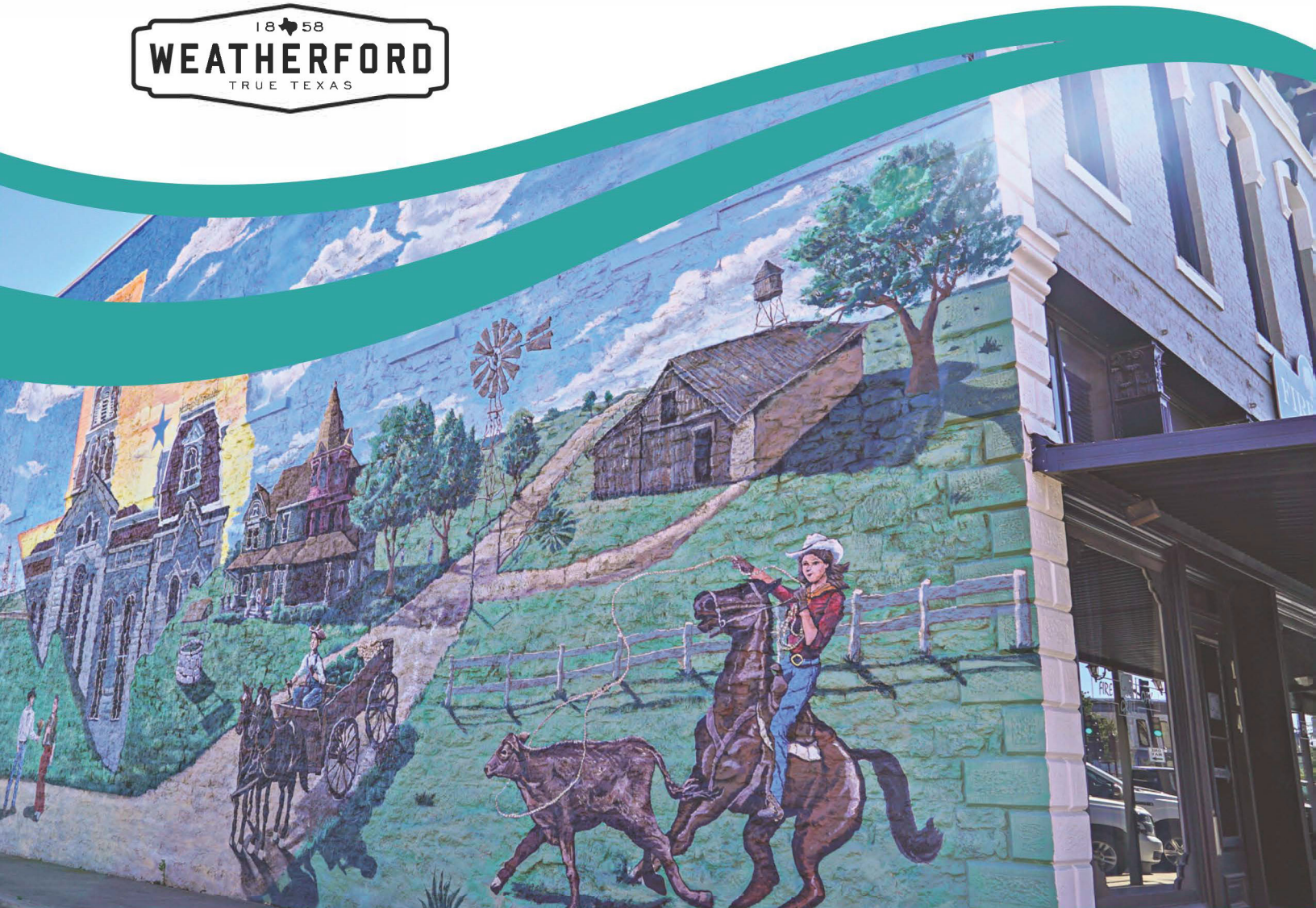


POPULAR ANNUAL FINANCIAL REPORT

20
23

For the year ended September 30, 2023



City of Weatherford, Texas

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 Annual Comprehensive Financial Report (ACFR) for the fiscal year ended September 30, 2023 with selected information from ACFRs prepared in earlier fiscal years.

