



CITY OF WEATHERFORD, TEXAS

#StrongCommunity

Popular Annual Financial Report Fiscal Year Ended September 30, 2020

About the Popular Annual Financial Report

The Popular Annual Financial Report (PAFR) is an unaudited summary report of the financial activities of the City and is prepared primarily from detailed information contained in the City's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2020 with selected information from CAFRs prepared in earlier fiscal years.

The CAFR is prepared in accordance with generally accepted accounting principles (GAAP) and includes financial statements audited by Pattillo, Brown & Hill, L.L.P.. The City received an unmodified (or clean) opinion that the financial statements present fairly, in all material respects, the financial position of the City of Weatherford at September 30, 2020. The CAFR provides much more detail as well as full disclosure of all material events, both financial and non-financial and includes the City's component units (related organizations) and information on individual funds.

The PAFR has been prepared to simplify the information in the CAFR and better inform the public about the overall financial condition of the City, without the heavy use of technical accounting terms or excessive detail. The PAFR is not intended to provide a complete financial picture of the City in accordance with GAAP.

Questions or feedback concerning any of the information provided in this report or requests for additional financial information may be directed to the Finance Department via mail to P.O. Box 255, Weatherford, TX 76086, via email to dbrooks@weatherfordtx.gov or via telephone at 817-598-4130

Copies of both the PAFR and CAFR are available online at:

<https://weatherfordtx.gov/129/Administration-Accounting>

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Meet the City Council



Jeff Robinson
Council Member Place 2

Matt Ticzkus
Council Member Place 3

Heidi Wilder
Council Member Place 1

Kevin Cleveland
Council Member Place 4

James Hotopp
City Manager

Paul Paschall
Mayor

Weatherford Government

The city is operated under the Council-Manager form of government. Policy-making and legislative authority are vested in a governing council consisting of a Mayor and four council members. The City Council is responsible for passing ordinances, adopting the budget, appointing boards and committees, and hiring the City Manager, Municipal Court Judge, and City Attorney. The Mayor and council members are elected on a non-partisan, at-large basis for staggered three-year terms.

About the City

The City of Weatherford, incorporated in 1858, adopted its original charter and became a home-rule city in 1918. Located 25 miles west of Fort Worth, Weatherford serves as the seat of Parker County. Weatherford occupies a land area of 29.1 square miles and includes an estimated population of 33,547.

Weatherford is located at the intersections of U.S. Highways 180 and 80, approximately 30 miles west of the City of Fort Worth and approximately 60 miles west of the City of Dallas. Interstate 20 runs along the City's southern boundary and provides for major access to Fort Worth and Dallas.

Weatherford is situated such that it has maintained an independent identity from the Dallas Fort Worth Metroplex yet its close proximity to this major urban area has had a direct effect. Residents find themselves able to achieve a rural lifestyle without sacrificing the conveniences and labor market of a major metropolitan area. Many Weatherford residents commute into the Metroplex to work.

Much of the City's commercial and industrial growth is directly attributable to its relative location to the Metroplex. The City's major commercial and industrial employers find Weatherford attractive since it offers the advantages of convenient access to the region's major transportation and shipping infrastructure without the disadvantages related to physically locating within a major urban area.

Historically, the Dallas/Fort Worth Metroplex has enjoyed an extremely low unemployment rate. It has also enjoyed the growth of a diverse economic base. The outward growth of Dallas/Fort Worth will impact the transition of Weatherford from its farming and ranching roots to increased urban residential, commercial, and industrial development.

