued)

CITY OF WEATHERFORD, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
(Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Permanent	Total Nonmajor Governmental Funds
	Doss Library	
REVENUES		
Taxes	\$ -	\$ 602,256
Intergovernmental	-	399,180
Charges for services	-	115,042
Fines and forfeitures	-	120,827
Contributions	-	125,387
Royalties and rental	-	188,190
Investment earnings	56	29,551
Miscellaneous	-	61,112
Total revenues	56	1,641,545
EXPENDITURES		
Current:		
General government	-	205,305
Public safety	-	88,656
Public works	-	61,340
Community development	-	7,008
Cultural and recreational	-	449,717
Capital outlay	-	3,659,681
Total expenditures	-	4,471,707
EXCESS (DEFICIENCY OF REVENUES OVER (UNDER) EXPENDITURES	56	(2,830,162)
OTHER FINANCING SOURCES (USES)		
Issuance of capital lease	-	195,387
Sale of capital assets	-	7,182
Transfers in	-	240,821
Transfers out	(100)	(248,623)
Total other financing sources (uses)	(100)	194,767
NET CHANGE IN FUND BALANCES	(44)	(2,635,395)
FUND BALANCES, BEGINNING	50,165	20,882,303
FUND BALANCES, ENDING	\$ 50,121	\$ 18,246,908

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, 2012

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Fines and forfeitures	\$ 5,000	\$ 5,000	\$ 15,099	\$ 10,099
Investment earnings	<u>80</u>	<u>80</u>	<u>88</u>	<u>8</u>
Total revenues	<u>5,080</u>	<u>5,080</u>	<u>15,187</u>	<u>10,107</u>
EXPENDITURES				
Current:				
Public safety	<u>15,000</u>	<u>15,000</u>	<u>7,201</u>	<u>7,799</u>
Total expenditures	<u>15,000</u>	<u>15,000</u>	<u>7,201</u>	<u>7,799</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(9,920)</u>	<u>(9,920)</u>	<u>7,986</u>	<u>17,906</u>
OTHER FINANCING SOURCES				
Sale of capital assets	<u>-</u>	<u>-</u>	<u>558</u>	<u>558</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>558</u>	<u>558</u>
NET CHANGE IN FUND BALANCE	(9,920)	(9,920)	8,544	18,464
FUND BALANCE, BEGINNING	<u>49,092</u>	<u>49,092</u>	<u>49,092</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 39,172</u>	<u>\$ 39,172</u>	<u>\$ 57,636</u>	<u>\$ 18,464</u>

CITY OF WEATHERFORD, TEXAS

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

FEDERAL FORFEITURE FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Fines and forfeitures	\$ 30,000	\$ 30,000	\$ 81,666	\$ 51,666
Investment earnings	<u>500</u>	<u>500</u>	<u>661</u>	<u>161</u>
Total revenues	<u>30,500</u>	<u>30,500</u>	<u>82,327</u>	<u>51,827</u>
EXPENDITURES				
Current:				
Public safety	-	-	81,455	(81,455)
Capital outlay	<u>250,000</u>	<u>250,000</u>	<u>20,025</u>	<u>229,975</u>
Total expenditures	<u>250,000</u>	<u>250,000</u>	<u>101,480</u>	<u>148,520</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(219,500)	(219,500)	(19,153)	200,347
FUND BALANCE, BEGINNING	<u>423,970</u>	<u>423,970</u>	<u>423,970</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 204,470</u>	<u>\$ 204,470</u>	<u>\$ 404,817</u>	<u>\$ 200,347</u>

CITY OF WEATHERFORD, TEXAS

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

WEATHERFORD BEAUTIFICATION FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings	\$ -	\$ -	\$ 4	\$ 4
Total revenues	-	-	4	4
EXPENDITURES				
Current:				
Community development	2,394	2,394	-	2,394
Total expenditures	2,394	2,394	-	2,394
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,394)	(2,394)	4	2,398
FUND BALANCE, BEGINNING	2,394	2,394	2,394	-
FUND BALANCE, ENDING	\$ -	\$ -	\$ 2,398	\$ 2,398

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, 2012

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 455,000	\$ 455,000	\$ 602,256	\$ 147,256
Investment earnings	<u>300</u>	<u>300</u>	<u>503</u>	<u>203</u>
Total revenues	<u>455,300</u>	<u>455,300</u>	<u>602,759</u>	<u>147,459</u>
EXPENDITURES				
Current:				
General government	100,799	100,799	89,240	11,559
Cultural and recreational:				
Tourism program	121,400	121,400	121,400	-
Doss Historic and Cultural Center	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>	<u>-</u>
Total expenditures	<u>252,199</u>	<u>252,199</u>	<u>240,640</u>	<u>11,559</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>203,101</u>	<u>203,101</u>	<u>362,119</u>	<u>159,018</u>
OTHER FINANCING USES				
Transfers out	(248,523)	(248,523)	(248,523)	-
Total other financing uses	<u>(248,523)</u>	<u>(248,523)</u>	<u>(248,523)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(45,422)	(45,422)	113,596	159,018
FUND BALANCE, BEGINNING	<u>518,906</u>	<u>518,906</u>	<u>518,906</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 473,484</u>	<u>\$ 473,484</u>	<u>\$ 632,502</u>	<u>\$ 159,018</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, 2012

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 157,700	\$ 157,700	\$ 82,625	\$(75,075)
Contributions	-	-	33	33
Investment earnings	300	300	231	(69)
Miscellaneous	-	-	1	1
Total revenues	158,000	158,000	82,890	(75,110)
EXPENDITURES				
Current:				
Cultural and recreational	320,888	320,888	285,633	35,255
Total expenditures	320,888	320,888	285,633	35,255
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(162,888)	(162,888)	(202,743)	(39,855)
OTHER FINANCING SOURCES				
Transfers in	140,721	140,721	140,721	-
Total other financing sources	140,721	140,721	140,721	-
NET CHANGE IN FUND BALANCE	(22,167)	(22,167)	(62,022)	(39,855)
FUND BALANCE, BEGINNING	131,008	131,008	131,008	-
FUND BALANCE, ENDING	\$ 108,841	\$ 108,841	\$ 68,986	\$(39,855)

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, 2012

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

CITY OF WEATHERFORD, TEXAS

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

WEATHERFORD AEROSPACE GRANT FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2012

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

CITY OF WEATHERFORD, TEXAS

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

COURT TECHNOLOGY FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Fines and forfeitures	\$ 19,380	\$ 19,380	\$ 12,593	\$ (6,787)
Investment earnings	20	20	27	7
Total revenues	19,400	19,400	12,620	(6,780)
EXPENDITURES				
Current:				
General government	9,300	9,300	2,278	7,022
Total expenditures	9,300	9,300	2,278	7,022
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	10,100	10,100	10,342	242
FUND BALANCE, BEGINNING	10,924	10,924	10,924	-
FUND BALANCE, ENDING	\$ 21,024	\$ 21,024	\$ 21,266	\$ 242

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, 2012

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Fines and forfeitures	\$ 14,058	\$ 14,058	\$ 9,346	\$(4,712)
Investment earnings	<u>50</u>	<u>50</u>	<u>37</u>	<u>(13)</u>
Total revenues	<u>14,108</u>	<u>14,108</u>	<u>9,383</u>	<u>(4,725)</u>
EXPENDITURES				
Current:				
General government	<u>13,500</u>	<u>13,500</u>	<u>-</u>	<u>13,500</u>
Total expenditures	<u>13,500</u>	<u>13,500</u>	<u>-</u>	<u>13,500</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	608	608	9,383	8,775
FUND BALANCE, BEGINNING	<u>18,528</u>	<u>18,528</u>	<u>18,528</u>	<u>-</u>
FUND BALANCE, ENDING	<u><u>\$ 19,136</u></u>	<u><u>\$ 19,136</u></u>	<u><u>\$ 27,911</u></u>	<u><u>\$ 8,775</u></u>

CITY OF WEATHERFORD, TEXAS

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

LIBRARY FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 10,686	\$ 10,686	\$ 11,762	\$ 1,076
Contributions	1,000	1,000	3,348	2,348
Investment earnings	<u>150</u>	<u>150</u>	<u>101</u>	<u>(49)</u>
Total revenues	<u>11,836</u>	<u>11,836</u>	<u>15,211</u>	<u>3,375</u>
EXPENDITURES				
Current:				
Cultural and recreational	18,000	10,000	12,684	(2,684)
Capital outlay	<u>-</u>	<u>15,000</u>	<u>14,990</u>	<u>10</u>
Total expenditures	<u>18,000</u>	<u>25,000</u>	<u>27,674</u>	<u>(2,674)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(6,164)</u>	<u>(13,164)</u>	<u>(12,463)</u>	<u>701</u>
OTHER FINANCING SOURCES				
Transfers in	<u>100</u>	<u>100</u>	<u>100</u>	<u>-</u>
Total other financing sources	<u>100</u>	<u>100</u>	<u>100</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(6,064)	(13,064)	(12,363)	701
FUND BALANCE, BEGINNING	<u>81,610</u>	<u>81,610</u>	<u>81,610</u>	<u>-</u>
FUND BALANCE, ENDING	<u><u>\$ 75,546</u></u>	<u><u>\$ 68,546</u></u>	<u><u>\$ 69,247</u></u>	<u><u>\$ 701</u></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, 2012

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Contributions	\$ -	\$ -	\$ 27,256	\$ 27,256
Investment earnings	40	40	47	7
Miscellaneous	<u>-</u>	<u>-</u>	<u>211</u>	<u>211</u>
Total revenues	<u>40</u>	<u>40</u>	<u>27,514</u>	<u>27,474</u>
EXPENDITURES				
Current:				
Community development	-	4,000	7,008	(3,008)
Capital outlay	<u>6,000</u>	<u>2,000</u>	<u>-</u>	<u>2,000</u>
Total expenditures	<u>6,000</u>	<u>6,000</u>	<u>7,008</u>	<u>(1,008)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(5,960)	(5,960)	20,506	26,466
FUND BALANCE, BEGINNING	<u>16,808</u>	<u>16,808</u>	<u>16,808</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 10,848</u>	<u>\$ 10,848</u>	<u>\$ 37,314</u>	<u>\$ 26,466</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, 2012