The ACFR 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, 2023. The ACFR 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 ACFR 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 ACFR are available online at:
<https://weatherfordtx.gov/129/Administration-Accounting>

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Meet the City Council



Paul Paschall
Mayor



Heidi Wilder
Council Member Place 1
Mayor Pro-Tem



James Hotopp
City Manager



Zack Smith
Council Member Place 2



Matt Ticzkus
Council Member Place 3



Kevin Cleveland
Council Member Place 4

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 36,251.

Weatherford is located at the intersections of U.S. Highways 180 and 80, approximately 25 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.

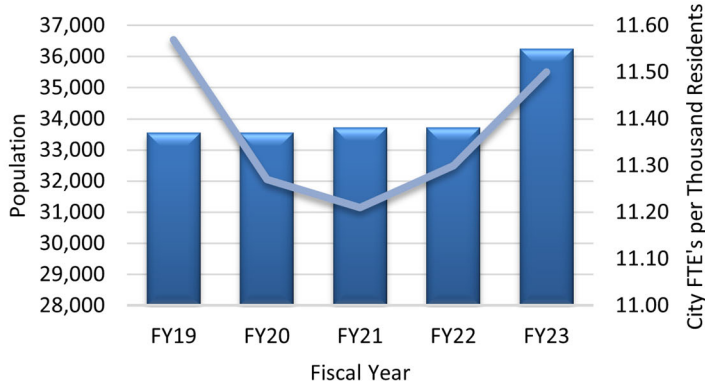
Historically, the Dallas/Fort Worth Metroplex has enjoyed an extremely low unemployment rate. It has also enjoyed the growth of a diverse economic base. The outward growth of Dallas/Fort Worth will impact the transition of Weatherford from its farming and ranching roots to increased urban residential,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