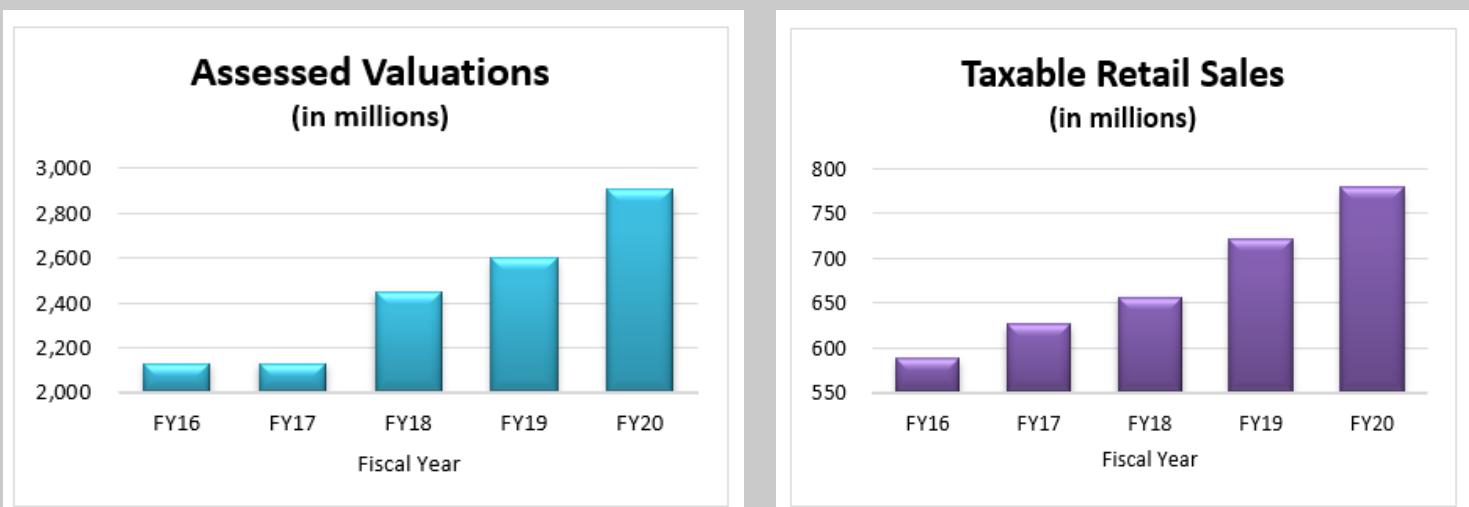


Weatherford by the Numbers

Demographics



Economy



Government-Wide Highlights

Statement of Net Position: The Statement of Net Position presents information on all of the City's assets and liabilities, deferred outflows, deferred inflows with the difference between the above reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the City's financial position is improving or deteriorating.

Statement of Net Position		
Government-Wide		
	Fiscal Years	
	2019/20	2018/19
Assets:		
Current and other assets	\$ 150,403,453	\$ 150,637,909
Capital assets	266,924,690	256,710,241
Total assets	417,328,143	407,348,150
 Deferred outflows of resources:	 7,044,816	 11,306,547
 Liabilities:	 	
Long-term liabilities outstanding	129,446,188	145,557,544
Other liabilities	9,878,381	9,925,223
Total liabilities	139,324,569	155,482,767
 Deferred inflows of resources:	 6,596,236	 2,933,442
 Net position:	 	
Net investment in capital assets	199,151,526	194,441,866
Restricted	21,606,317	25,611,528
Unrestricted	57,694,311	40,185,094
Total net position	\$ 278,452,154	\$ 260,238,488



Description of Categories:

Current and other assets – Assets that one can reasonably expect to convert to cash, sell, or consume within one year.

Capital assets – The City's long-term investments in land, buildings, equipment, improvements, infrastructure, and construction in progress.

Deferred outflows of resources – This represents a consumption of net position that applies to future periods.

Current and other liabilities – These are primarily debts that can be paid off in one year or less. This includes accounts payable, accrued payroll, deposits payable, accrued interest payable, and unearned revenue.

Long-term obligations – Represents the debt obligations of the City. The proceeds from these various debt issues are used to finance large projects such as building construction and renovations and roadway construction.

Deferred inflows of resources – This represents an acquisition of net position that applies to future periods.

Net investment in capital assets – This represents the City's investment in its capital assets less accumulated depreciation and any outstanding debt attributable to the acquisition, construction, or improvement of these assets.

Restricted – Resources whose use is subject to externally imposed restrictions. The City has resources set aside for various purposes such as debt service requirements and future capital projects as established by the City Council.

Unrestricted – These are resources that are accessible to the City to provide services to the residents if there were no additional revenues or resources available.