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings	\$ <u>100</u>	\$ <u>100</u>	\$ <u>56</u>	\$ (<u>44</u>)
Total revenues	<u>100</u>	<u>100</u>	<u>56</u>	(<u>44</u>)
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>100</u>	<u>100</u>	<u>56</u>	(<u>44</u>)
OTHER FINANCING USES				
Transfers out	(<u>100</u>)	(<u>100</u>)	(<u>100</u>)	<u>-</u>
Total other financing uses	(<u>100</u>)	(<u>100</u>)	(<u>100</u>)	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	(<u>44</u>)	(<u>44</u>)
FUND BALANCE, BEGINNING	<u>50,165</u>	<u>50,165</u>	<u>50,165</u>	<u>-</u>
FUND BALANCE, ENDING	\$ <u>50,165</u>	\$ <u>50,165</u>	\$ <u>50,121</u>	\$ (<u>44</u>)

CITY OF WEATHERFORD, TEXAS

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

DEBT SERVICE FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2012

	<u>Budgeted Amounts</u>			Variance With Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
REVENUES				
Taxes	\$ 2,900,836	\$ 2,900,836	\$ 3,050,306	\$ 149,470
Intergovernmental	1,700,000	1,700,000	3,626,581	1,926,581
Investment earnings	<u>4,000</u>	<u>4,000</u>	<u>4,900</u>	<u>900</u>
Total revenues	<u>4,604,836</u>	<u>4,604,836</u>	<u>6,681,787</u>	<u>2,076,951</u>
EXPENDITURES				
Debt service:				
Principal retirement	1,828,251	1,828,251	1,140,000	688,251
Interest and fiscal charges	<u>3,346,935</u>	<u>3,346,935</u>	<u>3,466,410</u>	<u>(119,475)</u>
Total expenditures	<u>5,175,186</u>	<u>5,175,186</u>	<u>4,606,410</u>	<u>568,776</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(570,350)</u>	<u>(570,350)</u>	<u>2,075,377</u>	<u>2,645,727</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>303,870</u>	<u>303,870</u>	<u>208,119</u>	<u>(95,751)</u>
Total other financing sources (uses)	<u>303,870</u>	<u>303,870</u>	<u>208,119</u>	<u>(95,751)</u>
NET CHANGE IN FUND BALANCE	(266,480)	(266,480)	2,283,496	2,549,976
FUND BALANCE, BEGINNING	<u>2,032,597</u>	<u>2,032,597</u>	<u>2,032,597</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 1,766,117</u>	<u>\$ 1,766,117</u>	<u>\$ 4,316,093</u>	<u>\$ 2,549,976</u>

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CAPITAL ASSET SCHEDULES

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CITY OF WEATHERFORD, TEXAS

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

COMPARATIVE SCHEDULES BY SOURCE

SEPTEMBER 30, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
GOVERNMENTAL FUNDS CAPITAL ASSETS		
Land	\$ 4,689,899	\$ 4,365,536
Buildings and improvements	14,087,042	13,083,891
Infrastructure	13,159,199	13,115,520
Other improvements	31,740,853	27,420,489
Machinery and equipment	8,220,245	7,659,405
Construction in progress	<u>32,568,408</u>	<u>32,676,956</u>
Total governmental funds capital assets	<u>\$ 104,465,646</u>	<u>\$ 98,321,797</u>
INVESTMENTS IN GOVERNMENTAL FUNDS		
CAPITAL ASSETS BY SOURCE		
General fund revenues	\$ 23,145,875	\$ 21,774,630
Special revenue fund revenues	81,804	81,804
Capital projects fund general obligation bonds	71,155,028	66,577,492
Contributions	7,136,416	7,099,891
Grants	<u>2,946,523</u>	<u>2,787,980</u>
Total governmental funds capital assets	<u>\$ 104,465,646</u>	<u>\$ 98,321,797</u>

CITY OF WEATHERFORD, TEXAS

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

SCHEDULE BY FUNCTION AND ACTIVITY

SEPTEMBER 30, 2012

<u>Function and Activity</u>	<u>Total</u>	<u>Land</u>	<u>Buildings and Improvements</u>	<u>Infrastructure and Other Improvements</u>	<u>Machinery and Equipment</u>	<u>Construction in Progress</u>
General government						
City Council	\$ 6,356,383	\$ 174,673	\$ 5,663,440	\$ 25,448	\$ 492,822	\$ -
Finance	51,348	-	-	-	51,348	-
Facilities maintenance	104,343	-	-	-	104,343	-
Municipal court	21,536	-	-	-	21,536	-
Total	<u>6,533,610</u>	<u>174,673</u>	<u>5,663,440</u>	<u>25,448</u>	<u>670,049</u>	<u>-</u>
Public works						
Administration	1,659,660	-	1,406,378	14,840	238,442	-
Street maintenance	69,111,946	2,353,354	6,077	33,309,155	2,030,869	31,412,491
Vehicle/equipment maintenance	118,218	-	50,833	23,007	44,378	-
Total	<u>70,889,824</u>	<u>2,353,354</u>	<u>1,463,288</u>	<u>33,347,002</u>	<u>2,313,689</u>	<u>31,412,491</u>
Planning and development	<u>74,484</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>74,484</u>	<u>-</u>
Community development	<u>962,545</u>	<u>-</u>	<u>847,872</u>	<u>15,552</u>	<u>99,121</u>	<u>-</u>
Police	<u>3,047,566</u>	<u>16,619</u>	<u>1,295,697</u>	<u>-</u>	<u>1,735,250</u>	<u>-</u>
Fire	<u>5,784,640</u>	<u>467,885</u>	<u>2,657,749</u>	<u>2,721</u>	<u>2,656,285</u>	<u>-</u>
Parks and recreation						
First Monday	1,778,350	561,173	80,468	22,692	8,200	1,105,817
Public market	24,792	-	-	24,792	-	-
Parks and properties	14,259,984	1,108,345	1,177,974	11,438,370	485,195	50,100
Recreation	40,620	-	-	-	40,620	-
Total	<u>16,103,746</u>	<u>1,669,518</u>	<u>1,258,442</u>	<u>11,485,854</u>	<u>534,015</u>	<u>1,155,917</u>
Library	<u>1,069,231</u>	<u>7,850</u>	<u>900,554</u>	<u>23,475</u>	<u>137,352</u>	<u>-</u>
Total governmental funds capital assets	<u>\$ 104,465,646</u>	<u>\$ 4,689,899</u>	<u>\$ 14,087,042</u>	<u>\$ 44,900,052</u>	<u>\$ 8,220,245</u>	<u>\$ 32,568,408</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, 2012

<u>Function and Activity</u>	<u>Balance 09/30/2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 09/30/2012</u>
General government				
City Council	\$ 5,181,317	\$ 1,175,066	\$ -	\$ 6,356,383
Finance	93,662	10,681	-	104,343
Facilities maintenance	55,053	-	(3,705)	51,348
Municipal court	21,536	-	-	21,536
Total	<u>5,351,568</u>	<u>1,185,747</u>	<u>(3,705)</u>	<u>6,533,610</u>
Public works				
Administration	1,623,842	35,816	-	1,659,658
Street maintenance	66,103,809	3,627,073	(618,934)	69,111,948
Vehicle/equipment maintenance	118,218	-	-	118,218
Total	<u>67,845,869</u>	<u>3,662,889</u>	<u>(618,934)</u>	<u>70,889,824</u>
Planning and development	<u>74,484</u>	<u>-</u>	<u>-</u>	<u>74,484</u>
Community development	<u>980,159</u>	<u>9,997</u>	<u>(27,611)</u>	<u>962,545</u>
Police	<u>2,946,392</u>	<u>143,065</u>	<u>(41,891)</u>	<u>3,047,566</u>
Fire	<u>5,656,386</u>	<u>178,004</u>	<u>(49,750)</u>	<u>5,784,640</u>
Parks and recreation				
First Monday	1,021,405	810,534	(53,587)	1,778,352
Public market	24,792	-	-	24,792
Parks and properties	13,325,881	4,208,732	(3,274,631)	14,259,982
Recreation	40,620	-	-	40,620
Total	<u>14,412,698</u>	<u>5,019,266</u>	<u>(3,328,218)</u>	<u>16,103,746</u>
Library	<u>1,054,241</u>	<u>14,990</u>	<u>-</u>	<u>1,069,231</u>
Total governmental funds capital assets	<u>\$ 98,321,797</u>	<u>\$ 10,213,958</u>	<u>\$(4,070,109)</u>	<u>\$ 104,465,646</u>

CITY OF WEATHERFORD, TEXAS

MUNICIPAL UTILITY SYSTEM

SCHEDULES OF CAPITAL ASSETS

SEPTEMBER 30, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
Land	\$ 2,249,797	\$ 2,224,486
Buildings and improvements	19,476,681	18,936,156
Other improvements	144,813,449	140,226,304
Machinery and equipment	6,862,309	6,305,294
Construction in progress	<u>1,112,688</u>	<u>1,394,837</u>
	174,514,924	169,087,077
Less accumulated depreciation	<u>(61,328,404)</u>	<u>(57,077,574)</u>
	<u>\$ 113,186,520</u>	<u>\$ 112,009,503</u>

CITY OF WEATHERFORD, TEXAS
MUNICIPAL UTILITY SYSTEM
SCHEDULE OF CHANGES IN CAPITAL ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

<u>Function and Activity</u>	<u>Balance 09/30/2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 09/30/2012</u>
Administration	\$ 5,184,497	\$ 613,440	\$(19,300)	\$ 5,778,637
Water production	25,638,061	210,797	(66,060)	25,782,798
Water distribution	52,406,117	2,341,910	(1,468,043)	53,279,984
Wastewater	36,391,697	1,283,690	(203,174)	37,472,213
Electric production	1,192,893	-	-	1,192,893
Electric distribution	<u>48,273,812</u>	<u>2,734,587</u>	<u>-</u>	<u>51,008,399</u>
Total municipal utility capital assets	<u>\$ 169,087,077</u>	<u>\$ 7,184,424</u>	<u>\$(1,756,577)</u>	<u>\$ 174,514,924</u>