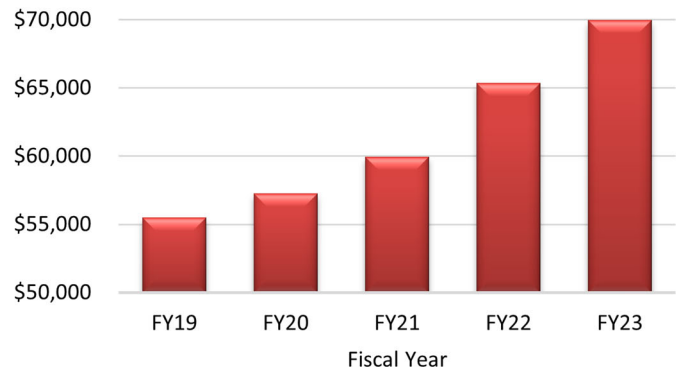
Weatherford by the Numbers

Demographics

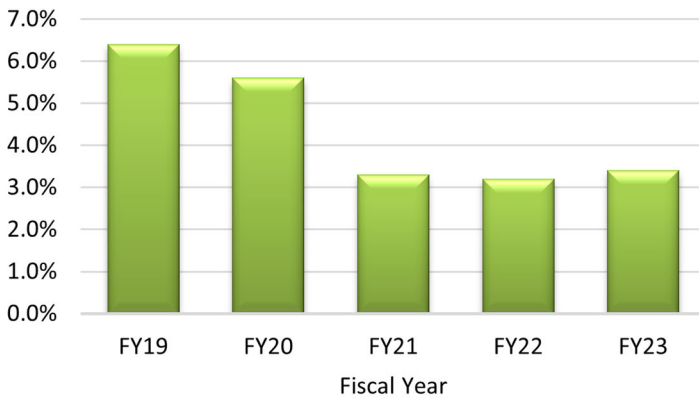
Population



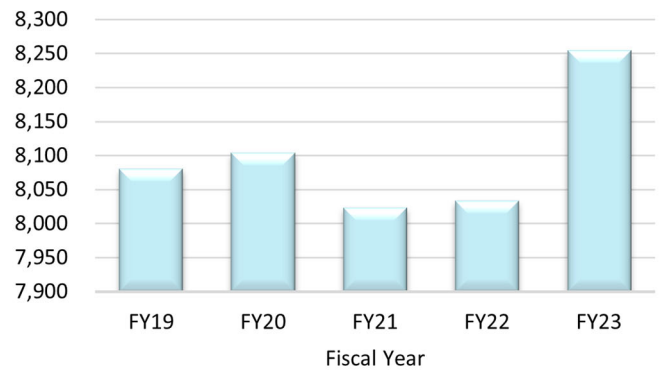
Median Income



Unemployment Rate

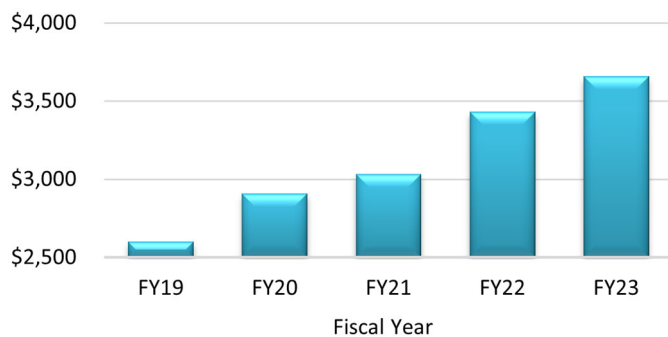


School Enrollment

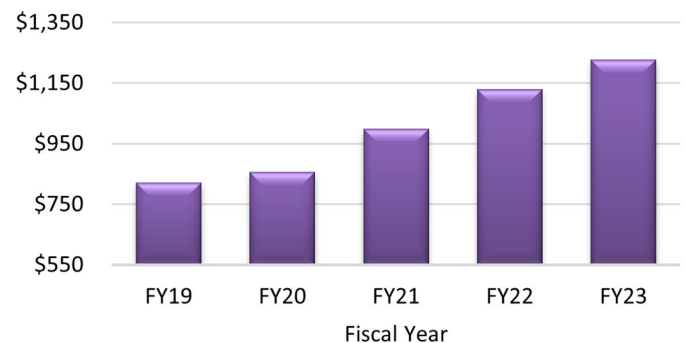


Economy

Assessed Valuations (in millions)



Taxable Retail Sales (in millions)



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	
	2022/23	2021/22
Assets:		
Current and other assets	\$ 208,865,476	\$ 177,323,944
Capital assets	304,655,896	301,699,843
Total assets	513,521,372	479,023,787
Deferred outflows of resources:	18,714,805	8,751,065
Liabilities:		
Long-term liabilities outstanding	119,882,483	116,612,100
Other liabilities	24,269,461	19,343,496
Total liabilities	144,151,944	135,955,596
Deferred inflows of resources:	28,175,395	30,869,936
Net position:		
Net investment in capital assets	206,726,607	214,203,192
Restricted	38,589,292	31,439,320
Unrestricted	114,592,939	75,306,808
Total net position	\$ 359,908,838	\$ 320,949,320

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

Capital contributions and grants – 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 \$0.4563 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	
		2022/23	2021/22
Revenues			
Program revenues:			
Charges for services	\$	95,254,513	\$ 92,252,527
Operating contributions and grants		297,330	208,277
Capital contributions and grants		8,967,401	6,694,042
Total program revenues		104,519,244	99,154,846
General revenues:			
Property taxes		15,946,310	15,008,227
Sales taxes		21,493,217	20,844,887
Other taxes		2,446,108	2,254,503
Investment earnings		6,141,321	858,257
Royalties		167,432	181,472
Miscellaneous		429,453	2,514,864
Total general revenues		46,623,841	41,662,210
Total Revenues		151,143,085	140,817,056
Expenses			
Program expenses:			
General government		9,634,111	9,590,005
Public safety		20,731,655	18,351,248
Public works		9,201,688	9,747,788
Health and welfare		1,669,411	1,518,001
Cultural and recreation		6,848,543	6,653,041
Interest on long-term debt		1,675,087	1,534,797
Electric		35,503,181	42,658,296
Water		15,196,499	9,982,591
Wastewater		7,600,738	4,369,273
Sanitation		3,138,414	2,763,291
Stormwater Utility		984,240	973,679
Total program expenses		112,183,567	108,142,010
Change in Net Position		38,959,518	32,675,046
Net position at beginning of year		320,949,320	288,274,274
Net position at end of year	\$	359,908,838	\$ 320,949,320