Statement of Activities: The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year for all governmental fund types. All changes in net position are reported as soon as the underlying event giving rise to the change occurs using the full-accrual basis, *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).

Description of Revenues:

Program revenues — Revenues that are earned as a direct result of a given function. Program revenues are offset by program expenses.

Operating grants and contributions — Monies received from parties outside the City and are generally restricted to one or more specific programs.

Capital grants and contributions — Monies received for capital purposes, to purchase, construct, or renovate capital assets associated with a specific program.

Property taxes — The City assesses a property tax rate of \$0.4829 per \$100 of assessed valuation of the property. The assessed valuation of property determined by the Parker County Appraisal District.

Sales taxes — the sales tax rate of 8.25% is imposed on all taxable sales in the City. The City receives 1.50% of the taxable sales in the city. The State of Texas and Parker County receive 6.25% and 0.50% respectively.

Interest earnings — The City pools its available cash from various funds and invests in instruments allowed by the City's investment policy. Earnings are allocated to various funds on the basis of proportionate cash balances. The actual revenue realized is a function of current cash balances and market interest rates.

Royalties — the city receives royalties for waste received at the local landfill.

Miscellaneous—Revenues that are non-recurring in nature such as reimbursable expenses.

Statement of Activities Government-Wide		
	Fiscal Years	
	2019/20	2018/19
Revenues		
Program revenues:		
Charges for services	\$ 74,832,449	\$ 71,331,029
Operating contributions and grants	1,801,247	1,001,330
Capital contributions and grants	8,970,491	4,936,274
Total program revenues	85,604,187	77,268,633
General revenues:		
Property taxes	13,500,599	12,309,376
Sales taxes	15,633,518	14,571,947
Other taxes	1,727,713	1,990,749
Investment earnings	2,034,570	3,075,315
Royalties	387,146	559,798
Miscellaneous	525,708	230,155
Total general revenues	33,809,254	32,737,340
Total Revenues	119,413,441	110,005,973
Expenses		
Program expenses:		
General government	10,495,694	10,158,163
Public safety	17,682,950	16,763,699
Public works	8,791,350	7,977,141
Health and welfare	2,283,446	1,951,690
Cultural and recreation	6,291,294	5,486,853
Interest on long-term debt	2,021,546	1,764,618
Electric	33,896,543	31,166,250
Water	10,519,770	8,125,192
Wastewater	5,995,632	3,821,537
Sanitation	2,641,071	2,404,817
Stormwater Utility	580,479	445,837
Total program expenses	101,199,775	90,065,797
Change in Net Position	18,213,666	19,940,176
Net position at beginning of year	260,238,488	240,298,312
Net position at end of year	\$ 278,452,154	\$ 260,238,488

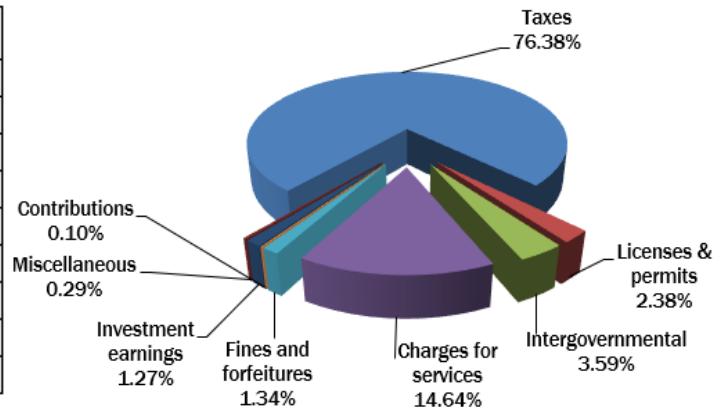
General Fund

The General Fund is the chief operating fund of the City of Weatherford; this fund is responsible for all general city operations and is primarily funded through sales tax, property tax, and utility gross receipts and return on investments.

Where the Money Comes From?

