

**CITY OF WEATHERFORD, TEXAS
MUNICIPAL UTILITY SYSTEM**

ANNUAL FINANCIAL REPORT

**FOR THE YEAR ENDED
SEPTEMBER 30, 2014**

**CITY OF WEATHERFORD, TEXAS
MUNICIPAL UTILITY SYSTEM**

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2014

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INTRODUCTORY SECTION

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MESSAGE FROM THE CITY MANAGER

During the fiscal year ended September 30, 2014, the Weatherford Municipal Utility System continued to experience some customer growth in the residential and commercial sectors. Single-family residential building permits increased from 189 in fiscal year 2012-13 to 200 in fiscal year 2013-14. Similarly, commercial building permits increased from 22 in fiscal year 2012-13 up to 38 in fiscal year 2013-14.

The Electric Department saw a service connection increase of 263 customers or 1.9%. There was also an increase in MWh sales of 4.6% from 390,623 MWh to 408,450 MWh.

The Electric Department continued new infrastructure construction to keep up with and ahead of this growth. During the 2013-14 fiscal year, 6 commercial construction projects, 2 commercial subdivisions, and 2 residential subdivisions were completed. Also, system improvements of existing feeders were continued to more efficiently utilize substation capacity and to build redundancy into the system. An advanced metering system pilot project was started in fiscal year 2013-2014 and should be completed in fiscal year 2014-2015. If the pilot project is successful, full deployment of AMS meters will begin.

In an effort to diversify wholesale power suppliers and the percentage of Weatherford Electric's load to be bid in the market in any given year, Weatherford Electric has entered into three wholesale power supply agreements with three different wholesale power suppliers: Garland Power and Light, Bryan Texas Utilities, and American Electric Power. Each supplier supplies one-third of Weatherford Electric's power needs for differing contract term lengths: Garland Power and Light for five years, Bryan Texas Utilities for three years, and American Electric Power for two years. Weatherford Electric's current wholesale power supply contract with American Electric Power expires on December 31, 2015, and the Weatherford Municipal Utility Board authorized retaining Schneider Engineering to request proposals to replace the contract. A proposal from EDF Trading North America was accepted, and a contract entered into that begins January 1, 2016.

The Water Department saw a service connection increase of 158 connections or 1.4%. Although the overall rainfall for the year was low, above average rainfall in June combined with ongoing water restrictions helped reduce water use. As a result, annual volume of water sales dropped 5.7% for fiscal year 2013-14.

During fiscal year 2013-14, the Water Department maintenance crews installed 227 new water meters and 11 new water taps and replaced 774 water meters. The crews repaired 64 water services, 99 water main breaks, and 199 fire hydrants. In addition, the Water Department replaced over 3,400 linear feet of water mains at 100 Windsor Ct., 700 Narrow Street, 300 - 400 Live Oak Lane and replaced 1,800 feet of chlorine dioxide chemical piping at the Water Treatment Plant.

In the wastewater collection system, the wastewater maintenance crews repaired 66 wastewater services and 46 wastewater main breaks. Also, the maintenance crews jetted 404,200 feet of wastewater lines, inspected 39,700 feet of wastewater lines, and smoke tested 29,800 feet of wastewater lines. The crews responded to 178 stop-ups, 316 grinder pump malfunctions, and 176 call-outs to lift stations and the crews inspected all the grinder pumps operated by the City, as well. The in-house water/wastewater crews replaced over 2,380 feet of sewer mains at 300-400 Live Oak Lane and 100 N. Merrimac, installed 55 sewer taps, and repaired 73 manholes.

The Utility Administration and Engineering departments continued to provide support to other departments and the City. Transfers are made from other funds to cover the expenses that are shared.

Public utilities are extremely capital intensive. Quality management, construction, operation, and maintenance demand a high degree of professionalism and dedication from employees and Utility Board Members. Training

and development of these qualities continues to enhance teamwork and pay dividends for the ratepayers of the Weatherford Municipal Utility System. The employees are to be congratulated for their dedication to the overall development and cohesiveness of the Utility Department. The City of Weatherford values our employees and continues to invest in training that provides superior job, supervisory management, and customer service skills.

Likewise, the dedication of the Weatherford Municipal Utility Board of Trustees has also paid many dividends for the citizens of Weatherford and the Utility's ratepayers. This unselfish dedication of time and effort to make sure the Utility System, under their direction, is operated with foresight and vision has enabled the system to accommodate Weatherford's expected growth.

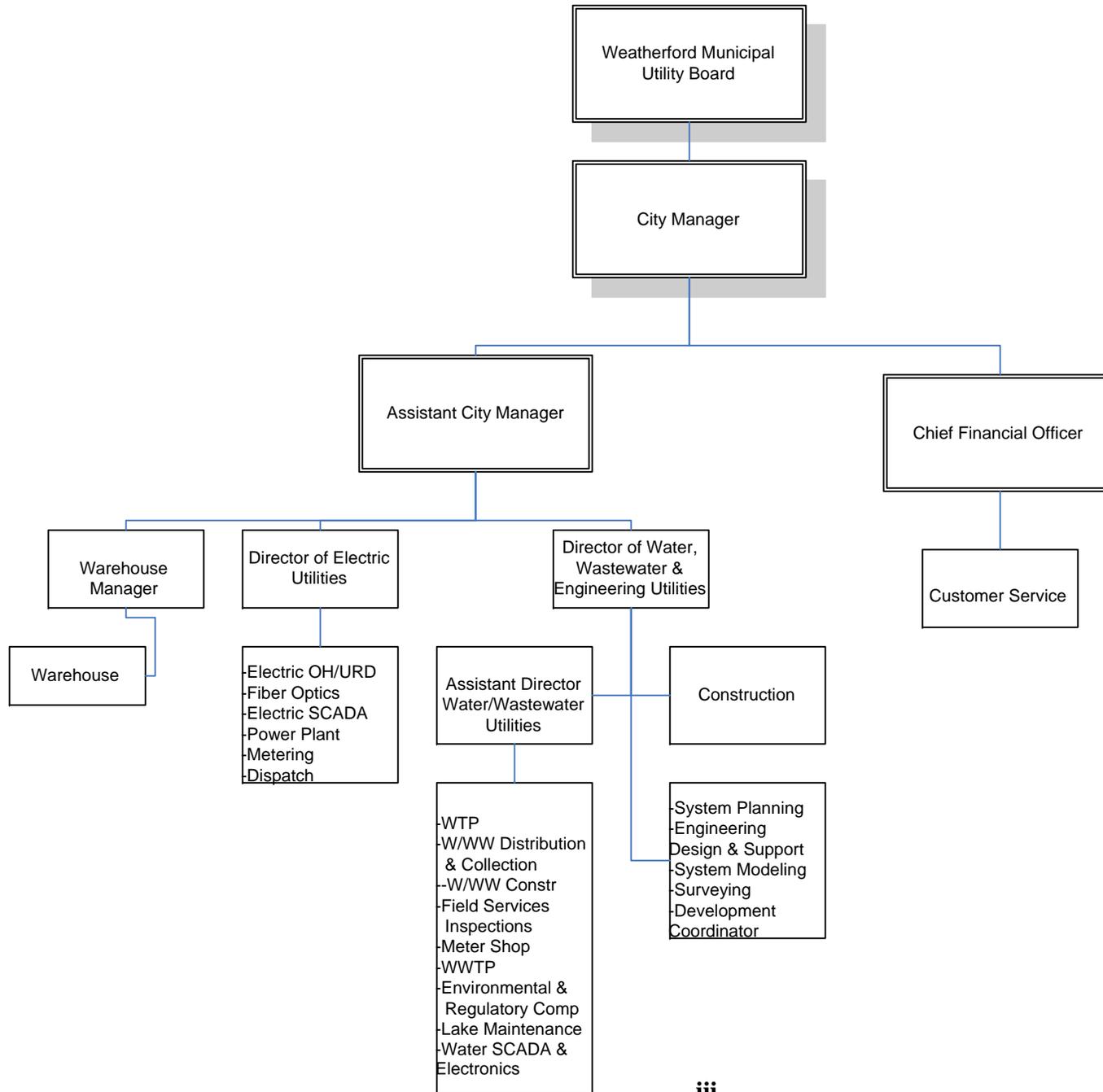
The Board's commitment to policy direction is very much appreciated.