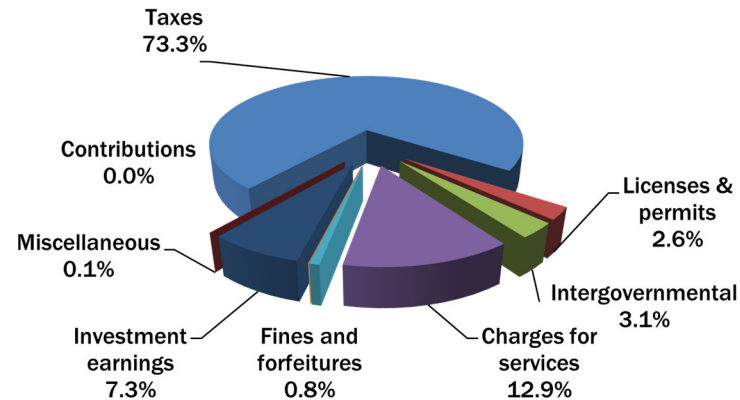
General Fund

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 \$45,374,364. The breakdown of where the revenues come from is as follows:

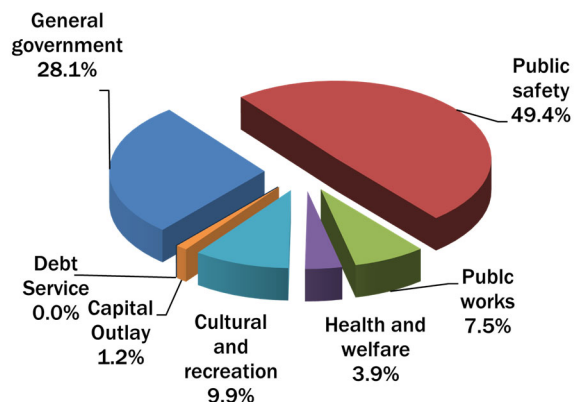
Revenues	FY23 Revenue	FY22 Revenue
Taxes	\$33,259,406	\$32,045,106
Licenses & permits	1,160,567	1,623,484
Intergovernmental	1,409,656	1,498,831
Charges for services	5,875,648	5,735,771
Fines and forfeitures	347,482	346,510
Contributions	1,435	5,622
Investment earnings	3,296,047	(46,408)
Miscellaneous	24,123	54,567
Total	\$ 45,374,364	\$ 41,263,483



Where the Money Goes?

Total General Fund expenditures for the fiscal year were \$40,600,481. The breakdown of where the expenditures went is as follows:

Expenditures	FY23 Expenditures	FY22 Expenditures
General government	\$11,405,639	\$9,914,509
Public safety	20,060,052	18,824,948
Public works	3,050,862	5,364,072
Health and welfare	1,566,162	1,510,652
Cultural and recreation	4,034,584	3,979,601
Capital Outlay	483,182	1,201,413
Debt Service	0	44,291
Total	\$ 40,600,481	\$ 40,839,486



How much is in Reserves?

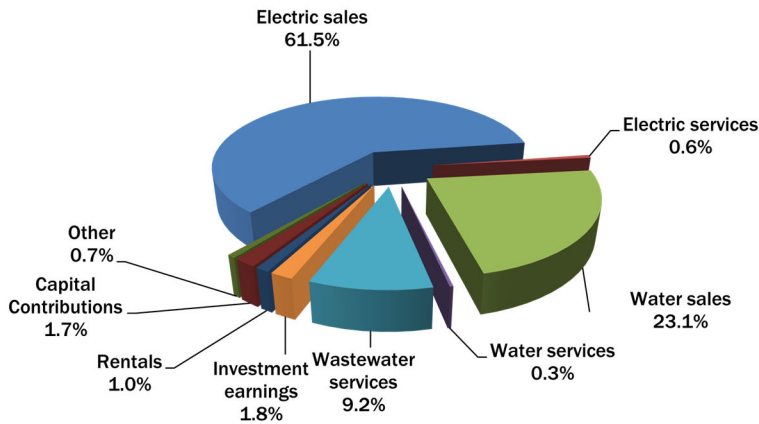
Total fund balance in the General Fund at the end of the fiscal year was \$36,964,543. The City's financial management policies stipulate that the general fund shall maintain a balance equivalent to 90 days worth of operational costs contained in the fund, known as a stabilization arrangement. At September 30, 2023, the balance committed by the council was \$12,061,437. Spendable, unreserved fund balance is equivalent to approximately 187 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?