CITY OF WEATHERFORD, TEXAS

MUNICIPAL UTILITY SYSTEM

SCHEDULE OF CAPITAL ASSETS BY FUNCTION AND ACTIVITY

SEPTEMBER 30, 2012

<u>Function and Activity</u>	<u>Total</u>	<u>Land</u>	<u>Buildings and Improvements</u>	<u>Other Improvements</u>	<u>Machinery and Equipment</u>	<u>Construction in Progress</u>
Administration	\$ 5,778,637	\$ 326,764	\$ 3,317,817	\$ 1,052,970	\$ 1,081,086	\$ -
Water production	25,782,798	1,055,502	12,534,984	11,466,358	725,954	-
Water distribution	53,279,984	663,699	55,619	51,787,980	561,687	210,999
Wastewater	37,472,213	142,477	3,231,643	31,392,836	1,803,568	901,689
Electric production	1,192,893	11,334	336,618	13,203	831,738	-
Electric distribution	<u>51,008,399</u>	<u>50,021</u>	<u>-</u>	<u>49,100,102</u>	<u>1,858,276</u>	<u>-</u>
Total Municipal Utility System capital assets	<u>\$ 174,514,924</u>	<u>\$ 2,249,797</u>	<u>\$ 19,476,681</u>	<u>\$ 144,813,449</u>	<u>\$ 6,862,309</u>	<u>\$ 1,112,688</u>

STATISTICAL SECTION

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STATISTICAL SECTION

(Unaudited)

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

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance has changed over time.	97 – 106
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.	107 – 119
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.	120 – 124
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.	125 – 126
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.	127 – 130

CITY OF WEATHERFORD, TEXAS

NET ASSETS BY COMPONENT

LAST TEN FISCAL YEARS

	Fiscal Year			
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Governmental activities:				
Invested in capital assets, net of related debt	\$ 11,895,401	\$ 11,125,732	\$ 11,681,836	\$ 12,874,433
Restricted	2,565,820	2,547,731	2,502,827	9,520,793
Unrestricted	<u>2,770,928</u>	<u>2,972,594</u>	<u>4,040,021</u>	<u>5,555,691</u>
Total governmental activities net assets	<u>\$ 17,232,149</u>	<u>\$ 16,646,057</u>	<u>\$ 18,224,684</u>	<u>\$ 27,950,917</u>
Business-type activities:				
Invested in capital assets, net of related debt	\$ 50,327,398	\$ 52,257,166	\$ 55,677,157	\$ 59,676,685
Restricted	5,430,600	5,752,573	5,480,674	6,221,761
Unrestricted	<u>13,920,676</u>	<u>14,502,848</u>	<u>17,183,561</u>	<u>13,774,237</u>
Total business-type activities net assets	<u>\$ 69,678,674</u>	<u>\$ 72,512,587</u>	<u>\$ 78,341,392</u>	<u>\$ 79,672,683</u>
Primary government:				
Invested in capital assets, net of related debt	\$ 62,222,799	\$ 63,382,898	\$ 67,358,993	\$ 72,551,118
Restricted	7,996,420	8,300,304	7,983,501	15,742,554
Unrestricted	<u>16,691,604</u>	<u>17,475,442</u>	<u>21,223,582</u>	<u>19,329,928</u>
Total primary government net assets	<u>\$ 86,910,823</u>	<u>\$ 89,158,644</u>	<u>\$ 96,566,076</u>	<u>\$ 107,623,600</u>

TABLE 1

Fiscal Year					
2007	2008	2009	2010	2011	2012
\$ 15,219,107	\$ 18,027,712	\$ 21,410,012	\$ 19,852,401	\$ 17,759,659	\$ 17,007,106
10,318,427	9,041,116	6,381,977	6,101,207	2,933,914	5,331,525
<u>5,758,023</u>	<u>6,522,915</u>	<u>5,775,100</u>	<u>8,725,158</u>	<u>13,417,930</u>	<u>14,511,974</u>
<u>\$ 31,295,557</u>	<u>\$ 33,591,743</u>	<u>\$ 33,567,089</u>	<u>\$ 34,678,766</u>	<u>\$ 34,111,503</u>	<u>\$ 36,850,605</u>
\$ 61,396,213	\$ 64,453,828	\$ 68,649,354	\$ 67,232,594	\$ 70,468,654	\$ 75,402,883
7,291,875	7,563,464	7,628,531	13,003,448	8,363,543	8,841,879
<u>14,845,101</u>	<u>16,261,373</u>	<u>16,550,266</u>	<u>15,069,828</u>	<u>21,839,839</u>	<u>22,596,145</u>
<u>\$ 83,533,189</u>	<u>\$ 88,278,665</u>	<u>\$ 92,828,151</u>	<u>\$ 95,305,870</u>	<u>\$ 100,672,036</u>	<u>\$ 106,840,907</u>
\$ 76,615,320	\$ 82,481,540	\$ 90,059,366	\$ 87,084,995	\$ 88,228,313	\$ 92,409,989
17,610,302	16,604,580	14,010,508	19,104,655	11,297,457	14,173,404
<u>20,603,124</u>	<u>22,784,288</u>	<u>22,325,366</u>	<u>23,794,986</u>	<u>35,257,769</u>	<u>37,108,119</u>
<u>\$ 114,828,746</u>	<u>\$ 121,870,408</u>	<u>\$ 126,395,240</u>	<u>\$ 129,984,636</u>	<u>\$ 134,783,539</u>	<u>\$ 143,691,512</u>

CITY OF WEATHERFORD, TEXAS

CHANGES IN NET ASSETS LAST TEN FISCAL YEARS

	Fiscal Year			
	2003	2004	2005	2006
EXPENSES				
Governmental activities:				
General government	\$ 1,403,747	\$ 1,848,399	\$ 2,320,668	\$ 2,320,569
Public safety	7,688,963	8,424,444	9,181,870	9,340,908
Public works	2,040,289	2,331,718	2,161,749	2,743,092
Planning and development	546,498	614,529	776,426	616,598
Community development	528,749	508,310	530,473	773,029
Health and welfare	48,000	48,000	35,000	35,000
Cultural and recreation	2,765,978	3,000,985	2,981,119	3,193,738
Interest on long-term debt	<u>352,025</u>	<u>416,381</u>	<u>422,013</u>	<u>346,758</u>
Total governmental activities expenses	<u>15,374,249</u>	<u>17,192,766</u>	<u>18,409,318</u>	<u>19,369,692</u>
Business-type activities:				
Electric	23,195,898	24,167,228	29,522,755	35,636,539
Water	5,132,653	5,209,604	5,174,495	5,737,688
Wastewater	2,743,571	2,576,454	2,649,235	2,816,465
Sanitation	<u>1,152,985</u>	<u>938,603</u>	<u>1,050,072</u>	<u>1,019,713</u>
Total business-type activities expenses	<u>32,225,107</u>	<u>32,891,889</u>	<u>38,396,557</u>	<u>45,210,405</u>
Total primary government program expenses	<u>\$ 47,599,356</u>	<u>\$ 50,084,655</u>	<u>\$ 56,805,875</u>	<u>\$ 64,580,097</u>
PROGRAM REVENUES				
Governmental activities:				
Charges for services:				
General government	\$ 61,888	\$ 84,252	\$ 228,809	\$ 1,712,909
Public safety	720,593	734,678	751,447	861,969
Public works	-	180,472	-	-
Planning and development	589,075	579,248	559,971	623,468
Community development	-	-	-	-
Health and welfare	-	-	-	-
Cultural and recreational	550,075	678,716	583,179	652,519
Operating grants and contributions	355,994	593,895	728,420	488,795
Capital grants and contributions	<u>590,282</u>	<u>259,637</u>	<u>369,678</u>	<u>308,755</u>
Total governmental activities program revenues	<u>2,867,907</u>	<u>3,110,898</u>	<u>3,221,504</u>	<u>4,648,415</u>
Business-type activities:				
Charges for services:				
Electric	26,552,520	27,615,959	34,016,204	38,781,055
Water	5,044,964	4,948,134	5,882,325	7,698,682
Wastewater	3,260,586	3,029,033	3,436,449	3,845,422
Sanitation	1,595,241	1,664,656	1,697,366	1,765,007
Operating grants and contributions	-	-	-	-
Capital grants and contributions	<u>2,066,625</u>	<u>838,489</u>	<u>1,723,027</u>	<u>1,610,619</u>
Total business-type activities program revenues	<u>38,519,936</u>	<u>38,096,271</u>	<u>46,755,371</u>	<u>53,700,785</u>
Total primary government program revenues	<u>\$ 41,387,843</u>	<u>\$ 41,207,169</u>	<u>\$ 49,976,875</u>	<u>\$ 58,349,200</u>

TABLE 2

Fiscal Year					
2007	2008	2009	2010	2011	2012
\$ 2,466,022	\$ 2,866,557	\$ 2,928,150	\$ 3,160,927	\$ 3,398,442	\$ 4,688,501
10,602,348	11,179,288	12,081,348	11,877,757	12,532,399	12,426,881
2,790,615	2,973,277	2,920,416	2,997,970	7,985,977	4,116,662
973,236	1,094,289	825,967	677,682	698,162	738,534
698,315	798,054	1,627,371	1,314,302	926,855	991,922
40,000	40,000	45,000	45,000	46,764	160,169
3,626,826	4,490,038	3,681,961	4,088,694	3,442,335	3,579,674
<u>600,668</u>	<u>3,749,754</u>	<u>3,109,094</u>	<u>2,996,869</u>	<u>2,758,163</u>	<u>3,584,869</u>
<u>21,798,030</u>	<u>27,191,257</u>	<u>27,219,307</u>	<u>27,159,201</u>	<u>31,789,097</u>	<u>30,287,212</u>
33,712,309	45,275,598	41,197,102	30,670,906	28,530,839	21,532,861
6,947,460	6,969,907	7,899,776	6,433,439	7,404,975	6,441,878
2,887,183	2,998,193	2,888,556	3,281,199	2,994,124	3,195,794
<u>1,094,631</u>	<u>1,443,132</u>	<u>1,464,621</u>	<u>1,434,931</u>	<u>1,450,234</u>	<u>1,481,557</u>
<u>44,641,583</u>	<u>56,686,830</u>	<u>53,450,055</u>	<u>41,820,475</u>	<u>40,380,172</u>	<u>32,652,090</u>
\$ <u>66,439,613</u>	\$ <u>83,878,087</u>	\$ <u>80,669,362</u>	\$ <u>68,979,676</u>	\$ <u>72,169,269</u>	\$ <u>62,939,302</u>
\$ 234,430	\$ 240,282	\$ 247,258	\$ 260,293	\$ 275,022	\$ 195,897
1,208,676	1,316,499	1,269,329	1,112,838	1,008,551	770,585
-	-	-	25,603	21,278	7,240
642,624	652,314	395,846	256,563	385,256	263,220
-	-	-	427,224	496,987	438,947
-	-	-	31,607	49,660	49,010
689,070	725,635	636,811	636,120	675,256	621,955
292,214	546,231	401,357	234,710	218,060	584,783
<u>298,032</u>	<u>150,087</u>	<u>707,935</u>	<u>1,191,580</u>	<u>2,244,834</u>	<u>4,114,054</u>
<u>3,365,046</u>	<u>3,631,048</u>	<u>3,658,536</u>	<u>4,176,538</u>	<u>5,374,904</u>	<u>7,045,691</u>
36,441,699	49,463,235	44,153,842	35,217,275	35,024,442	27,763,091
6,553,467	7,313,082	8,078,376	6,592,204	9,427,936	9,675,600
3,926,120	4,168,752	4,035,449	3,858,895	5,031,535	4,719,203
1,824,906	1,930,313	2,189,772	2,560,822	2,636,671	2,081,818
477,013	-	-	-	-	-
<u>788,632</u>	<u>930,081</u>	<u>1,820,404</u>	<u>1,068,437</u>	<u>485,997</u>	<u>409,143</u>
<u>50,011,837</u>	<u>63,805,463</u>	<u>60,277,843</u>	<u>49,297,633</u>	<u>52,606,581</u>	<u>44,648,855</u>
\$ <u>53,376,883</u>	\$ <u>67,436,511</u>	\$ <u>63,936,379</u>	\$ <u>53,474,171</u>	\$ <u>57,981,485</u>	\$ <u>51,694,546</u>