A handwritten signature in cursive script, reading "Jerry Blaisdell". The signature is written in black ink and is positioned above the printed name and title.

Jerry Blaisdell
City Manager

Organizational Chart

Weatherford Municipal Utilities



**CITY OF WEATHERFORD, TEXAS
MUNICIPAL UTILITY BOARD**

PRINCIPAL OFFICIALS

**YEAR ENDED
SEPTEMBER 30, 2014**

**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 – Vice Chair

Howard McClurkin – Appointed Public Member

SENIOR STAFF

Jerry Blaisdell – City Manager

Sharon Hayes – Assistant City Manager

David B. Croff – Chief Financial Officer

ADVISORY/CONSULTATION

Malinda Nowell – City Secretary

Zellers & Zellers – City Attorney

OPERATIONS STAFF

Joe Farley – Director of Utilities – Electric

Troy Garvin – Director of Information Technology

James Hotopp – Director of Utilities – Engineering, Water & Wastewater

FINANCIAL SECTION

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P A T T I L L O , B R O W N & H I L L , L . L . P .
CERTIFIED PUBLIC ACCOUNTANTS ■ BUSINESS CONSULTANTS

INDEPENDENT AUDITORS' REPORT

The Municipal Utility System
Board of Trustees
City of Weatherford, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the Municipal Utility System Enterprise Fund of the City of Weatherford, Texas, as of and for the years ended September 30, 2014 and 2013, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Municipal Utility System of the City of Weatherford, Texas, as of September 30, 2014 and 2013, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Municipal Utility System of the City of Weatherford, Texas, and do not purport to, and do not, present fairly the financial position of the City of Weatherford, Texas, as of September 30, 2014 and 2013, and the changes in its financial position and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the schedules of funding progress on pages 30 through 31 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Municipal Utility System Enterprise Fund of the City of Weatherford, Texas' financial statements as a whole. The introductory, capital assets, statistical, capital project, and budget sections are presented for purposes of additional analysis and are not a required part of the financial statements.

The capital assets section is the responsibility of management and was derived from and relates 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 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, statistical, capital project and budget 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.

Waco, Texas
March 20, 2015

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FINANCIAL STATEMENTS

**CITY OF WEATHERFORD, TEXAS
MUNICIPAL UTILITY SYSTEM**

COMPARATIVE STATEMENTS OF NET POSITION

SEPTEMBER 30, 2014 AND 2013

	2014	2013
ASSETS		
Current assets:		
Unrestricted assets:		
Cash and cash equivalents	\$ 9,434,168	\$ 16,086,723
Investments	6,766,417	1,203,951
Receivables:		
Accounts, net of allowances for uncollectible of \$104,285 and \$2,580,029 for 2014 and 2013, respectively	2,978,901	3,657,998
Earned but unbilled customer accounts	2,833,142	2,411,249
Other	57,431	19,643
Inventory	3,378,164	3,372,761
Prepaid expenses	149,076	114,862
Restricted assets:		
Cash and cash equivalents		
Revenue bond debt service	845,929	843,744
Revenue bond reserve	130,419	43,492
Construction	6,338,478	7,393,581
Investments:		
Revenue bond reserve	3,887,968	3,953,048
Rate stabilization	3,912,043	2,555,500
Accrued interest	12,426	49,587
Total current assets	40,724,562	41,706,139
Noncurrent assets:		
Capital assets:		
Nondepreciable	5,977,203	4,912,769
Depreciable, net of accumulated depreciation	111,850,395	110,149,806
Total noncurrent assets	117,827,598	115,062,575
Total assets	158,552,160	156,768,714
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charge on refunding	97,392	142,071
Total deferred outflows of resources	97,392	142,071

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

**CITY OF WEATHERFORD, TEXAS
MUNICIPAL UTILITY SYSTEM**

COMPARATIVE STATEMENTS OF NET POSITION

SEPTEMBER 30, 2014 AND 2013

	2014	2013
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 4,001,223	\$ 3,352,861
Accrued wages	47,600	123,215
Retainage payable	41,995	25,957
Accrued interest	16,474	18,510
Unearned revenue	2,083	740,656
Customer deposits	1,470,692	1,406,640
Notes payable	235,308	241,852
Capital lease	32,839	16,267
Revenue bonds	2,978,555	2,859,805
Compensated absences	142,406	152,502
Payable from restricted assets:		
Accrued interest	126,793	138,646
Revenue bonds payable	261,250	250,000
Total current liabilities	9,357,218	9,326,911
Noncurrent liabilities:		
Notes payable	428,120	663,429
Capital lease	466,831	515,402
Revenue bonds	29,188,060	32,427,865
Compensated absences	951,309	864,181
Net pension obligation	479,593	535,765
Net OPEB obligation	1,001,916	837,601
Total noncurrent liabilities	32,515,829	35,844,243
Total liabilities	41,873,047	45,171,154
NET POSITION		
Net investment in capital assets	89,085,333	79,041,976
Restricted for:		
Construction	1,231,265	5,023,217
Debt service	4,484,538	4,473,564
Rate stabilization	3,912,043	2,555,500
Unrestricted	18,063,326	20,645,374
Total net position	\$ 116,776,505	\$ 111,739,631

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**CITY OF WEATHERFORD, TEXAS
MUNICIPAL UTILITY SYSTEM**

**COMPARATIVE STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION**

FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013

	2014	2013
OPERATING REVENUES		
Electric sales	\$ 37,460,704	\$ 30,919,910
Electric services	546,596	576,504
Water sales	9,324,360	9,045,213
Water services	28,129	28,230
Wastewater services	4,533,122	4,663,157
Total operating revenues	51,892,911	45,233,014
OPERATING EXPENSES		
Personnel services	5,349,965	4,849,724
Contractual services	5,610,783	3,991,863
Purchased power	24,419,128	18,635,708
Materials and supplies	1,760,193	1,951,900
Depreciation	4,814,552	4,634,673
Total operating expenses	41,954,621	34,063,868
OPERATING INCOME	9,938,290	11,169,146
NONOPERATING REVENUES (EXPENSES)		
Investment earnings	30,549	44,564
Miscellaneous	53,479	50,349
Rentals	1,041,402	1,047,515
Gain (loss) on sale of assets	37,493	(56,137)
Interest and fiscal charges	(1,585,383)	(1,725,257)
Total nonoperating revenues (expenses)	(422,460)	(638,966)
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	9,515,830	10,530,180
Capital contributions	1,674,969	912,459
Transfers in	681,068	191,097
Transfers out	(6,834,993)	(6,565,386)
NET CHANGE IN NET POSITION	5,036,874	5,068,350
NET POSITION, BEGINNING, RESTATED	111,739,631	106,671,281
NET POSITION, ENDING	\$ 116,776,505	\$ 111,739,631