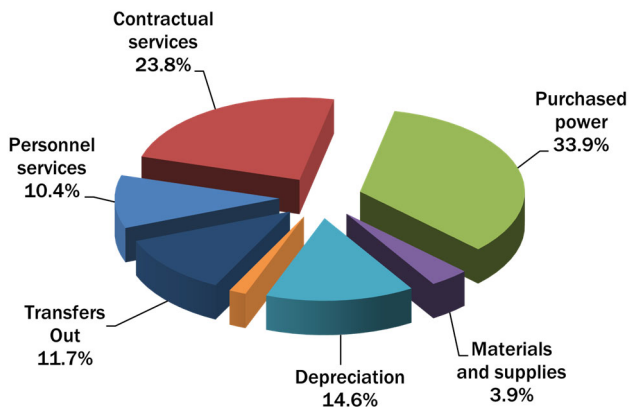
Total Municipal Utility System revenues for the fiscal year were \$83,927,769. The breakdown of where the revenues come from is as follows:



Revenues	FY23 Revenue	FY22 Revenue
Electric sales	\$51,639,646	\$47,448,003
Electric services	538,154	695,159
Water sales	19,402,057	20,392,750
Water services	228,933	204,365
Wastewater services	7,743,338	8,455,277
Investment earnings	1,472,430	552,355
Rentals	878,960	837,663
Capital Contributions	1,458,456	1,810,842
Other	565,795	1,151,053
Total	\$83,927,769	\$ 81,547,467

Where the Money Goes?

Total Municipal System Fund expenses for the fiscal year were \$66,040,108. The breakdown of where the expenses went is as follows:



Expenses	FY23 Expenses	FY22 Expenses
Personnel services	\$6,866,461	\$6,625,590
Contractual services	15,715,508	9,251,694
Purchased power	22,409,773	27,078,398
Materials and supplies	2,558,282	2,394,059
Depreciation	9,635,205	10,446,222
Interest and other	1,115,189	1,270,171
Transfers Out	7,739,690	5,571,111
Total	\$66,040,108	\$ 62,637,245

How much is in Reserves?

Total net position in the Municipal Utility System fund the end of the fiscal year was \$217,577,575. Of this amount, \$129,243,585 is the systems investment in capital assets, \$11,887,137 is reserved for various purposes such as construction, debt service and rate stabilization. The remaining \$76,446,853 is unrestricted and can be used to meet the Systems operations and obligations.

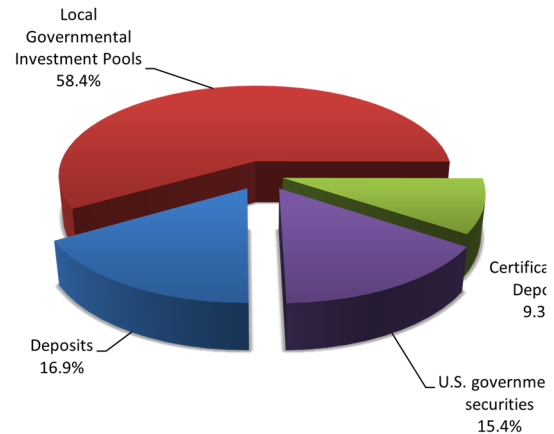
What We Own

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, 2023 pooled investments had a market value of \$136 million as follows:

	Market Value	Percentage
Deposits	\$ 23,632,988	16.9%
Government investment pools	81,616,552	58.4%
Certificates of Deposits	13,008,743	9.3%
U.S. government securities	21,459,000	15.4%
	\$ 139,717,283	100.0%