Total General Fund revenues for the fiscal year were \$34,243,596. The breakdown of where the revenues come from is as follows:

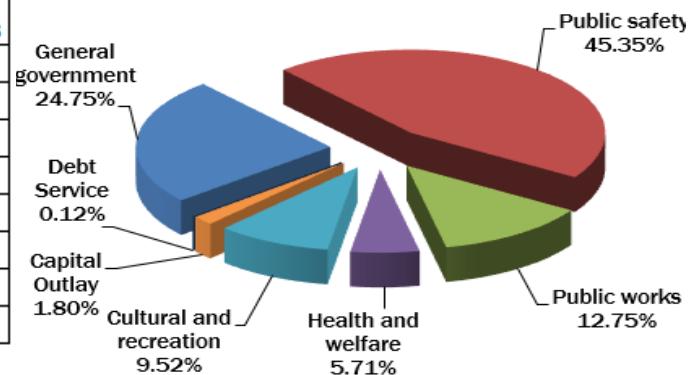
Revenues	FY20 Revenue	FY19 Revenue
Taxes	\$25,598,887	\$ 23,732,733
Licenses & permits	1,086,504	740,640
Intergovernmental	1,639,205	1,115,225
Charges for services	5,123,391	4,550,374
Fines and forfeitures	292,938	417,471
Contributions	38,220	32,117
Investment earnings	334,636	394,632
Miscellaneous	129,815	90,017
Total	\$34,243,596	\$ 31,073,209



Where the Money Goes?

Total General Fund expenditures for the fiscal year were \$36,495,178. The breakdown of where the expenditures went is as follows:

Expenditures	FY20 Expenditures	FY19 Expenditures
General government	\$9,033,144	\$ 9,689,517
Public safety	16,551,943	15,179,467
Public works	4,652,837	4,219,079
Health and welfare	2,084,826	1,615,864
Cultural and recreation	3,474,165	3,340,292
Capital Outlay	655,439	1,313,227
Debt Service	42,284	122,000
Total	\$36,494,638	\$ 35,479,446



How much is in Reserves?

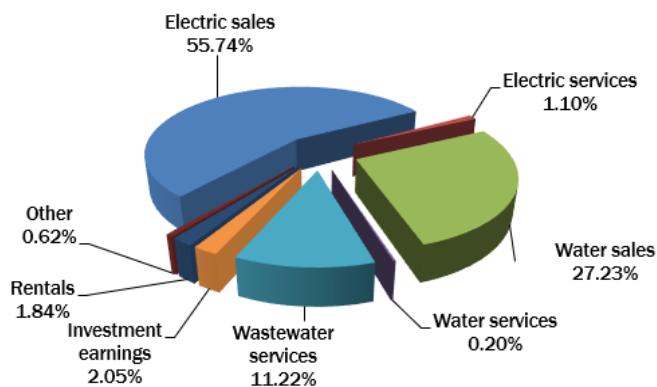
Total fund balance in the General Fund at the end of the fiscal year was \$17,492,740. The City's financial management policies stipulate that the general fund shall maintain a balance equivalent to 90 days worth of operational costs contained in the fund, known as a stabilization arrangement. At September 30, 2020, the balance committed by the council was \$9,318,666, equivalent to approximately 142 days worth of operational costs.

Municipal Utility System Fund

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.

Where the Money Comes From?

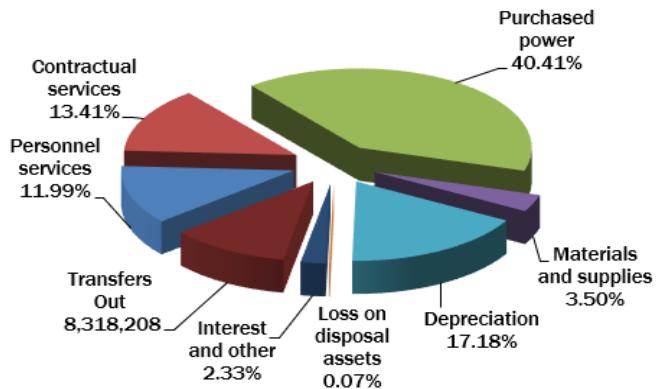
Total Municipal Utility System revenues for the fiscal year were \$64,255,235. The breakdown of where the revenues come from is as follows:



Revenues	FY20 Revenue	FY19 Revenue
Electric sales	\$35,815,779	\$ 35,886,741
Electric services	707,164	456,735
Water sales	17,496,634	15,470,913
Water services	131,668	106,616
Wastewater services	7,207,019	6,772,614
Investment earnings	1,318,057	1,914,155
Rentals	1,180,684	1,263,035
Other	398,230	318,652
Total	\$64,255,235	\$ 62,189,461

Where the Money Goes?