(continued)

CITY OF WEATHERFORD, TEXAS

CHANGES IN NET ASSETS (Continued) LAST TEN FISCAL YEARS

	Fiscal Year			
	2003	2004	2005	2006
NET (EXPENSE) REVENUES				
Governmental activities	\$(12,506,342)	\$(14,081,868)	\$(15,187,814)	\$(14,721,277)
Business-type activities	<u>6,294,829</u>	<u>5,204,382</u>	<u>8,358,814</u>	<u>8,490,380</u>
Total primary government net expense	<u>(6,211,513)</u>	<u>(8,877,486)</u>	<u>(6,829,000)</u>	<u>(6,230,897)</u>
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS				
Governmental activities:				
Taxes				
Property	3,290,317	3,574,036	3,791,801	4,351,788
Retail sales	5,454,299	5,943,635	6,932,094	7,628,658
Franchise	1,829,627	1,847,829	2,032,325	2,254,202
Hotel/motel	319,252	360,699	455,894	570,854
Mixed beverage	15,609	19,639	30,386	39,803
Unrestricted grants and contributions	16,120	6,378	18,750	17,963
Investment earnings	190,174	123,200	261,843	704,988
Gain on sale of capital assets	-	-	-	399,656
Miscellaneous	23,880	41,559	97,095	68,384
Special item	-	(1,346,466)	-	-
Transfers	<u>2,537,130</u>	<u>2,925,267</u>	<u>3,146,253</u>	<u>8,411,214</u>
Total governmental activities	<u>13,676,408</u>	<u>13,495,776</u>	<u>16,766,441</u>	<u>24,447,510</u>
Business-type activities:				
Investment earnings	379,361	292,748	536,644	1,102,832
Miscellaneous	204,746	262,050	79,600	149,293
Special item	5,337,507	-	-	-
Transfers	<u>(2,537,130)</u>	<u>(2,925,267)</u>	<u>(3,146,253)</u>	<u>(8,411,214)</u>
Total business-type activities	<u>3,384,484</u>	<u>(2,370,469)</u>	<u>(2,530,009)</u>	<u>(7,159,089)</u>
Total primary government	<u>17,060,892</u>	<u>11,125,307</u>	<u>14,236,432</u>	<u>17,288,421</u>
CHANGE IN NET ASSETS				
Governmental activities	1,170,066	(586,092)	1,578,627	9,726,233
Business-type activities	<u>9,679,313</u>	<u>2,833,913</u>	<u>5,828,805</u>	<u>1,331,291</u>
Total primary government	<u>\$ 10,849,379</u>	<u>\$ 2,247,821</u>	<u>\$ 7,407,432</u>	<u>\$ 11,057,524</u>

Notes:

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

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

TABLE 2

Fiscal Year					
2007	2008	2009	2010	2011	2012
\$(18,432,984)	\$(23,560,209)	\$(23,560,771)	\$(22,982,663)	\$(26,414,193)	\$(23,241,521)
<u>5,370,254</u>	<u>7,118,633</u>	<u>6,827,788</u>	<u>7,477,158</u>	<u>12,226,409</u>	<u>11,996,765</u>
(13,062,730)	(16,441,576)	(16,732,983)	(15,505,505)	(14,187,784)	(11,244,756)
4,749,712	6,977,107	7,371,902	8,108,727	8,095,074	8,232,881
8,097,754	9,166,195	8,641,879	8,236,286	8,832,088	9,648,458
2,272,898	2,439,677	2,403,704	581,566	620,052	697,980
684,782	707,136	452,312	474,607	588,225	602,256
43,571	45,662	53,505	57,822	57,593	57,519
9,021	10,226	3,373	155,092	1,944	18,626
2,299,115	2,575,000	1,463,358	763,500	72,783	57,691
6,650	76,548	-	-	-	-
110,674	199,107	438,500	474,809	454,317	264,797
-	-	-	-	-	-
<u>3,503,447</u>	<u>3,659,737</u>	<u>2,707,584</u>	<u>5,241,931</u>	<u>7,124,854</u>	<u>6,400,415</u>
<u>21,777,624</u>	<u>25,856,395</u>	<u>23,536,117</u>	<u>24,094,340</u>	<u>25,846,930</u>	<u>25,980,623</u>
1,810,807	1,140,045	228,337	64,432	43,834	49,858
182,892	146,535	200,945	178,060	220,777	523,014
-	-	-	-	-	-
(3,503,447)	(3,659,737)	(2,707,584)	(5,241,931)	(7,124,854)	(6,400,415)
(1,509,748)	(2,373,157)	(2,278,302)	(4,999,439)	(6,860,243)	(5,827,543)
<u>20,267,876</u>	<u>23,483,238</u>	<u>21,257,815</u>	<u>19,094,901</u>	<u>18,986,687</u>	<u>20,153,080</u>
3,344,640	2,296,186	(24,654)	1,111,677	(567,263)	2,739,102
<u>3,860,506</u>	<u>4,745,476</u>	<u>4,549,486</u>	<u>2,477,719</u>	<u>5,366,166</u>	<u>6,169,222</u>
<u>\$ 7,205,146</u>	<u>\$ 7,041,662</u>	<u>\$ 4,524,832</u>	<u>\$ 3,589,396</u>	<u>\$ 4,798,903</u>	<u>\$ 8,908,324</u>

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CITY OF WEATHERFORD, TEXAS

FUND BALANCES
GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General fund:										
Reserved	\$ 55,702	\$ 47,929	\$ 44,393	\$ 51,821	\$ 71,041	\$ 60,372	\$ 30,975	\$ 39,512	\$ -	\$ -
Unreserved	3,852,326	4,490,806	5,590,721	7,237,347	7,674,409	8,637,632	9,067,892	11,162,818	-	-
Nonspendable	-	-	-	-	-	-	-	-	132,112	75,623
Committed	-	-	-	-	-	-	-	-	6,989,273	7,350,364
Unassigned	-	-	-	-	-	-	-	-	6,517,546	6,693,692
Total general fund	<u>\$ 3,908,028</u>	<u>\$ 4,538,735</u>	<u>\$ 5,635,114</u>	<u>\$ 7,289,168</u>	<u>\$ 7,745,450</u>	<u>\$ 8,698,004</u>	<u>\$ 9,098,867</u>	<u>\$ 11,202,330</u>	<u>\$ 13,638,931</u>	<u>\$ 14,119,679</u>
All other governmental funds										
Reserved	\$ 5,481,606	\$ 5,205,557	\$ 4,172,001	\$ 13,592,170	\$ 70,250,798	\$ 66,257,136	\$ 40,533,598	\$ 21,061,652	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	509,085	456,382	701,240	1,086,524	1,351,075	1,129,821	1,089,249	1,187,400	-	-
Nonspendable	-	-	-	-	-	-	-	-	50,000	50,000
Restricted	-	-	-	-	-	-	-	-	19,057,261	18,625,654
Committed	-	-	-	-	-	-	-	-	3,807,639	3,887,347
Total all other governmental funds	<u>\$ 5,990,691</u>	<u>\$ 5,661,939</u>	<u>\$ 4,873,241</u>	<u>\$ 14,678,694</u>	<u>\$ 71,601,873</u>	<u>\$ 67,386,957</u>	<u>\$ 41,622,847</u>	<u>\$ 22,249,052</u>	<u>\$ 22,914,900</u>	<u>\$ 22,563,001</u>