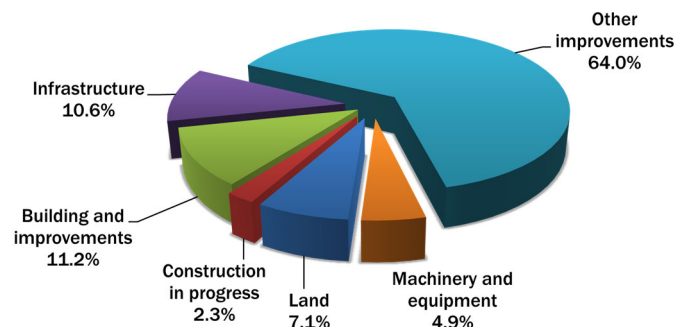


Capital Assets

As of September 30, 2023, the value of the City's capital assets was \$304.7 million, an increase of about \$3 million or 0.9% from the previous fiscal year. Major events during the fiscal year include:

- Completion of construction for the Public Safety Building \$22,218,358,
- Completion of the P25 Radio Expansion Project \$965,908,
- Completion of City Hall renovations \$1,112,535,
- Completion of reclaimed water pump station and wastewater treatment plan improvements \$6,378,173,
- Construction of the taste & order water treatment facility \$618,844 and
- Various system extensions and improvements to the City's water, wastewater, and electric distribution system, as well as equipment purchases, approximated \$24.4 million.

	Asset Category (net of depreciation)	Percentage
Land	\$ 21,559,866	7.1%
Construction in progress	6,950,391	2.3%
Building and improvements	33,981,925	11.2%
Infrastructure	32,277,196	10.6%
Other improvements	195,009,631	64.0%
Machinery and equipment	14,876,887	4.9%
	\$ 304,655,896	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, 2023 was \$87 million.

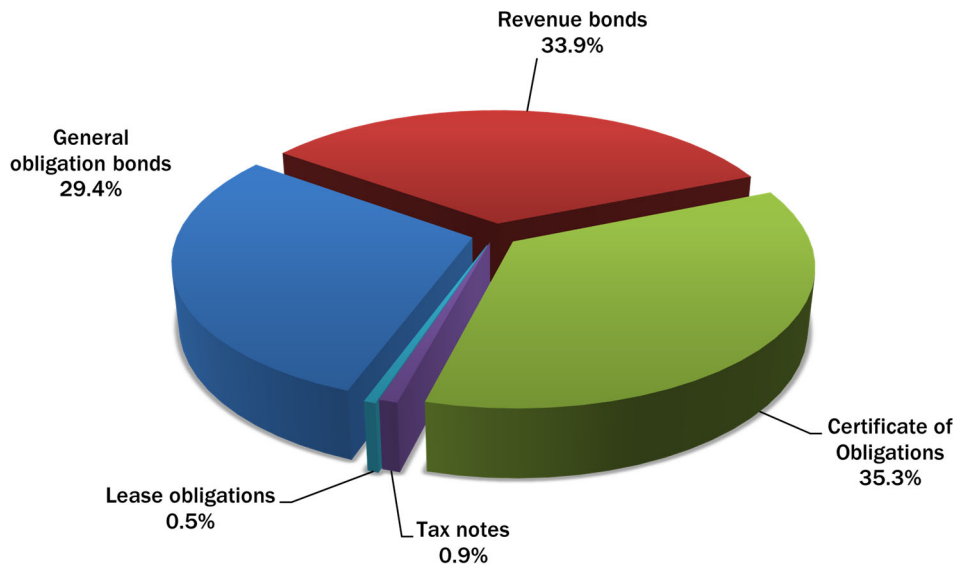
Bond Rating

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 more 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, 2023, consists of the following:

Debt Type	Balance @ September 30, 2023	% of total debt
General obligation bonds	\$ 25,560,000	29.4%
Revenue bonds	29,480,000	33.9%
Certificate of Obligations	30,710,000	35.3%
Tax notes	755,000	0.9%
Lease obligations	477,627	0.5%
Total	\$ 86,982,627	100%



GFOA Awards:

The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the City of Weatherford for its Popular Annual Report for the fiscal year ended September 30, 2022. 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 is the third year the City of Weatherford has received 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 annual comprehensive financial report for the year ended September 30, 2022 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 annual comprehensive financial report, whose contents conform to program standards. Such ACFR 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 ACFR continues to conform to the Certificate of Achievement program requirements and we are submitting our ACFR for the current year to the GFOA.



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

**City of Weatherford
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2022



City of Weatherford, Texas

Finance Department

303 Palo Pinto Street

Weatherford, Texas 76086

www.weatherfordtx.gov