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

**CITY OF WEATHERFORD, TEXAS
MUNICIPAL UTILITY SYSTEM**

COMPARATIVE STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 51,437,806	\$ 44,680,359
Cash paid to employees for services	(5,240,405)	(4,619,897)
Cash paid to suppliers for goods and services	(31,181,359)	(22,993,774)
Net cash provided by operating activities	15,016,042	17,066,688
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Cash received from rentals	1,041,402	1,047,515
Cash received for miscellaneous items	53,479	50,349
Transfers from other funds	681,068	191,097
Transfers to other funds	(6,834,993)	(6,565,386)
Net cash used by noncapital financing activities	(5,059,044)	(5,276,425)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from sale of capital assets	37,493	54,424
Proceeds from developers for contributions in aid of construction	1,079,517	853,774
Principal payments on long-term debt	(3,090,000)	(3,153,469)
Acquisition and construction of capital assets	(6,968,085)	(6,536,647)
Interest and fiscal charges on debt	(1,848,250)	(2,002,608)
Net cash used by capital and related financing activities	(10,789,325)	(10,784,526)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	98,259	48,687
Purchase of investments	(6,884,478)	(2,484,883)
Net cash used by investing activities	(6,786,219)	(2,436,196)
NET DECREASE IN CASH	(7,618,546)	(1,430,459)
CASH AND CASH EQUIVALENTS, BEGINNING	24,367,540	25,797,999
CASH AND CASH EQUIVALENTS, ENDING	\$ 16,748,994	\$ 24,367,540
RECONCILIATION OF TOTAL CASH AND CASH EQUIVALENTS		
Current assets - cash and cash equivalents	9,434,168	16,086,723
Restricted assets - cash and cash equivalents	7,314,826	8,280,817
Total cash and cash equivalents	\$ 16,748,994	\$ 24,367,540

**CITY OF WEATHERFORD, TEXAS
MUNICIPAL UTILITY SYSTEM**

COMPARATIVE STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013

	2014	2013
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income	\$ 9,938,290	\$ 11,169,146
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	4,814,552	4,634,673
Decrease (increase) in accounts receivable	641,309	(445,652)
Decrease (increase) in earned but unbilled customer accounts	(421,893)	(415,080)
Decrease (increase) in inventory	(5,403)	9,261
Decrease (increase) in prepaid expenses	(34,214)	100
Decrease (increase) in other assets	-	(84,094)
Increase (decrease) in accounts payable	648,362	1,660,430
Increase (decrease) in accrued wages payable	(75,615)	(8,411)
Increase (decrease) in unearned revenue	(738,573)	68,692
Increase (decrease) in customer deposits	64,052	239,385
Increase (decrease) in compensated absences	77,032	46,356
Increase (decrease) in net pension obligation	(56,172)	19,363
Increase (decrease) in net OPEB obligation	164,315	172,519
Net cash provided by operating activities	\$ 15,016,042	\$ 17,066,688
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
Contributions of capital assets	\$ 595,452	\$ 58,685
Change in fair value of investments	30,549	47,769

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

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**CITY OF WEATHERFORD, TEXAS
MUNICIPAL UTILITY SYSTEM**

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

These financial statements present only the Municipal Utility System, a separate fund of the City of Weatherford, Texas (the “City”). They are not intended to present the financial position, results of operations or cash flows of the City as a whole.

In accordance with Article IX of the City Charter, management, control and operation of the municipal utility system is vested with the board of trustees. The 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 Trustees are appointed by the City Council. The rates for user charges and bond issuance authorizations are also approved by the Council. The Municipal Utility Fund is used to account for the operations of the City’s electric distribution system, water treatment and distribution system and wastewater treatment and collection system.

B. Fund Accounting

The accounts of the Municipal Utility System are organized as an Enterprise Fund. The operations of the fund is accounted with a separate set of self-balancing accounts that comprise its assets, liabilities, net assets, revenues and expenses. Enterprise Funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

C. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Utility System is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the statement of net assets. Total net assets are segregated into the following categories: net assets, invested in capital assets, net of related debt; restricted; and unrestricted. The Utility System operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in financial statements. The Utility System is accounted for using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred. Unbilled receivables for electric and water utility service are recorded at year-end.

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

The Utility System distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the Utility System's principal ongoing operations. Operating expenses for the Utility System 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.

D. Cash, Cash Equivalents and Investments

The Utility System'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 of the City, including the Utility System's funds. Each fund's portion of this pool is allocated to each fund of the City, and the Utility System's cash and investments are displayed on the statement of net position as cash and investments or restricted cash and investments.

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

E. Restricted Assets

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

F. Inventory

The Utility System inventory is valued at cost using the moving average cost method.

G. Capital Assets

Property, plant and equipment are recorded at cost, or, if contributed property, fair market value at the date of contribution. Depreciation is recorded on each class of depreciable property utilizing the straight-line method over the estimated useful lives of the assets.

Estimated useful lives are as follows:

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

Renewals and betterments of property and equipment are capitalized, whereas normal repairs and maintenance are charged to expense as incurred. Individual items with an initial cost greater than \$5,000 and with estimated useful life of at least two years following the date of acquisition are capitalized.

Interest is capitalized on proprietary fund assets acquired with tax-exempt debt. The Utility System calculates capitalized interest by applying the interest rate of the debt to the weighted average construction expenditures.

H. 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. If the employee reaches the maximum accrual limit future accruals will cease until the vacation balance is below the established maximum amount. The Utility System has accrued for the estimated liability for compensated absences.

I. Long-term Obligations

In the Utility System financial statements, the long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds.

J. Deferred Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Utility System is reporting balances for deferred losses on bond refundings in the Statement of Net Position and the Statement of Net Position – Proprietary Funds. A deferred loss on a bond refunding results when the reacquisition price of the refunded debt exceeds the carrying value. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

K. Net Position

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

The Utility Board formally set aside for use in emergency situations \$6,945,300 of unrestricted net position.

L. 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.

M. Concentration of Credit Risk

The Utility System grants credit to utility customers located in the City and the surrounding area.

N. Reclassifications

Certain amounts presented for the prior year have been reclassified in order to be consistent with the current year's presentation.

O. Prior Period Adjustment

As the result of implementing GASB Statement 65, the Utility System has restated the beginning net position, effectively decreasing net position as of October 1, 2012 by \$364,824. This decrease is a result from no longer deferring and amortizing bond issuance costs.

In prior years, the Utility System reported a liability in the Statement of Net Position for amounts billed customers that were to stabilize future power costs. It was determined that there are not identifiable cost that will probably be recovered by these deferred inflows, therefore, beginning net position was restated by \$2,555,500 and \$2,247,000 for the year ended September 30, 2014, and 2013, respectively.

II. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Interest Rate Risk: In compliance with the Utility System's Investment Policy the Utility System minimizes interest rate risk or the decrease in market value of securities in the Utility System'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 Utility System avoids the need to sell securities in the secondary market prior to the maturity date.

Credit Risk: The Utility System has no formal policy addressing credit risk. However, safety of principal is the primary objective of the Utility System's investment policy. In accordance with this objective, the Utility System limits its investments to those that have been issued one of the top ratings by a nationally recognized credit rating agency. As of September 30, 2014, the Utility System's investment in TexPool, TexStar, and Texas Class 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 Utility System's investment policy, the Utility System 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 Utility System's total investment portfolio with the exception of U. S. Treasury and Agency Securities and authorized pools.

It is the Utility System'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 operates 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.

The Utility System's investments as of September 30, 2014 and 2013, are shown below.