CITY OF WEATHERFORD, TEXAS

CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
REVENUES										
Taxes	\$ 10,931,364	\$ 11,734,586	\$ 13,256,164	\$ 14,829,390	\$ 15,840,133	\$ 19,299,272	\$ 18,924,734	\$ 17,374,844	\$ 18,222,977	\$ 19,256,063
Licenses and permits	567,419	566,880	554,940	631,400	637,735	663,464	431,330	355,842	560,150	421,801
Intergovernmental	344,281	593,895	567,188	394,449	266,261	362,008	331,035	777,266	2,650,196	4,728,575
Charges for services	603,070	672,813	847,331	870,669	917,528	931,540	962,567	1,119,403	1,114,756	1,086,564
Fines and forfeitures	499,568	434,764	435,458	491,957	729,794	857,715	676,973	715,865	917,547	615,624
Contributions	-	-	-	-	-	-	-	34,546	22,344	125,387
Investment earnings	190,174	123,200	261,843	704,988	2,302,034	2,576,899	1,463,815	763,500	72,783	57,691
Miscellaneous	309,762	638,662	586,169	2,097,305	639,122	972,491	1,006,388	718,914	615,158	342,123
Total revenues	<u>13,445,638</u>	<u>14,764,800</u>	<u>16,509,093</u>	<u>20,020,158</u>	<u>21,332,607</u>	<u>25,663,389</u>	<u>23,796,842</u>	<u>21,860,180</u>	<u>24,175,911</u>	<u>26,633,828</u>
EXPENDITURES										
General government	1,400,503	1,764,420	1,967,561	2,163,428	2,370,333	2,947,667	2,749,341	2,836,078	3,174,872	4,474,348
Public safety	7,403,954	7,968,188	9,191,013	9,177,082	10,389,397	10,888,448	11,067,251	10,929,713	11,431,423	11,692,263
Public works	1,631,665	1,829,989	1,725,247	2,601,040	2,402,659	2,510,164	2,175,270	1,704,727	2,569,515	2,640,284
Planning and development	537,984	612,498	742,634	762,914	990,770	1,099,526	818,460	638,591	660,440	717,003
Community development	559,829	478,954	495,353	610,699	670,973	766,573	1,519,717	1,136,814	849,250	933,216
Health and welfare	48,000	48,000	35,000	35,000	40,000	40,000	45,000	45,000	45,000	122,774
Cultural and recreational	2,640,362	2,955,251	2,877,673	3,104,893	3,517,497	4,360,890	4,133,489	3,574,460	2,842,956	2,997,049
Debt service										
Principal	436,481	427,628	384,074	438,428	967,696	3,940,724	3,116,578	3,069,221	1,175,000	1,166,194
Interest	836,986	751,707	818,084	898,809	689,381	923,458	1,030,242	1,065,000	3,261,816	3,466,410
Capital outlay	954,517	651,201	1,357,026	1,784,982	3,535,335	8,108,038	25,212,325	19,390,595	11,130,204	6,068,108
Total expenditures	<u>16,450,281</u>	<u>17,487,836</u>	<u>19,593,665</u>	<u>21,577,275</u>	<u>25,574,041</u>	<u>35,585,488</u>	<u>51,867,673</u>	<u>44,390,199</u>	<u>37,140,476</u>	<u>34,277,649</u>

(continued)

CITY OF WEATHERFORD, TEXAS

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$(3,004,643)	\$(2,723,036)	\$(3,084,572)	\$(1,557,117)	\$(4,241,434)	\$(9,922,099)	\$(28,070,831)	\$(22,530,019)	\$(12,964,565)	\$(7,643,821)
OTHER FINANCING SOURCES (USES)										
Issuance of debt	3,500,000	-	-	4,000,000	57,290,000	3,000,000	-	-	33,475,000	1,267,959
Premium on debt issuance	7,515	-	-	34,543	827,448	-	-	-	255,694	-
Payment to escrow agent	-	-	-	-	-	-	-	-	(24,793,931)	-
Proceeds from insurance	-	-	-	-	-	-	-	-	-	93,842
Lease purchase proceeds	177,173	99,724	246,000	570,867	-	-	-	-	-	-
Sale of assets	-	-	-	-	-	-	-	17,756	5,397	10,454
Transfers in	3,127,775	3,443,072	3,740,638	9,041,701	5,293,472	6,115,459	5,850,469	7,276,196	7,882,888	6,849,355
Transfers out	(590,645)	(517,805)	(594,385)	(630,487)	(1,790,025)	(2,455,722)	(3,142,885)	(2,034,265)	(758,034)	(448,940)
Total other financing sources (uses)	<u>6,221,818</u>	<u>3,024,991</u>	<u>3,392,253</u>	<u>13,016,624</u>	<u>61,620,895</u>	<u>6,659,737</u>	<u>2,707,584</u>	<u>5,259,687</u>	<u>16,067,014</u>	<u>7,772,670</u>
NET CHANGE IN FUND BALANCES	<u>\$ 3,217,175</u>	<u>\$ 301,955</u>	<u>\$ 307,681</u>	<u>\$ 11,459,507</u>	<u>\$ 57,379,461</u>	<u>\$(3,262,362)</u>	<u>\$(25,363,247)</u>	<u>\$(17,270,332)</u>	<u>\$ 3,102,449</u>	<u>\$ 128,849</u>
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	<u>8.39%</u>	<u>7.17%</u>	<u>6.74%</u>	<u>7.02%</u>	<u>7.74%</u>	<u>18.18%</u>	<u>15.90%</u>	<u>16.57%</u>	<u>17.13%</u>	<u>16.55%</u>

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

Fiscal Year	Property Tax	Sales Tax	Franchise Tax ⁽¹⁾	Hotel/Motel Occupancy Tax	Mixed Beverage Tax	Totals
2003	\$ 3,312,577	\$ 5,454,299	\$ 1,829,627	\$ 319,252	\$ 15,609	\$ 10,931,364
2004	3,562,784	5,943,635	1,847,829	360,699	19,639	11,734,586
2005	3,805,465	6,932,094	2,032,325	455,894	30,386	13,256,164
2006	4,335,873	7,628,658	2,254,202	570,854	39,803	14,829,390
2007	4,741,128	8,097,754	2,272,898	684,782	43,571	15,840,133
2008	6,940,602	9,166,195	2,439,677	707,136	45,662	19,299,272
2009	7,373,334	8,641,879	2,403,704	452,312	53,505	18,924,734
2010	8,024,563	8,236,286	581,566	474,607	57,822	17,374,844
2011	8,125,019	8,832,088	620,052	588,225	57,593	18,222,977
2012	8,188,186	9,648,458	697,980	602,256	57,519	19,194,399

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

CITY OF WEATHERFORD, TEXAS
ELECTRIC RATES
LAST TEN FISCAL YEARS

	Fiscal Year		
	2003	2004	2005
Residential			
Base rate	\$ 4.25	\$ 4.25	\$ 4.25
Per KWH (May - October)	0.0750	0.0750	0.0750
Per KWH (November - April)	0.0690	0.0690	0.0690
Residential - All Electric			
Base rate	4.25	4.25	4.25
Per KWH (May - October)	0.0750	0.0750	0.0750
Per KWH (November - April)	0.0690	0.0690	0.0690
Small General Service			
(Demand does not exceed 20 KW)			
Base rate	16.00	16.00	16.00
Per KWH	0.0765	0.0765	0.0765
Large General Service 1			
(Demand 20 - 200 KW)			
Base rate	21.00	21.00	21.00
Per KWH	0.0605	0.0605	0.0605
Per KVA demand	3.25	3.25	3.25
Large General Service 2			
(Demand 200 KW - 1000 KVA)			
Base rate	22.25	22.25	22.25
Per KWH	0.0565	0.0565	0.0565
Per KWH (if primary metered)	0.0545	0.0545	0.0545
Per KVA demand	2.55	2.55	2.55
Large General Service 3			
(Demand 20 - 200 KW)			
Base rate	22.25	22.25	22.25
Per KWH for first 2500 KWH	0.0860	0.0860	0.0860
Per KWH for next 3500 KWH	0.0520 (1)	0.0520 (1)	0.0520 (1)
Per KWH for all additional KWH	0.0260	0.0260	0.0260
Per KVA demand > 10 KVA	8.10	8.10	8.10
Municipal			
Base rate	12.25	12.25	12.25
Per KWH	0.0665	0.0665	0.0665
School/Church			
Base rate	16.00	16.00	16.00
Per KWH	0.0645	0.0645	0.0645
Per KW demand	2.25	2.25	2.25
Security Lights			
Per light	10.00	10.00	10.00

Notes:

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

⁽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									
		2006	2007	2008	2009	2010	2011	2012			
\$	4.25	\$	4.25	\$	4.25	\$	4.25	\$	6.17	\$	8.08
	0.0750		0.0750		0.0750		0.0750		0.0481		0.0462
	0.0690		0.0690		0.0690		0.0690		0.0443		0.0443
	4.25		4.25		4.25		4.25		6.17		8.08
	0.0750		0.0750		0.0750		0.0750		0.0481		0.0462
	0.0690		0.0690		0.0690		0.0690		0.0443		0.0443
	16.00		16.00		16.00		16.00		19.55		19.55
	0.0765		0.0765		0.0765		0.0765		0.0490		0.0490
	21.00		21.00		21.00		21.00		28.17		35.33
	0.0605		0.0605		0.0605		0.0605		0.0322		0.0289
	3.25		3.25		3.25		3.25		3.43		3.62
	22.25		22.25		22.25		22.25		48.17		74.08
	0.0565		0.0565		0.0565		0.0565		0.0297		0.0278
	0.0545		0.0545		0.0545		0.0545		0.0297		0.0278
	2.55		2.55		2.55		2.55		2.96		3.38
	22.25		22.25		22.25		22.25		79.83		137.42
	0.0860		0.0860		0.0860		0.0860		0.0194 (2)		0.0212 (2)
	0.0520 (1)		0.0520 (1)		0.0520 (1)		0.0520 (1)		0.0194 (2)		0.0212 (2)
	0.0260		0.0260		0.0260		0.0260		0.0194 (2)		0.0212 (2)
	8.10		8.10		8.10		8.10		6.62 (2)		5.13 (2)
	12.25		12.25		12.25		12.25		(3)		(3)
	0.0665		0.0665		0.0665		0.0665		(3)		(3)
	16.00		16.00		16.00		16.00		(3)		(3)
	0.0645		0.0645		0.0645		0.0645		(3)		(3)
	2.25		2.25		2.25		2.25		(3)		(3)
	10.00		10.00		10.00		10.00		10.00		10.00

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

Fiscal Year	Residential	Commercial ⁽²⁾	Industrial	Other ⁽¹⁾	Total
2003	9,250	1,423	33	252	10,958
2004	9,980	1,502	32	244	11,758
2005	10,198	1,586	37	239	12,060
2006	10,525	1,642	39	237	12,443
2007	10,891	1,644	41	247	12,823
2008	11,143	1,723	44	256	13,166
2009	11,223	1,770	45	259	13,297
2010	11,314	1,801	48	255	13,418
2011	11,420	2,087	53	-	13,560
2012	11,586	2,128	53	-	13,767