Total Municipal System Fund expenses for the fiscal year were \$56,708,870. The breakdown of where the expenses went is as follows:



Expenses	FY20 Expenses	FY19 Expenses
Personnel services	\$6,801,939	\$ 6,051,227
Contractual services	7,602,540	6,361,851
Purchased power	22,914,918	20,865,661
Materials and supplies	1,984,156	1,813,721
Depreciation	9,739,941	6,352,542
Loss on disposal assets	41,118	209,118
Interest and other	1,320,333	1,463,602
Transfers Out	6,303,925	8,318,208
Total	\$56,708,870	\$ 51,435,930

How much is in Reserves?

Total net position in the Municipal Utility System fund the end of the fiscal year was \$182,287,134 . Of this amount, \$110,582,610, is the systems investment in capital assets, \$14,791,041 is reserved for various purposes such as construction, debt service and rate stabilization. The remaining \$56,913,483 is unrestricted and can be used to meet the Systems operations and obligations.

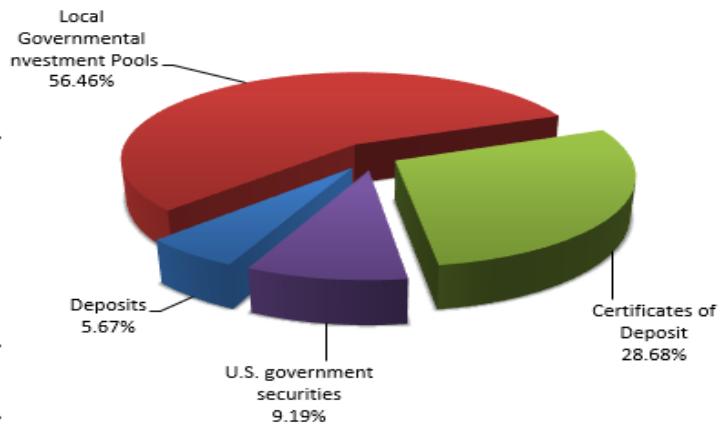
What We Own

Investment Management

The City follows the practice of pooling cash and investments of all funds except for restricted funds generally held by outside trustees or fiscal agents. Interest income earned on pooled cash and investments is allocated to those funds, which are required by law, local ordinance, administrative action or agreements, to receive interest based on the weighted average cash balances.

The City invests temporarily idle cash in accordance with the Government Code and a formal investment policy approved by the City Council on an annual basis. Investments must meet established criteria for safety, liquidity, diversification and yield. As of September 30, 2020 pooled investments had a market value of \$98.7 million as follows:

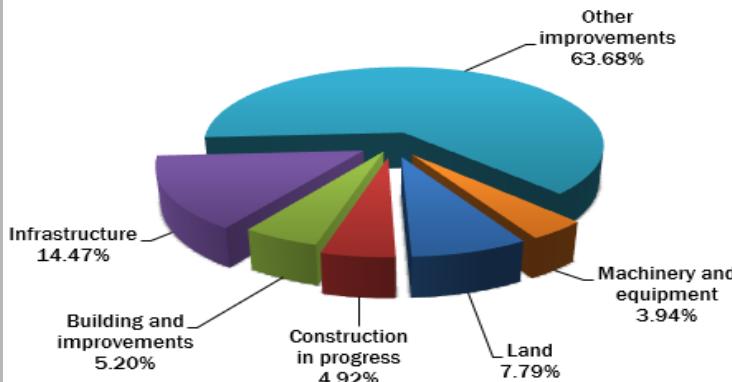
	Market Value	Percentage
Deposits	\$ 5,595,402	5.67%
Government investment pools	55,727,696	56.46%
Certificates of Deposits	28,305,025	28.68%
U.S. government securities	9,073,290	9.19%
	\$ 98,701,413	100.00%