As of September 30, 2014:

Description	Maturity Date	Fair Value	% of Total	Weighted Average Maturity (Days)
Local Government Investment				
Pools (2a-7 like pools):				
TexPool	10/01/14	\$ 1,052,420	2.93%	48
TexStar	10/01/14	5,533,474	15.40%	83
Texas Class	10/01/14	13,769,781	38.33%	60
U.S. Government Securities:				
Federal Home Loan Bank	05/27/15	1,012,103	2.82%	239
Federal Home Loan Bank	12/27/17	2,000,892	5.57%	1184
Federal Home Loan Bank	06/10/19	1,987,858	5.53%	1714
Fannie Mae	09/26/18	4,351,790	12.11%	1457
Fannie Mae	09/26/18	1,279,326	3.56%	1457
Fannie Mae	09/26/18	3,012,759	8.39%	1457
U.S. Treasury Note	05/31/15	1,925,903	5.36%	243
Total		<u>15,570,631</u>	<u>43.34%</u>	
Total investments		<u>\$ 35,926,306</u>	<u>100.00%</u>	

As of September 30, 2013:

Description	Maturity Date	Fair Value	% of Total	Weighted Average Maturity (Days)
Local Government Investment				
Pools (2a-7 like pools):				
TexPool	10/01/13	\$ 11,665,659	45.92%	60
TexStar	10/01/13	7,045,177	27.73%	52
U.S. Government Securities:				
Federal Home Loan Bank	05/27/15	1,028,700	4.05%	604
Federal Home Loan Mortgage Corp	08/20/14	656,799	2.59%	324
Federal National Mortgage Association	08/28/14	1,005,000	3.96%	332
U.S. Treasury Note	05/31/15	1,959,090	7.71%	608
U.S. Treasury Note	08/14/14	<u>2,041,250</u>	<u>8.04%</u>	335
Total		<u>6,690,839</u>	<u>26.35%</u>	
Total investments		<u>\$ 25,401,675</u>	<u>100.00%</u>	

B. Interfund Transfers

Transfers of resources during 2014 and 2013 occurred between the Utility System and other funds of the City as follows:

2014:

Transfers In	Transfers Out	Amount
City's General Fund	Utility System	\$ 6,834,993
Utility System	Solid Waste Fund	41,584
Utility System	Other Governmental	<u>639,484</u>
Total Transfers		<u>\$ 7,516,061</u>

2013:

Transfers In	Transfers Out	Amount
City's General Fund	Utility System	\$ 6,565,386
Utility System	Solid Waste Fund	41,581
Utility System	Other Governmental	<u>149,516</u>
Total Transfers		<u>\$ 6,756,483</u>

Transfers were used 1) to transfer franchise fees to the City's General Fund from the Utility System; 2) to transfer funds from the Utility System to the City's General Fund for return on investment of the City owned utility system; 3) to transfer funds from the Solid Waste Fund to the Utility System for billing services; and 4) to transfer funds from the Utility System to the City's General Fund for administrative services provided by the City's General Fund.

C. Capital Assets

Capital asset activity for the years ended September 30, 2014 and 2013, was as follows:

	Beginning Balance	Additions	Transfers/ Retirements	Ending Balance
September 30, 2014				
Capital assets, not being depreciated:				
Land	\$ 2,514,254	\$ 25,979	\$ -	\$ 2,540,233
Construction in progress	<u>2,398,515</u>	<u>2,881,525</u>	<u>(1,843,070)</u>	<u>3,436,970</u>
Total assets not being depreciated	<u>4,912,769</u>	<u>2,907,504</u>	<u>(1,843,070)</u>	<u>5,977,203</u>
Capital assets, being depreciated:				
Buildings and improvements	19,505,130	-	(398,554)	19,106,576
Other improvements	149,084,181	4,016,908	1,177,175	154,278,264
Machinery and equipment	<u>6,340,329</u>	<u>670,820</u>	<u>(145,399)</u>	<u>6,865,750</u>
Total capital assets being depreciated	<u>174,929,640</u>	<u>4,687,728</u>	<u>633,222</u>	<u>180,250,590</u>
Less accumulated depreciation:				
Buildings and improvements	(9,170,471)	(451,776)	398,470	(9,223,777)
Other improvements	(51,526,900)	(3,811,797)	653,388	(54,685,309)
Machinery and equipment	<u>(4,082,463)</u>	<u>(550,979)</u>	<u>142,333</u>	<u>(4,491,109)</u>
Total accumulated depreciation	<u>(64,779,834)</u>	<u>(4,814,552)</u>	<u>1,194,191</u>	<u>(68,400,195)</u>
Total capital assets being depreciated, net	<u>110,149,806</u>	<u>(126,824)</u>	<u>1,827,413</u>	<u>111,850,395</u>
Municipal Utility capital assets, net	<u>\$ 115,062,575</u>	<u>\$ 2,780,680</u>	<u>\$ (15,657)</u>	<u>\$ 117,827,598</u>
	Beginning Balance	Additions	Transfers/ Retirements	Ending Balance
September 30, 2013				
Capital assets, not being depreciated:				
Land	\$ 2,249,797	\$ 264,457	\$ -	\$ 2,514,254
Construction in progress	<u>1,112,688</u>	<u>1,572,589</u>	<u>(286,762)</u>	<u>2,398,515</u>
Total assets not being depreciated	<u>3,362,485</u>	<u>1,837,046</u>	<u>(286,762)</u>	<u>4,912,769</u>
Capital assets, being depreciated:				
Buildings and improvements	19,476,681	28,449	-	19,505,130
Other improvements	144,813,449	3,989,378	281,354	149,084,181
Machinery and equipment	<u>6,862,309</u>	<u>766,416</u>	<u>(1,288,396)</u>	<u>6,340,329</u>
Total capital assets being depreciated	<u>171,152,439</u>	<u>4,784,243</u>	<u>(1,007,042)</u>	<u>174,929,640</u>
Less accumulated depreciation:				
Buildings and improvements	(8,719,686)	(450,785)	-	(9,170,471)
Other improvements	(47,823,675)	(3,703,225)	-	(51,526,900)
Machinery and equipment	<u>(4,785,043)</u>	<u>(480,663)</u>	<u>1,183,243</u>	<u>(4,082,463)</u>
Total accumulated depreciation	<u>(61,328,404)</u>	<u>(4,634,673)</u>	<u>1,183,243</u>	<u>(64,779,834)</u>
Total capital assets being depreciated, net	<u>109,824,035</u>	<u>149,570</u>	<u>176,201</u>	<u>110,149,806</u>
Municipal Utility capital assets, net	<u>\$ 113,186,520</u>	<u>\$ 1,986,616</u>	<u>\$ (110,561)</u>	<u>\$ 115,062,575</u>

D. Long-term Liabilities

Long-term liability activity for the years ended September 30, 2014 and 2013, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
September 30, 2014					
Bonds payable:					
Revenue bonds	\$ 34,585,000	\$ -	\$ 2,985,000	\$ 31,600,000	\$ 3,115,000
Issuance premium/discount	952,670	-	124,805	827,865	124,805
Total bonds payable	<u>35,537,670</u>	-	<u>3,109,805</u>	<u>32,427,865</u>	<u>3,239,805</u>
Tax note	215,000	-	105,000	110,000	110,000
State infrastructure loans	690,281	-	136,853	553,428	125,308
Capital lease obligation	531,669	-	31,999	499,670	32,839
OPEB obligation	837,601	263,510	99,195	1,001,916	-
Pension obligation	535,765	729,776	785,948	479,593	-
Compensated absences	<u>1,016,683</u>	<u>529,426</u>	<u>452,394</u>	<u>1,093,715</u>	<u>142,406</u>
Municipal Utility long-term liabilities	<u>\$ 39,364,669</u>	<u>\$ 1,522,712</u>	<u>\$ 4,721,194</u>	<u>\$ 36,166,187</u>	<u>\$ 3,650,358</u>
	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
September 30, 2013					
Bonds payable:					
Revenue bonds	\$ 37,425,000	\$ -	\$ 2,840,000	\$ 34,585,000	\$ 2,985,000
Issuance premium/discount	1,077,473	-	124,803	952,670	124,805
Total bonds payable	<u>38,502,473</u>	-	<u>2,964,803</u>	<u>35,537,670</u>	<u>3,109,805</u>
Tax note	315,000	-	100,000	215,000	105,000
State infrastructure loans	846,416	-	156,135	690,281	136,852
Capital lease obligation	589,017	-	57,348	531,669	16,267
OPEB obligation	665,082	258,851	86,332	837,601	-
Pension obligation	516,402	802,070	782,707	535,765	-
Compensated absences	<u>970,327</u>	<u>327,617</u>	<u>281,261</u>	<u>1,016,683</u>	<u>152,502</u>
Municipal Utility long-term liabilities	<u>\$ 42,404,717</u>	<u>\$ 1,388,538</u>	<u>\$ 4,428,586</u>	<u>\$ 39,364,669</u>	<u>\$ 3,520,426</u>

The Utility System had capitalized interest expense of \$20,744 and \$26,194, on various construction projects in progress during fiscal year 2014 and 2013, respectively.