⁽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	2012	
	Revenue	Percentage of Electric Revenue
Weatherford ISD	\$ 1,125,367	4.13%
Heritage Plastic	712,211	2.62%
Weatherford Texas Hospital Corp.	613,018	2.25%
Jamak, Inc.	449,690	1.65%
Wal-Mart	359,701	1.32%
Weatherford Aerospace	330,627	1.21%
Weatherford College	344,237	1.26%
Lowe's	175,817	0.65%
Albertson's	169,010	0.62%
Home Depot	162,470	0.60%
	<u>4,442,148</u>	<u>16.31%</u>
Revenue from other customers	<u>22,792,401</u>	<u>83.69%</u>
Total	<u>\$ 27,234,549</u>	<u>100.00%</u>
Customer	2003	
	Revenue	Percentage of Electric Revenue
Weatherford ISD	\$ 1,026,206	3.91%
Jamak, Inc.	703,243	2.68%
Wal-Mart	680,727	2.59%
Heritage Plastic	614,288	2.34%
Campbell Health System	437,790	1.67%
Weatherford College	256,259	0.98%
Home Depot	250,175	0.95%
Parker County	240,724	0.92%
Albertson's	230,961	0.88%
Petro Truck Stop	217,771	0.83%
	<u>4,658,144</u>	<u>17.75%</u>
Total	<u>21,587,453</u>	<u>82.25%</u>
	<u>\$ 26,245,597</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			
	2003		2004	
	Actual Value	Percentage of Total	Actual Value	Percentage of Total
Real, residential, single family	\$ 573,235,680	53.31%	\$ 611,816,260	54.46%
Real, residential, multi-family	30,423,790	2.83%	31,268,020	2.78%
Real, vacant lots/tracts	19,903,290	1.85%	18,094,880	1.61%
Real, acreage (land only)	47,895,100	4.45%	48,892,850	4.35%
Real, farm and ranch improvements	18,686,180	1.74%	16,646,290	1.48%
Real, commercial	238,291,820	22.16%	247,264,810	22.01%
Real, industrial	7,542,010	0.70%	7,823,290	0.70%
Real, oil, gas and other minerals	-	- %	-	- %
Total real property	<u>935,977,870</u>	87.04%	<u>981,806,400</u>	87.39%
Real and tangible personal, utilities	20,382,350	1.90%	18,129,460	1.61%
Tangible personal, commercial	88,283,950	8.21%	89,775,290	7.99%
Tangible personal, industrial	23,000,330	2.14%	22,977,010	2.05%
Tangible, personal, mobile homes	1,785,570	0.17%	1,852,430	0.16%
Intangible personal	-	- %	28,580	- %
Inventory	<u>5,927,220</u>	<u>0.55%</u>	<u>8,896,290</u>	<u>0.79%</u>
Total personal property	<u>139,379,420</u>	<u>12.96%</u>	<u>141,659,060</u>	<u>12.61%</u>
Total actual value	1,075,357,290	<u>100.00%</u>	1,123,465,460	<u>100.00%</u>
Less: exemptions/reductions	<u>119,668,828</u>		<u>97,494,013</u>	
Total	<u>\$ 955,688,462</u>		<u>\$ 1,025,971,447</u>	
Total direct rate ⁽²⁾	\$ 0.3403		\$ 0.3403	

Notes:

(1) Property is assessed at market value.

(2) Per \$100 of assessed value

Source: Parker County Appraisal District

TABLE 9

Fiscal Year					
2005		2006		2007	
Actual Value	Percentage of Total	Actual Value	Percentage of Total	Actual Value	Percentage of Total
\$ 650,194,940	54.19%	\$ 744,845,930	53.65%	\$ 786,575,270	52.41%
31,489,910	2.62%	38,787,970	2.79%	50,422,550	3.36%
19,016,140	1.58%	28,465,230	2.05%	31,371,500	2.09%
50,936,150	4.25%	61,611,030	4.44%	66,543,860	4.43%
16,761,180	1.40%	19,390,740	1.40%	19,971,440	1.33%
276,298,640	23.03%	328,022,860	23.63%	355,833,000	23.71%
7,823,290	0.65%	8,466,210	0.61%	8,176,550	0.54%
-	- %	-	- %	665,540	0.04%
<u>1,052,520,250</u>	<u>87.72%</u>	<u>1,229,589,970</u>	<u>88.56%</u>	<u>1,319,559,710</u>	<u>87.93%</u>
16,690,530	1.39%	17,714,320	1.28%	17,359,850	1.16%
94,586,120	7.88%	107,923,090	7.77%	122,749,210	8.18%
24,378,430	2.03%	22,895,960	1.65%	27,607,560	1.84%
1,948,360	0.16%	1,681,410	0.12%	1,539,060	0.10%
21,990	- %	-	- %	-	- %
<u>9,686,950</u>	<u>0.81%</u>	<u>8,601,290</u>	<u>0.62%</u>	<u>11,868,130</u>	<u>0.79%</u>
<u>147,312,380</u>	<u>12.28%</u>	<u>158,816,070</u>	<u>11.44%</u>	<u>181,123,810</u>	<u>12.07%</u>
1,199,832,630	<u>100.00%</u>	1,388,406,040	<u>100.00%</u>	1,500,683,520	<u>100.00%</u>
<u>89,072,576</u>		<u>107,831,010</u>		<u>102,744,790</u>	
<u>\$ 1,110,760,054</u>		<u>\$ 1,280,575,030</u>		<u>\$ 1,397,938,730</u>	
\$ 0.3403		\$ 0.3403		\$ 0.3403	

(continued)

CITY OF WEATHERFORD, TEXAS

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

Category	Fiscal Year			
	2008		2009	
	Actual Value	Percentage of Total	Actual Value	Percentage of Total
Real, residential, single family	\$ 884,837,500	52.16%	\$ 931,787,310	49.58%
Real, residential, multi-family	49,119,090	2.90%	63,259,650	3.37%
Real, vacant lots/tracts	28,945,620	1.71%	34,935,360	1.86%
Real, acreage (land only)	97,859,020	5.77%	114,848,250	6.11%
Real, farm and ranch improvements	19,102,150	1.13%	22,318,830	1.19%
Real, commercial	431,045,000	25.41%	504,549,930	26.85%
Real, industrial	5,685,760	0.34%	9,751,120	0.52%
Real, oil, gas and other minerals	1,381,770	0.08%	785,960	0.04%
Total real property	<u>1,517,975,910</u>	89.47%	<u>1,682,236,410</u>	89.51%
Real and tangible personal, utilities	18,661,510	1.10%	17,684,650	0.94%
Tangible personal, commercial	119,755,350	7.06%	129,570,820	6.89%
Tangible personal, industrial	32,721,880	1.93%	34,733,290	1.85%
Tangible, personal, mobile homes	1,563,200	0.09%	1,379,840	0.07%
Intangible personal	36,210	- %	37,620	- %
Inventory	<u>5,833,900</u>	<u>0.34%</u>	<u>13,786,420</u>	<u>0.73%</u>
Total personal property	<u>178,572,050</u>	<u>10.52%</u>	<u>197,192,640</u>	<u>10.49%</u>
Total actual value	1,696,547,960	<u>100.00%</u>	1,879,429,050	<u>100.00%</u>
Less: exemptions/reductions	<u>131,475,380</u>		<u>141,624,420</u>	
Total	<u>\$ 1,565,072,580</u>		<u>\$ 1,737,804,630</u>	
Total direct rate ⁽²⁾	\$ 0.4386		\$ 0.4386	

Notes:

(1) Property is assessed at market value.

(2) Per \$100 of assessed value

Source: Parker County Appraisal District

TABLE 9

Fiscal Year					
2010		2011		2012	
Actual Value	Percentage of Total	Actual Value	Percentage of Total	Actual Value	Percentage of Total
\$ 966,262,300	49.35%	\$ 982,593,310	50.07%	\$ 982,516,800	48.65%
66,142,950	3.38%	60,050,380	3.06%	84,299,640	4.17%
32,079,260	1.64%	31,012,210	1.58%	34,086,840	1.69%
132,053,460	6.74%	127,192,770	6.48%	134,640,710	6.67%
21,383,540	1.09%	23,630,120	1.20%	22,225,190	1.10%
522,311,300	26.68%	525,936,480	26.80%	548,072,350	27.14%
10,348,560	0.53%	11,655,760	0.59%	12,501,170	0.62%
566,870	0.03%	7,210,230	0.37%	4,664,840	0.23%
<u>1,751,148,240</u>	<u>89.44%</u>	<u>1,769,281,260</u>	<u>90.15%</u>	<u>1,823,007,540</u>	<u>90.26%</u>
16,470,860	0.84%	16,699,920	0.85%	16,355,940	0.81%
139,204,420	7.11%	130,474,700	6.65%	129,454,910	6.41%
35,221,400	1.80%	32,101,270	1.64%	40,321,640	2.00%
1,469,130	0.08%	1,505,490	0.08%	1,213,240	0.06%
68,300	- %	45,610	- %	18,570	- %
<u>14,240,990</u>	<u>0.73%</u>	<u>12,406,480</u>	<u>0.63%</u>	<u>9,292,360</u>	<u>0.46%</u>
<u>206,675,100</u>	<u>10.55%</u>	<u>193,233,470</u>	<u>9.84%</u>	<u>196,656,660</u>	<u>9.74%</u>
1,957,823,340	<u>100.00%</u>	1,962,514,730	<u>100.00%</u>	2,019,664,200	<u>100.00%</u>
<u>157,276,330</u>		<u>156,813,562</u>		<u>165,234,100</u>	
<u>\$ 1,800,547,010</u>		<u>\$ 1,805,701,168</u>		<u>\$ 1,854,430,100</u>	
\$ 0.4636		\$ 0.4636		\$ 0.4636	

CITY OF WEATHERFORD, TEXAS

DIRECT AND OVERLAPPING PROPERTY TAX RATES⁽¹⁾

LAST TEN FISCAL YEARS

Fiscal Year	City Direct Rates			Overlapping Rates ⁽²⁾				
	Operating	Debt Service	Total Direct	Parker County	Weatherford School District	Parker County Hospital District	Parker County Junior College	Peaster School District
2003	0.2624	0.0779	0.3403	0.3418	1.6600	0.1710	0.1278	1.7440
2004	0.2691	0.0712	0.3403	0.3425	1.7000	0.1667	0.1299	1.7500
2005	0.2740	0.0663	0.3403	0.3417	1.7400	0.1618	0.1298	1.6980
2006	0.2758	0.0645	0.3403	0.3399	1.7800	0.1590	0.1170	1.6980
2007	0.2782	0.0621	0.3403	0.3386	1.6900	0.1454	0.1138	1.6100
2008	0.2920	0.1466	0.4386	0.3372	1.4000	0.1250	0.1053	1.3528
2009	0.2920	0.1466	0.4386	0.3545	1.4000	0.1150	0.1053	1.3528
2010	0.2920	0.1716	0.4636	0.3754	1.4000	0.1136	0.1049	1.3528
2011	0.2920	0.1716	0.4636	0.3897	1.4000	0.1130	0.1049	1.3528
2012	0.2920	0.1716	0.4636	0.4102	1.4000	0.1130	0.1119	1.3528