Capital Assets

As of September 30, 2020, the value of the City's capital assets was \$266.9 million, an increase of about \$10.2 million or 3.98% from the previous fiscal year. Major events during the fiscal year include:

- Construction of the Boardwalk at Lake Weatherford \$2,012,955
- Construction of Medical Center at the Animal Shelter \$1,010,595,
- Purchase of new fire apparatus, fire engine and brush truck, \$869,775, and
- Various system extensions and improvements to the City's water, wastewater, and electric distribution system, as well as equipment purchases, approximately \$4.7 million.



Asset Category (net of depreciation)	Percentage
Land	7.79%
Construction in progress	4.92%
Building and improvements	5.20%
Infrastructure	14.47%
Other improvements	63.68%
Machinery and equipment	3.94%
	100.00%

Debt Management

The City of Weatherford occasionally issues debt to fund major capital projects. Outstanding debt is continuously evaluated to take advantage of lower interest rates and reduce long-term borrowing costs.

Total long-term debt outstanding at September 30, 2020 was \$86.2 million.

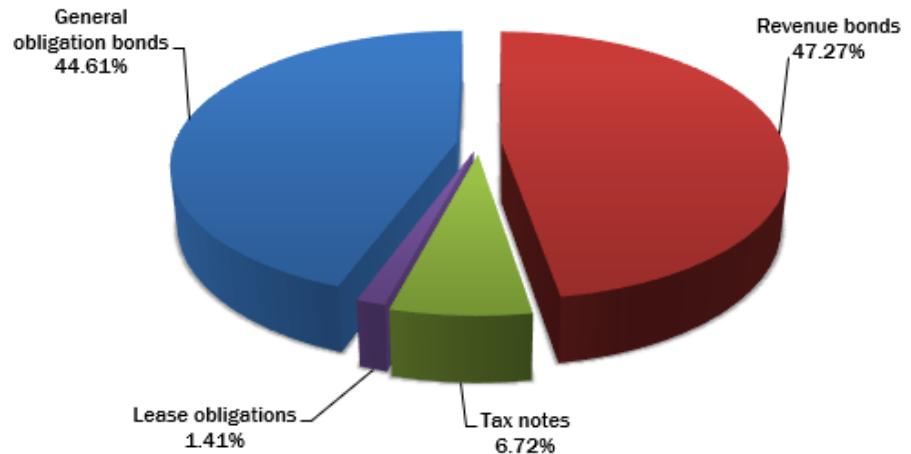
Bond Rating

The City of Weatherford and the Municipal Utility System hold ratings of AA and A+ from Standard and Poor's, respectively.

The credit ratings express the confidence of the rating agencies that the City has a strong capacity to meet its financial commitments but is somewhat susceptible to the adverse effects of changes in circumstances and economic conditions than obligors in higher-rated categories.

The City's bond debt outstanding at September 30, 2020, consists of the following:

Debt Type	Balance @	
	September 30, 2020	% of total debt
General obligation bonds	\$ 38,465,000	44.61%
Revenue bonds	40,760,000	47.27%
Tax notes	5,795,000	6.72%
Lease obligations	1,216,889	1.40%
Total	\$ 86,236,889	100%



GFOA Awards:

This report will be submitted to the Government Finance Officers Association of the United States and Canada (GFOA) for an Award for Outstanding Achievement in Popular Annual Financial Reporting. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report whose contents conform to program standards of creativity, presentation, understandability and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. This will be the first year the City of Weatherford has submitted an application for a Popular Award. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to GFOA.

The City of Weatherford's comprehensive annual financial report for the year ended September 30, 2020 was awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada (GFOA). The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our CAFR continues to conform to the Certificate of Achievement program requirements and we are submitting our CAFR for the current year to the GFOA.



City of Weatherford, Texas

Finance Department

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Weatherford, Texas 76086

www.weatherfordtx.gov