Bonds payable at September 30, 2014 and 2013, consist of the following individual issues:

	<u>2014</u>	<u>2013</u>
\$21,055,000 2005 Utility System Refunding Bonds, due in annual installments through September 1, 2018, 3.00% - 5.00% .	9,975,000	12,195,000
\$20,000,000 2006 Utility System Improvement Bonds, due in annual installments through September 1, 2026, 4.00% - 5.125%.	18,955,000	19,105,000
\$6,575,000 2008 Utility System Refunding Bonds, due in annual installments through September 1, 2018, 3.46%.	<u>2,670,000</u>	<u>3,285,000</u>
	<u>\$ 31,600,000</u>	<u>\$ 34,585,000</u>

The annual debt payment requirements for bonds payable as of September 30, 2014, are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 3,115,000	\$ 1,517,523	\$ 4,632,523
2016	3,255,000	1,372,909	4,627,909
2017	3,390,000	1,243,486	4,633,486
2018	3,545,000	1,085,733	4,630,733
2019	2,275,000	920,313	3,195,313
2020-2024	11,570,000	2,816,315	14,386,315
2025-2029	<u>4,450,000</u>	<u>344,913</u>	<u>4,794,913</u>
Total	<u>\$ 31,600,000</u>	<u>\$ 9,301,192</u>	<u>\$ 40,901,192</u>

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

Below is a summary of the various restricted asset accounts required by the bond ordinances along with the actual cash reserved as of September 30, 2014 and 2013.

	<u>2014</u>		<u>2013</u>	
	<u>Required</u>	<u>Actual</u>	<u>Required</u>	<u>Actual</u>
Reserve fund	\$ 3,987,280	\$ 4,018,387	\$ 3,987,280	\$ 3,996,540
Bond fund	450,543	845,929	448,646	843,744

The following is a summary of notes payable as of September 30, 2014 and 2013:

Description and Terms	2014	2013
Bank of America: \$690,000 2009 Tax Notes, due in annual installments through March 1, 2015, 3.63%.	\$ 110,000	\$ 215,000
Texas Department of Transportation: March 2009, the City received a State Infrastructure Bank Loan in the amount of \$320,000, payable in 10 annual installments of \$39,061, including interest at 3.8%, to fund utility relocations in connection with replacement of two bridges over railroad tracks on US 180.	174,875	206,105
Texas Department of Transportation: March 2009, the City received a State Infrastructure Bank Loan in the amount of \$70,000, payable in five annual installments of \$15,504, including interest at 3.5%, for sewer line relocation along FM 51.	-	14,979
Texas Department of Transportation: 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.	<u>378,553</u>	<u>469,197</u>
	<u>\$ 663,428</u>	<u>\$ 905,281</u>

The annual debt payment requirements for notes payable as of September 30, 2014, are as follows:

Fiscal Year	Principal	Interest	Total
2015	\$ 235,308	\$ 16,785	\$ 252,093
2016	128,844	11,252	140,096
2017	132,483	7,612	140,095
2018	129,163	3,949	133,112
2019	<u>37,630</u>	<u>1,430</u>	<u>39,060</u>
Total	<u>\$ 663,428</u>	<u>\$ 41,028</u>	<u>\$ 704,456</u>

The Utility System has entered into a lease agreement as lessee for financing of building improvements. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of minimum lease payments as of the inception date.

The annual debt payment requirements for the capital leases as of September 30, 2014, are as follows:

Fiscal Year	Capital Lease
2015	\$ 45,731
2016	45,731
2017	45,731
2018	45,731
2019	45,731
2020-2024	228,653
2025-2029	<u>137,192</u>
Total minimum lease payments	594,500
Less: amount representing interest	<u>(94,830)</u>
Present value of minimum lease payments	<u>\$ 499,670</u>

III. 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 2013</u>	<u>Plan Year 2014</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	50% of CPI repeating

Contributions

Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) cost method (EAN was first used in the December 31, 2013 valuation; previously, the Projected Unit Credit actuarial cost method had been used). 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 for an employee is the contribution rate which, if applied to a member's compensation throughout their period of anticipated covered service with the municipality, would be sufficient to meet all benefits payable on their behalf. The salary-weighted average of the individual rates is the total normal cost rate. The prior service contribution rate amortizes the unfunded (overfunded) actuarial liability (asset) over the applicable period for that City. Both the normal cost and prior service contribution rates include recognition of the projected impact of annually repeating benefits, such as Updated Service Credits and Annuity Increases.

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

Fiscal Year	2013	2014
Annual required contribution (ARC)	\$ 3,127,860	\$ 2,780,470
Interest on net pension obligation	140,923	147,054
Adjustment to ARC	(123,813)	(132,232)
Annual pension cost	3,144,970	2,795,292
Contributions made	(3,057,391)	(2,935,990)
Change in net pension obligation	87,579	(140,698)
Net pension obligation, beginning of year	<u>2,013,192</u>	<u>2,100,771</u>
Net pension obligation, end of year	\$ <u>2,100,771</u>	\$ <u>1,960,073</u>
Percentage of APC contributed	97.2%	105.0%

Fiscal Year Ending	Annual Pension Cost (APC)	Annual Contribution Made	Percentage of APC Contributed	Net Pension Obligation (Asset)
09/30/2012	\$ 3,165,797	\$ 2,909,441	92%	\$ 2,013,192
09/30/2013	3,144,970	3,057,391	97%	2,100,771
09/30/2014	2,795,292	2,935,990	105%	1,960,073

The Utility System's portion of the net pension obligation was \$479,593 and \$535,765 as of September 30, 2014 and 2013, respectively.

The required contribution rates for fiscal year 2014 were determined as part of the December 31, 2013 and 2012, actuarial valuations. Additional information as of the latest actuarial valuation, December 31, 2013, also follows:

Actuarial Liabilities and Funding Progress

Actuarial Valuation Date	12/31/11	12/31/12	12/31/13
Actuarial cost method	Projected Unit Credit	Projected Unit Credit	Entry Age Normal
Amortization method	Level percent of payroll	Level percent of payroll	Level percent of payroll
GASB 25 equivalent single amortization period	26.2 years; closed period	25.3 years; closed period	26.0 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*	7.0%	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%	1.5%	1.5%

Funded Status and Funding Progress

In October 2013, the TMRS Board approved actuarial changes in (a) the funding method from Projected Unit Credit to Entry Age Normal, (b) the post-retirement mortality assumptions used in calculating liabilities and contribution rates and in the development of the Annuity Purchase Rate factors, and (c) the amortization policy. These actuarial changes were effective with the December 31, 2013 actuarial valuation. For a complete description of the actuarial cost method and assumptions, please see the December 31, 2013 TMRS Comprehensive Annual Financial Report (CAFR).

The funded status as of December 31, 2013, 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)
12/31/13	\$ 77,129,250	\$ 91,765,698	\$ 14,636,448	84.1%	\$ 18,155,976	80.6%

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

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 full time 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, full time before October 1, 2008.