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

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

Source: Representatives of the taxing jurisdictions

CITY OF WEATHERFORD, TEXAS

PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2012	
	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value
Parker County Hospital	\$ 61,814,730	3.40%
Weatherford Capital	20,565,060	1.13%
Wal-Mart Stores, Inc.	19,253,140	1.06%
Weatherford I-20/Main St.	19,102,540	1.05%
Power Service Products	16,501,790	0.91%
Home Depot	12,519,560	0.69%
Target Corporation	11,771,950	0.65%
Lowes Home Centers	11,429,700	0.63%
Holland Lake Partners	10,916,520	0.60%
Brown Southgate Glen	10,005,330	0.55%
Total	\$ 193,880,320	10.67%

Taxpayer	2003	
	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value
Wal-Mart Stores, Inc.	\$ 17,021,490	1.66%
JAMAK, Inc.	12,921,340	1.26%
Home Depot	11,782,700	1.15%
Southwestern Bell	9,482,740	0.92%
Albertsons, Inc.	8,793,060	0.86%
Power Service Products	7,389,480	0.72%
C.D. Hartnett Company	6,716,500	0.65%
Southgate Glen Apartments	5,700,620	0.56%
Westward Way Estates	4,499,090	0.44%
Petro Psc Properties	4,020,560	0.39%
Total	\$ 88,327,580	8.61%

Source: Parker County Appraisal District

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

<u>Fiscal Year Ended</u>	<u>Taxes Levied for the Fiscal Year</u>	<u>Adjustments</u>	<u>Total Adjusted Levies</u>	<u>Collected With the Fiscal Year of the Levy</u>		<u>Collections in Subsequent Years</u>	<u>Total Collections to Date</u>	
				<u>Amount</u>	<u>Percentage of Levy</u>		<u>Amount</u>	<u>Percentage of Levy</u>
2005	\$ 3,780,244	\$(38,564)	3,741,680	\$ 3,666,354	96.99%	\$ 68,091	\$ 3,734,445	99.81%
2006	4,315,877	(19,375)	4,296,502	4,215,124	97.67%	72,076	4,287,201	99.78%
2007	4,696,326	(19,814)	4,676,512	4,590,807	97.75%	76,165	4,666,972	99.80%
2008	6,919,281	(61,644)	6,857,637	6,759,210	97.69%	78,449	6,837,659	99.71%
2009	7,366,860	(33,957)	7,332,903	7,218,875	97.99%	92,014	7,310,889	99.70%
2010	8,016,933	(39,783)	7,977,150	7,837,978	97.77%	102,980	7,940,958	99.55%
2011	8,085,420	(35,562)	8,049,858	7,942,051	98.23%	58,490	8,000,541	99.39%
2012	8,201,957	(38,694)	8,163,263	8,079,521	98.51%	-	8,079,521	98.97%

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

Source: Parker County Appraisal District

CITY OF WEATHERFORD, TEXAS

TAXABLE SALES BY CATEGORY

LAST TEN FISCAL YEARS

	Fiscal Year			
	2003	2004	2005	2006
Agriculture/Forestry/Fishing/Hunting	\$ -	\$ -	\$ -	\$ -
Mining/Quarrying/Oil and Gas Extraction	1,011	-	515,558	2,347,140
Utilities	37,337	-	-	-
Construction	6,235,132	5,790,886	7,713,482	8,813,942
Manufacturing	7,941,216	8,480,151	11,417,424	12,266,814
Wholesale Trade	10,449,538	13,962,200	16,865,888	19,404,659
Retail Trade	207,853,192	221,607,207	259,551,137	274,468,277
Transportation/Warehousing	6,161	2,524	13,065	114,637
Information	895,350	1,281,883	1,782,692	2,269,814
Finance/Insurance	1,668,642	1,867,135	2,489,713	2,643,196
Real Estate/Rental/Leasing	1,600,597	2,368,939	2,906,602	5,988,307
Professional/Scientific/Technical Services	2,944,145	2,680,029	2,987,497	3,435,823
Admin/Support/Waste Mgmt/Remediation Services	2,639,015	3,310,849	3,467,818	3,184,939
Educational Services	213,875	320,362	238,871	369,212
Health Care/Social Assistance	334,969	307,035	323,278	331,275
Arts/Entertainment/Recreation	1,133,361	1,115,563	1,199,103	1,689,930
Accommodations/Food Services	40,027,467	46,480,604	53,593,119	59,244,910
Other Services (except Public Administration)	11,475,858	13,553,888	14,291,440	13,628,435
Public Administration	1,842,689	2,101,631	2,452,113	9,624,417
Other Services	820,282	232,274	47,085	22,410
Unclassified	<u>8,694,981</u>	<u>8,925,327</u>	<u>10,542,942</u>	<u>5,869,106</u>
Total	<u>\$ 306,814,818</u>	<u>\$ 334,388,487</u>	<u>\$ 392,398,827</u>	<u>\$ 425,717,243</u>
City direct sales tax rate	1.50%	1.50%	1.50%	1.50%

Source: Texas Comptroller

TABLE 13

Fiscal Year					
2007	2008	2009	2010	2011	2012
\$ -	\$ -	\$ -	\$ -	\$ 17,350	\$ 24,360
1,244,207	1,252,092	14,326,698	88,530,759	2,708,174	2,553,162
-	-	-	-	1,564	9,523
7,275,865	6,957,885	4,357,116	4,005,474	4,473,269	4,148,485
10,892,575	11,006,653	8,052,901	9,179,698	10,344,074	9,891,554
20,932,822	22,472,139	18,984,569	17,613,952	20,606,904	23,196,315
307,054,524	319,784,449	306,397,750	296,338,740	318,942,141	343,180,554
299,029	298,219	-	-	-	868
1,902,312	2,056,382	2,168,761	3,007,895	5,614,520	4,177,775
2,744,766	2,173,493	1,238,663	1,007,196	884,706	754,614
12,909,665	10,905,094	5,856,372	3,398,093	3,083,776	4,792,747
2,492,222	3,351,088	3,173,971	2,525,977	2,248,780	1,947,381
2,974,145	3,855,420	3,966,809	4,142,197	4,641,626	4,759,341
339,063	331,207	388,591	2,053,012	1,569,743	646,524
53,634	53,933	4,169	189,402	55,855	85,603
1,423,230	1,202,157	1,199,394	1,333,491	1,278,258	1,606,896
63,045,572	67,976,752	69,513,396	66,627,927	72,763,277	77,272,234
14,648,835	19,215,998	18,010,209	17,911,085	20,237,260	19,899,170
3,019,642	3,228,818	16,587,342	13,610,308	12,573,279	11,017,187
19,874	18,261	-	-	-	-
<u>12,328,558</u>	<u>16,359,816</u>	<u>2,696,208</u>	<u>1,163,476</u>	<u>9,584</u>	<u>3,920</u>
<u>\$ 465,600,540</u>	<u>\$ 492,499,856</u>	<u>\$ 476,922,919</u>	<u>\$ 532,638,682</u>	<u>\$ 482,054,140</u>	<u>\$ 509,968,213</u>
1.50%	1.50%	1.50%	1.50%	1.50%	1.50%

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TABLE 14

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

Fiscal Year	Governmental Activities			Business-type Activities				Total Primary Government	Percentage of Personal Income	Per Capita ⁽¹⁾
	General Obligation Bonds	Certificates of Obligation	Capital Leases	Revenue Bonds	Tax Note	Term Loan	Capital Leases			
2003	\$ 1,870,000	\$ 6,230,000	\$ 585,090	\$ 38,649,672	\$ -	\$ 193,525	\$ 274,302	\$ 47,802,589	8.34%	\$ 2,326
2004	1,550,000	6,060,000	423,107	36,923,916	-	177,555	189,993	45,324,571	7.39%	2,070
2005	1,210,000	5,875,000	376,023	34,598,839	-	160,914	101,095	42,321,871	6.50%	1,836
2006	840,000	9,690,000	603,081	53,391,977	-	143,574	20,738	64,689,370	9.45%	2,695
2007	11,450,000	55,920,000	363,700	51,208,106	-	125,506	-	119,067,312	15.96%	4,763
2008	11,060,000	58,605,000	145,242	48,684,838	-	106,680	-	118,601,760	13.73%	4,570
2009	10,650,000	58,130,000	-	46,269,786	600,000	477,063	-	116,126,849	11.30%	4,357
2010	10,215,000	57,500,000	-	43,739,876	510,000	416,667	41,094	112,422,637	6.68%	2,522
2011	34,465,000	42,225,000	-	41,098,654	415,000	353,933	71,916	118,629,503	6.91%	2,667
2012	33,895,000	41,655,000	1,241,765	38,311,507	315,000	846,416	589,017	116,853,704	9.49%	4,431

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

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

CITY OF WEATHERFORD, TEXAS

RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING

LAST TEN FISCAL YEARS

Fiscal Year	General Bonded Debt Outstanding			Debt Service Available	Net Bonded Debt
	General Obligation Bonds	Certificates of Obligation	Total		
2003	\$ 1,870,000	\$ 6,230,000	\$ 8,100,000	\$ 383,166	\$ 7,716,834
2004	1,550,000	6,060,000	7,610,000	391,639	7,218,361
2005	1,210,000	5,875,000	7,085,000	415,985	6,669,015
2006	840,000	9,690,000	10,530,000	484,855	10,045,145
2007	11,450,000	55,920,000	67,370,000	1,563,613	65,806,387
2008	11,060,000	58,605,000	69,665,000	707,853	68,957,147
2009	10,650,000	58,130,000	68,780,000	751,802	68,028,198
2010	10,215,000	57,500,000	67,715,000	4,316,093	66,251,204
2011	34,465,000	42,225,000	76,690,000	2,032,597	74,657,403
2012	33,895,000	41,655,000	75,550,000	4,316,092	71,233,908