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

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

The City 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 Part A and B when eligible. Retiree pays full Medicare premiums with the City paying the costs of the 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 years ending September 30, 2014 and 2013, are as follows:

	<u>2014</u>	<u>2013</u>
Annual required contribution	\$ 977,914	\$ 949,431
Interest on OPEB obligation	139,439	111,123
Adjustment to ARC	<u>(129,189)</u>	<u>(102,954)</u>
Annual OPEB cost (expense) end of year	988,164	957,600
Net estimated employer contributions	<u>(329,621)</u>	<u>(328,361)</u>
Increase in net OPEB obligation	658,543	629,239
Net OPEB obligation - as of beginning of the year	<u>3,098,643</u>	<u>2,469,404</u>
Net OPEB obligation - as of end of the year	<u>\$ 3,757,186</u>	<u>\$ 3,098,643</u>

The Utility System’s portion of the net OPEB obligation was \$1,001,916 and \$837,601 as of September 30, 2014 and 2013, respectively.

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>
9/30/2012	\$ 929,403	\$ 310,683	33.4%	\$ 2,469,404
9/30/2013	957,600	328,361	34.3%	3,098,643
9/30/2014	988,164	329,621	33.4%	3,757,186

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:

Schedule of Funding Progress – Other Post-Employment Health Care Benefits

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
12/31/2012	\$ -	\$ 11,451,759	\$ 11,451,759	- %	\$ 17,909,673	63.94%

Actuarial valuations of an ongoing plan involve estimates of the value reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the health care cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. A schedule of funding progress 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 funded status as of December 31, 2012 is the most recent actuarial valuation.

Actuarial Methods and Assumptions

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

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

Inflation rate	3.00% per annum
Investment rate of return	4.50%, net of expenses
Actuarial cost method	Projected unit credit cost
Amortization method	Level as a percentage of employee payrc
Amortization period	30-year, open amortization
Payroll growth	3.00% per annum
Healthcare cost trend rate	Initial rate of 7.50% declining to an ultir rate of 4.50% after 8 years

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status and the annual required contributions of the City’s retiree health care plan are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, provides multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

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. Contributions are made on a monthly basis on the covered payroll of employee members of the City. The City's contributions to the TMRS SDBF for the years ended 2014, 2013 and 2012, were \$29,312, \$29,374 and \$31,129, respectively, which equaled the required contributions each year.

C. Deferred Compensation Plan

The Utility System offers its employees a tax-deferred compensation plan meeting the requirements of Internal Revenue Code Section 457 through the City. 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 Utility System 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 Utility System'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 in conjunction with the City. These are self-sustaining risk pools operated on a statewide basis for the benefit of several hundred Texas cities and other public entities. Annual premiums are paid 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 Utility System 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	1,000
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 previous two years, and there have been no settlements that exceeded coverage in the current or past four fiscal years. On October 1, 2012, the Utility System's insurance deductibles increased significantly from prior years.

E. Contingencies

There are various lawsuits pending in which the Utility System is involved. In the opinion of legal counsel and Utility System management, the settlement of these lawsuits will not have a material adverse effect on the Utility System's financial position.

F. Power Wholesale Supplier Agreements and Derivative Instruments

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

Congestion Revenue Rights (CRRs) function as financial hedges against the cost of resolving congestion in the Electric Reliability Council of Texas (ERCOT) market. These instruments allow the City to hedge expected future congestion that may arise during a certain period. CRRs are purchased at auction, annually and monthly at market value. These CRRs are expected to be settled upon the City taking delivery of the commodity, which meet the requirements of a normal purchase of the City. As of September 30, 2014, the City held CRRs with a cost of \$147,725, and are reported as prepaid items within the Utility System Fund.

The City has entered into an electric service and wholesale supplier agreement with Garland Power and Light (GPL) through 2018. Additionally, the City has power wholesale supplier agreements with American Electric Power (AEP) and Bryan Texas Utilities (BTU) through 2015 and 2016, respectively. Under the terms of the agreements, the City has agreed to purchase the full requirements for its retail customer base. As of year-end, the City entered into forward purchase contracts with GPL and BTU extending through April 2015, which are expected to be settled upon delivery of the commodity. These contracts are considered normal purchase agreements and are reported when the exchange occurs.

During the year ended September 30, 2014 and 2013, the total KWHs purchased, cost of KWH, and cost per KWH purchased were as follows:

<u>2014</u> <u>Power Supplier</u>	<u>KWH</u> <u>Purchased</u>	<u>Total Cost</u>	<u>Cost Per</u> <u>KWH</u>
American Electric Power	212,348,871	\$ 10,713,455	\$0.0505
Garland Power and Light	91,418,240	8,318,606	0.0910
Bryan Texas Utilities	<u>113,063,000</u>	<u>5,310,804</u>	0.0470
	<u>416,830,111</u>	<u>\$ 24,342,865</u>	
<u>2013</u> <u>Power Supplier</u>	<u>KWH</u> <u>Purchased</u>	<u>Total Cost</u>	<u>Cost Per</u> <u>KWH</u>
American Electric Power	<u>398,321,449</u>	<u>\$ 18,312,494</u>	<u>\$0.0460</u>

G. New Accounting Principles

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

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

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**REQUIRED
SUPPLEMENTARY INFORMATION**

**CITY OF WEATHERFORD, TEXAS
MUNICIPAL UTILITY SYSTEM**

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

FOR THE YEAR ENDED SEPTEMBER 30, 2014

Year	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)
12/31/2011	\$ 64,824,032	\$ 83,255,041	\$ 18,431,009	77.9%	\$ 17,280,980	106.7%
12/31/2012	70,899,980	82,879,913	11,979,933	85.5%	17,909,673	66.9%
12/31/2013	77,129,250	91,765,698	14,636,448	84.1%	18,155,976	80.6%

**CITY OF WEATHERFORD, TEXAS
MUNICIPAL UTILITY SYSTEM**

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, 2014

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
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%	18,077,202	57.64%
12/31/12	-	11,451,759	11,451,759	0.0%	17,909,673	63.94%

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CAPITAL ASSETS

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**CITY OF WEATHERFORD, TEXAS
MUNICIPAL UTILITY SYSTEM**

SCHEDULES OF CAPITAL ASSETS

SEPTEMBER 30, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
Land	\$ 2,540,233	\$ 2,514,254
Buildings and improvements	19,106,576	19,505,130
Other improvements	154,278,264	149,084,181
Machinery and equipment	6,865,750	6,340,329
Construction in progress	<u>3,436,970</u>	<u>2,398,515</u>
	\$ 186,227,793	\$ 179,842,409
Less accumulated depreciation	<u>(68,400,195)</u>	<u>(64,779,834)</u>
Totals	<u>\$ 117,827,598</u>	<u>\$ 115,062,575</u>

**CITY OF WEATHERFORD, TEXAS
MUNICIPAL UTILITY SYSTEM**

SCHEDULE OF CAPITAL ASSETS BY FUNCTION AND ACTIVITY

SEPTEMBER 30, 2014

<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	\$ 5,308,829	\$ 326,764	\$ 3,346,267	\$ 1,108,248	\$ 527,550	\$ -
Water production	25,382,122	1,055,502	12,146,429	11,556,326	608,205	15,660
Water distribution	56,736,363	682,707	45,619	53,257,754	676,399	2,073,884
Wastewater	40,964,054	149,291	3,231,643	34,152,361	2,153,553	1,277,206
Electric production	1,192,893	11,334	336,618	13,203	831,738	-
Electric distribution	<u>56,643,532</u>	<u>314,635</u>	<u>-</u>	<u>54,190,372</u>	<u>2,068,305</u>	<u>70,220</u>
Total capital assets	<u>\$ 186,227,793</u>	<u>\$ 2,540,233</u>	<u>\$ 19,106,576</u>	<u>\$ 154,278,264</u>	<u>\$ 6,865,750</u>	<u>\$ 3,436,970</u>

**CITY OF WEATHERFORD, TEXAS
MUNICIPAL UTILITY SYSTEM**

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

FOR THE YEAR ENDED SEPTEMBER 30, 2014

<u>Function and Activity</u>	<u>Balance 09/30/13</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 09/30/14</u>
Administration	\$ 5,251,093	\$ 109,914	\$(52,178)	\$ 5,308,829
Water production	26,165,560	425,804	(1,209,242)	25,382,122
Water distribution	54,112,115	2,683,542	(59,294)	56,736,363
Wastewater	39,114,538	3,313,708	(1,464,192)	40,964,054
Electric production	1,192,893	-	-	1,192,893
Electric distribution	<u>54,006,210</u>	<u>2,643,095</u>	<u>(5,773)</u>	<u>56,643,532</u>
Total capital assets	<u>\$ 179,842,409</u>	<u>\$ 9,176,063</u>	<u>\$(2,790,679)</u>	<u>\$ 186,227,793</u>

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STATISTICAL SECTION

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**CITY OF WEATHERFORD, TEXAS
MUNICIPAL UTILITY SYSTEM**

PLEGGED REVENUE COVERAGE

**SEPTEMBER 30, 2014
(UNAUDITED)**

Fiscal Year	Utility System Revenue Bonds					
	Gross Revenues (1)	Less: Operating Expenses (2)	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2004/05	\$ 42,666,318	\$ 32,453,744	\$ 10,212,574	\$ 1,955,000	\$ 1,820,361	2.71%
2005/06	50,133,799	39,001,632	11,132,167	2,035,000	2,089,058	2.70%
2006/07	47,313,004	37,605,675	9,707,329	2,215,000	2,495,105	2.06%
2007/08	60,783,520	49,251,229	11,532,291	2,300,000	2,408,986	2.45%
2008/09	55,326,626	46,126,060	9,200,566	2,400,000	2,222,336	1.99%
2009/10	44,648,091	34,190,600	10,457,491	2,515,000	2,111,215	2.26%
2010/11	48,143,263	32,655,996	15,487,267	2,615,000	2,015,352	3.34%
2011/12	40,639,256	24,787,800	15,851,456	2,715,000	1,912,988	3.43%
2012/13	44,969,078	29,429,195	15,539,883	2,840,000	1,787,416	3.36%
2013/14	51,923,460	37,140,069	14,783,391	2,985,000	1,655,952	3.19%

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
MUNICIPAL UTILITY SYSTEM**

SCHEDULE OF ELECTRIC SALES

**LAST TEN FISCAL YEARS
(UNAUDITED)**

<u>Year Ended September 30</u>	<u>Power Sold (kwhr)</u>	<u>Daily Average (kwhr)</u>	<u>System Peak (kw)</u>
2005	315,001,959	863,019	78,273
2006	338,176,662	926,511	82,721
2007	334,246,819	915,745	81,859
2008	354,818,755	972,106	82,317
2009	341,457,244	935,499	83,385
2010	365,673,529	1,001,845	90,289
2011	381,826,440	1,046,100	96,681
2012	371,081,397	1,016,661	92,705
2013	371,982,863	1,019,131	94,161
2014	* 389,421,402	** 1,066,908	*** 100,111

* 23.6% Increase since 2005 (KWHR)
 ** 23.6% Increase since 2005 (KWHR)
 *** 27.9% Increase since 2005 (KW)

**CITY OF WEATHERFORD, TEXAS
MUNICIPAL UTILITY SYSTEM**

SCHEDULE OF RETAIL WATER SALES

**LAST TEN FISCAL YEARS
(UNAUDITED)**

<u>Year Ended September 30</u>	<u>Water Sold (1,000 Gallons)</u>	<u>Daily Average (1,000 Gallons)</u>	<u>Peak Day (1,000 Gallons)</u>
2005	1,115,086	3,055	7,058
2006	1,464,155	4,011	8,289
2007	1,117,941	3,063	7,264
2008	1,281,104	3,510	7,991
2009	1,258,075	3,447	8,191
2010	1,107,183	3,033	7,316
2011	1,373,590	3,763	9,069
2012	1,289,037	3,532	9,003
2013	1,227,698	3,364	7,708
2013	* 1,179,691	** 3,232	*** 6,997

- * 5.8% Increase since 2005
- ** 5.8% Increase since 2005
- *** -0.9% Increase since 2005

23,050 pop. - 132.54 gals per day per person (2005)
26,940 pop. - 119.97 gals per day per person (2014)

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**CITY OF WEATHERFORD, TEXAS
MUNICIPAL UTILITY SYSTEM**

SCHEDULE OF WASTEWATER SALES

**LAST TEN FISCAL YEARS
(UNAUDITED)**

<u>Year Ended September 30</u>	<u>Wastewater Treated (1,000 Gallons)</u>	<u>Daily Average (1,000 Gallons)</u>	<u>Peak Day (1,000 Gallons)</u>
2005	790,227	2,165	5,544
2006	772,941	2,118	3,758
2007	811,311	2,223	5,308
2008	758,813	2,079	4,083
2009	706,666	1,936	4,307
2010	825,139	2,261	4,360
2011	778,677	2,133	5,490
2012	818,178	2,242	4,389
2013	772,133	2,115	3,964
2014	* 784,012	** 2,148	*** 3,660

* -0.8% Decrease since 2005

** -0.8% Decrease since 2005

*** -34.0% Decrease since 2005

23,050 pop. - 93.93 gals per day per person (2005)

26,940 pop. - 79.73 gals per day per person (2014)

**CITY OF WEATHERFORD, TEXAS
MUNICIPAL UTILITY SYSTEM**

MISCELLANEOUS STATISTICS

**SEPTEMBER 30, 2014
(UNAUDITED)**

Date of incorporation	January 2, 1858
Form of government	Council/Manager
Number of full-time employees (excluding police and fire):	231
Area in square miles	26.52
Facilities and Services	
Miles of streets	226.50
Number of street lights	1,893
Culture and Recreation:	
Public libraries	1
Total library holdings	104,834
Community centers	2
Parks	10
Park acreage	301.00
Swimming pools	1
Tennis courts	3
Soccer fields	8
Softball and baseball fields	12
Multi-purpose fields and courts	3
Fire Protection:	
Number of stations	4
Number of paid fire personnel and officers	56
Number of trucks	18
Number of calls answered	5,201
Police Protection:	
Number of stations	1
Number of police personnel and officers	78
Number of patrol units	22
Number of law violations:	
Arrests	1,302
Violations other than parking	4,488
Parking violations	57

**CITY OF WEATHERFORD, TEXAS
MUNICIPAL UTILITY SYSTEM**

MISCELLANEOUS STATISTICS

**SEPTEMBER 30, 2014
(UNAUDITED)**

Sanitary Sewer System:

Miles of sanitary sewers	233.00
Number of treatment plants	1
Number of service connections	10,251
Daily average treatment in gallons	2,148,000
Permitted daily capacity of treatment plant in gallons	4,500,000

Water System:

Miles of water mains	268.00
Number of service connections	11,138
Number of fire hydrants	1,447
Daily average consumption in gallons	3,277,000
Maximum daily capacity of plant in gallons	14,000,000
Total water storage capacity	7,600,000
Annual water sales in gallons	1,179,691,000

Electric Distribution System:

Miles of distribution lines	342
Number of service connections	14,115
Total system peak demand (kw)	96,681
Annual kilowatt-hour sales (kwh)	408,450,225

Other Community Facilities:

Education:

Number of elementary schools	7
Number of elementary school instructors	290
Number of secondary schools	4
Number of secondary school instructors	231
Number of community colleges	1

Hospitals:

Number of hospitals	1
Number of patient beds	99

**CITY OF WEATHERFORD, TEXAS
MUNICIPAL UTILITY SYSTEM**

SERVICE RATE SCHEDULES

**SEPTEMBER 30, 2014
(UNAUDITED)**

ELECTRIC RATES - (Effective October 1, 2012 - Ordinance 508-2010-46)

Residential	\$10.08 customer charge \$0.0443 per KWH
Small General Service (Demand does not exceed 20)	\$19.55 customer charge plus \$.0490 per KWH
Large General Service - 1 (Demand 20 - 200)	\$42.50 customer charge \$3.80 per KW demand \$0.0256 per KWH
Large General Service - 2 (Demand 200 - 1000)	\$100.00 customer charge \$3.79 per KVA demand \$0.0260 per KWH
Large General Service - 3 (Demand 1000 or more)	\$195.00 customer charge \$3.65 per KVA demand \$0.0230 per KWH

LGS-1, LGS-2 and LGS-3 customers are subject to minimum KW demand billing equal to 75% of highest demand billed within last 12 months.