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

(1) Population data located on Table 18

TABLE 15

Actual Taxable Value of Property	Percentage of Actual Taxable Value of Property	Per Capita ⁽¹⁾
\$ 955,688,462	0.81%	\$ 376
1,025,971,447	0.70%	330
1,110,760,054	0.60%	289
1,280,575,030	0.78%	419
1,397,938,730	4.71%	2,632
1,565,072,580	4.41%	2,657
1,737,804,630	3.91%	2,553
1,800,547,010	3.68%	2,449
1,805,701,168	3.58%	2,563
1,854,430,100	3.84%	2,701

CITY OF WEATHERFORD, TEXAS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

AS OF SEPTEMBER 30, 2012

<u>Government Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Debt repaid with property taxes			
Parker County	\$ 78,959,980	19.78%	\$ 15,618,284
Weatherford Independent School District	75,560,046	45.73%	34,553,609
Parker County Junior College District	5,470,000	19.78%	1,081,966
Peaster Independent School District	15,540,135	2.73%	424,246
Other debt			
Parker County Junior College, note payable	3,534,708	19.78%	<u>699,165</u>
Subtotal overlapping debt			<u>52,377,270</u>
City of Weatherford direct debt	76,791,765	100.00%	<u>76,791,765</u>
Total direct and overlapping debt			<u>\$ 129,169,035</u>

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

Source: Representatives of taxing jurisdictions

CITY OF WEATHERFORD, TEXAS

PLEDGED REVENUE COVERAGE

LAST TEN FISCAL YEARS

Fiscal Year	Utility System Revenue Bonds					Coverage
	Gross Revenue ⁽¹⁾	Less: Operating Expenses ⁽²⁾	Net Available Revenue	Debt Service		
				Principal	Interest	
2003	\$ 34,839,032	\$ 25,867,740	\$ 8,971,292	\$ 1,795,000	\$ 1,977,878	2.38%
2004	35,042,210	26,856,979	8,185,231	1,870,000	1,901,654	2.17%
2005	42,666,318	32,453,744	10,212,574	1,955,000	1,820,361	2.71%
2006	50,133,799	39,001,632	11,132,167	2,035,000	2,089,058	2.70%
2007	47,313,004	37,605,675	9,707,329	2,215,000	2,495,105	2.06%
2008	60,783,520	49,251,229	11,532,291	2,300,000	2,408,986	2.45%
2009	55,326,626	46,126,060	9,200,566	2,490,000	2,235,174	1.95%
2010	44,648,091	34,190,600	10,457,491	2,605,000	2,121,884	2.21%
2011	48,143,263	32,655,996	15,487,267	2,615,000	2,015,352	3.34%
2012	40,639,256	24,787,800	15,851,456	2,715,000	1,912,988	3.43%

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

(1) Total operating revenues plus interest

(2) Total operating expenses excluding depreciation and amortization.

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

Calendar Year	Population ⁽¹⁾	Personal Income ⁽²⁾	Per Capita Income ⁽²⁾	School Enrollment ⁽³⁾	Unemployment Rate ⁽⁴⁾
2003	20,550	\$ 572,913,450	\$ 27,879	6,981	4.5%
2004	21,900	613,375,200	28,008	7,142	5.1%
2005	23,050	651,369,950	28,259	7,220	4.3%
2006	24,000	684,312,000	28,513	7,281	4.3%
2007	25,000	745,850,000	29,834	7,243	4.2%
2008	25,950	863,667,900	33,282	7,155	5.8%
2009	26,650	1,028,023,750	38,575	7,394	7.4%
2010	27,050	1,021,786,700	37,774	7,672	6.9%
2011	25,250	974,018,750	38,575	7,543	7.1%
2012	26,370	1,230,977,970	46,681	7,529	7.0%

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

TABLE 19

CITY OF WEATHERFORD, TEXAS

PRINCIPAL EMPLOYERS

CURRENT AND NINE YEARS AGO

Employer	2012		
	Employees	Rank	Percentage of Total City Employment
Weatherford ISD	945	1	7.74%
Weatherford Regional Medical Center	486	2	3.98%
Parker County	485	3	3.97%
Jerry's Transportation Center	420	4	3.44%
City of Weatherford	356	5	2.92%
Wal-Mart	350	6	2.87%
Weatherford College	298	7	2.44%
C.D. Hartnett	276	8	2.26%
JAMAK, Inc.	240	9	1.97%
Weatherford Aerospace	142	10	1.16%
Total	3,998		32.75%

Employer	2003		
	Employees	Rank	Percentage of Total City Employment
Weatherford ISD	850	1	9.34%
Texas Bank	460	2	5.06%
Weatherford College	450	3	4.95%
Campbell Health System	450	4	4.95%
Wal-Mart	447	5	4.91%
JAMAK, Inc.	400	6	4.40%
Parker County	334	7	3.67%
C.D. Hartnett	296	8	3.25%
City of Weatherford	260	9	2.86%
Home Depot	200	10	2.20%
Total	4,147		45.59%

Source: Weatherford Economic Development Authority

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

Function/Program	Fulltime Equivalent Employees as of September 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General government	19	20	21	22	22	23	24	24	24	24
Public safety	106	114	114	119	124	128	130	130	132	138
Public works	19	19	19	19	18	20	22	22	23	26
Planning and development	9	9	12	13	16	16	10	10	10	9
Community development	8	8	8	8	9	9	24	24	23	21
Cultural and recreational	48	48	48	48	52	55	50	51	52	56
Electric	46	48	49	49	54	55	54	54	55	55
Water	27	27	27	27	27	25	28	28	28	28
Wastewater	17	15	15	15	15	16	16	16	16	16
Sanitation	<u>13</u>	<u>13</u>	<u>13</u>	<u>13</u>	<u>13</u>	<u>15</u>	<u>19</u>	<u>19</u>	<u>19</u>	<u>19</u>
Total	<u>312</u>	<u>321</u>	<u>326</u>	<u>333</u>	<u>350</u>	<u>362</u>	<u>377</u>	<u>378</u>	<u>382</u>	<u>392</u>

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

Function/Program	Fiscal Year			
	2003	2004	2005	2006
Public safety				
Police				
Police personnel and officers	71	71	71	71
Arrests	1,158	1,271	1,652	1,689
Violations other than parking	12,110	8,720	8,483	9,744
Parking violations	283	325	357	193
Fire				
Paid fire personnel and officers	36	42	42	473
Calls answered	2,589	2,773	3,169	3,724
Planning and development				
New construction permits issued	234	198	270	345
Cultural and recreation				
Library holdings	128,790	93,979	93,895	91,422
Electric				
Service connections	10,958	11,758	12,060	12,443
Total system peak demand (KW)	73,205	71,857	78,273	82,721
Annual kilo-watt hour sales (KWH)	289,085,021	289,880,920	315,001,959	338,176,662
Water				
Service connections	8,847	9,113	9,345	9,769
Daily average consumption (thousands of gallons)	2,858	2,695	3,141	4,142
Annual water sales (thousands of gallons)	1,043,353	983,680	1,146,612	1,511,964
Wastewater				
Service connections	8,149	8,342	8,503	8,835
Daily average consumption (thousands of gallons)	2,320	2,429	2,165	2,118
Sanitation				
Refuse collected (tons)	9,257	8,512	9,259	8,865
Brush pickups (tons)	635	841	2,396	1,016
Special pickups (tons)	2,216	1,076	2,732	1,154

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

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

TABLE 21

Fiscal Year						
2007	2008	2009	2010	2011	2012	
75	79	77	76	80	80	
1,512	1,597	1,604	1,591	1,104	957	
10,160	10,078	7,823	6,855	6,628	4,455	
281	231	114	88	71	87	
43	52	51	51	55	58	
3,505	3,167	3,897	3,985	4,142	4,360	
289	341	143	120	186	116	
90,745	97,232	98,596	98,241	102,847	101,404	
12,823	13,166	13,297	13,418	13,560	13,767	
81,859	82,317	83,385	90,289	96,681	92,466	
334,246,819	354,818,755	341,457,244	365,673,529	381,826,440	371,081,397	
10,108	10,418	10,507	10,604	10,722	10,845	
3,091	3,555	3,494	3,072	3,884	3,649	
1,128,377	1,297,535	1,275,433	1,121,197	1,417,482	1,331,738	
9,254	9,902	(2) 9,660	(2) 9,769	(2) 9,881	(2) 9,994	
2,223	2,079	1,936	2,261	2,133	2,242	
9,130	9,189	8,780	8,951	8,789	8,881	
509	2,459	1,832	1,601	1,936	1,882	
1,541	(1)	(1)	(1)	(1)	(1)	

TABLE 22

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

Function/Program	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Public safety										
Police										
Police stations	1	1	1	1	1	1	1	1	1	1
Police patrol units	21	21	21	22	21	22	22	22	22	22
Fire										
Fire stations	3	3	3	3	3	4	4	4	4	4
Fire trucks	12	12	11	11	12	14	16	17	18	18
Cultural and recreation										
Parks and recreation										
Community centers	2	2	2	2	2	2	2	2	2	2
Parks	9	9	9	10	10	10	10	10	10	10
Park acreage	294	294	294	300	300	300	300	300	301	301
Swimming pools	1	1	1	1	1	1	1	1	1	1
Tennis courts	3	3	3	3	3	3	3	3	3	3
Soccer fields	8	8	8	8	8	8	8	8	8	8
Softball/baseball fields	9	9	7	7	7	10	10	13	11	11
Multipurpose fields and courts	7	7	8	8	8	9	9	9	7	7
Electric										
Miles of distribution lines	267	272	283	288	302	304	313	316	326	326
Water										
Miles of water mains	200	200	236	236	236	241	249	254	266	272
Number of fire hydrants	884	884	993	1,123	1,170	1,213	1,244	1,320	1,342	1,355
Maximum daily capacity of plant (thousands of gallons)	8,000	8,000	8,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000
Total water storage capacity (thousands of gallons)	7,100	7,100	7,100	7,100	7,100	7,100	7,600	7,600	7,600	7,600
Wastewater										
Miles of sanitary sewers	171	171	180	180	182	187	192	195	202	207
Permitted daily capacity of plant (thousands of gallons)	2,700	2,700	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500