MV Lighting	\$10.00 customer charge Estimated usage 40 KWH
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Power cost adjustment factor (PCAF) - The energy charges stated in all rate schedules 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 kilowatt hour sold for the previous month exceeds \$0.0150.

**CITY OF WEATHERFORD, TEXAS
MUNICIPAL UTILITY SYSTEM**

SERVICE RATE SCHEDULES

**AS OF SEPTEMBER 30, 2014
(UNAUDITED)**

WATER RATES - (Effective October 1, 2012 - Ordinance 508-2010-46)

RESIDENTIAL WATER CUSTOMER

Customer Charge (minimum)	\$18.75
Per Cu. Ft. (0-1,000)	\$0.0337
Per Cu. Ft. (1,001-3,500)	\$0.0421
Per Cu. Ft. (3,501-5,000)	\$0.0527
Per Cu. Ft. (all over 5,000)	\$0.0660

RURAL WATER CUSTOMER - Westridge/Southcrest Subdivisions

Customer Charge (minimum)	\$18.75
Residential:	
Per Cu. Ft. (0-1,000)	\$0.0687
Per Cu. Ft. (1,001-3,500)	\$0.0771
Per Cu. Ft. (3,501-5,000)	\$0.0877
Per Cu. Ft. (all over 5,000)	\$0.1010
Commercial	\$0.0660

COMMERCIAL RATES

Customer Charge (minimum)	\$18.75
Per Cu. Ft.	\$0.0337

OFFSITE COMMERCIAL/INDUSTRIAL

Fire Hydrant Meters	
Customer Charge (minimum) - FH 2 inch	\$100.00
Customer Charge (minimum) - FH 3 inch	\$218.75
Per Cu. Ft. (all)	\$0.0637

WASTEWATER RATES (Effective October 1, 2012 - Ordinance 508-2010-46)

RESIDENTIAL RATES

Customer Charge (minimum)	\$15.00
Cu. Ft. Included in Minimum	400
Per Cu. Ft. > 400 CF (Maximum Billed - 2,000 CF)	\$0.0420

Residential wastewater volume based on lower month's actual use or average of water billed during months of December, January and February.

COMMERCIAL RATES

Customer Charge (minimum)	\$17.55
Cu. Ft. Included in Minimum	400
Per Cu. Ft. > 400 CF	\$0.0390

Commercial volume based on percent of actual water billed each month.

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CAPITAL PROJECTS SECTION

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**CITY OF WEATHEFORD
MUNICIPAL UTILITY SYSTEM
POLICY STATEMENT FOR DESIGNATED
RESERVES AND PROGRAM PLANNING
(Unaudited)**

The Weatherford Municipal Utility Board continues to have a reserve for Capital Improvements which is consistent with the planning for such projects. Each year the Utility budget includes Capital Improvements which span multiple years due to the length of time required to complete a project. Capital Improvement reserves are built from operating surplus and can be used in conjunction with the issuance of debt for the replacement of or addition to utility infrastructure. The monies used for Capital Improvement Projects shall be determined by the Utility Board on an annual basis or as the need arises.

**CITY OF WEATHERFORD
MUNICIPAL UTILITY SYSTEM
OVERVIEW OF CAPITAL PROJECTS
FOR NEXT TEN YEARS
(Unaudited)**

The City of Weatherford’s existing water, wastewater, and electric facilities are more than adequate to serve its existing customers. However, during the next ten years, the Capital Improvement expenditures for the City of Weatherford Utilities Division will make great strides in upgrading and expanding the water, wastewater, and electric systems to accommodate future growth in its service area.

The City is prepared to provide several improvements over the next ten years to better serve its customers. The installation of an Advanced Metering System (AMS) will allow for remote reading of meters, on demand re-reads of meters, and more detailed usage information for customers. This project is expected to cost approximately \$2,500,000 and should be completed by the end of fiscal year 2018. In regards to water facilities, a Water Purification Plant Master Plan is being prepared and is expected to be complete in the spring of 2015. It will outline major expansion and upgrade projects to be completed. It is anticipated that an expansion of the plant will be required by 2018 in order to maintain compliance with the requirements of the Texas Commission on Environmental Quality (TCEQ). A Water Master Plan Update was completed in 2013. The update includes a Water System Capital Improvement Plan, which lists several water distribution and storage facility projects to be completed in order to accommodate future growth of the City’s service area under build-out conditions. Among the projects are the following which are anticipated to be complete in the next ten years:

Project	Status	Estimated/ Actual Cost
30” Supply Line to the Dubellette GST	Design Complete	\$ 3,020,000
10 MGD Ward St Pump Station and 6 MG GST	-	6,070,850
30” Supply Line - Central Pressure Plane	-	2,493,120
12” Supply Line - Central Pressure Plane	-	1,437,550
12” Water Line - East Pressure Plane	-	552,120
16” and 12” Water Line - East Pressure Plane	-	1,249,920
12” and 8” Water Lines - Oak Ridge Pressure Plane	-	477,930
24” and 12” Water Line - Weatherford Loop	-	1,669,250
12” Water Line and PRV-Miller Pressure Plane	-	927,900
16” and 12” Water Line and PRV - Dubellette PP	-	1,810,100
16” Water Line along I-20 - Dubellette PP	Complete	864,470
12” Water Line along I-20 - Dubellette PP	Design Complete	855,330
16” Water Line BB Fielder Blvd - Dubellette PP	-	1,751,510
16” Water Line along Bethel Rd. - Dubellette PP	-	1,315,980
Advanced Metering System	Pilot Program	2,500,000

In regards to wastewater facilities, a Wastewater Treatment Plant Master Plan was prepared in 2012. It is anticipated that improvements will be required to improve phosphorus removal in order to adhere to stricter water quality requirements within the next two years. These improvements are estimated to cost approximately \$1,460,000. A wastewater reuse system is also currently under design and will also be constructed within the next two years. It will supplement the City’s water supply by transporting effluent from the wastewater treatment plant to Lake Weatherford. It has an estimated cost of \$10,968,430. Other improvements to the plant anticipated in the next ten years include: Cannibal Process Upgrades, Dewatering Improvements, Gravity Thickener Modifications, Filtration Upgrades, Additional Nutrient Removal Improvements and Energy Improvements. A Wastewater Collection System Master Plan is being prepared that will also outline projects to be completed to accommodate future growth of the City’s service area under build-out conditions. It is anticipated to be complete by the end of 2015. The wastewater collection system projects listed below may change after completion of the Master Plan:

Project	Status	Estimated/ Actual Cost
Wastewater Reuse System	Under Design	\$ 10,968,430
Lift Station 25, Wastewater Line and Force Main	Under Design	1,395,700
Sanchez Creek Wastewater Line, Force Main and Lift Station	-	4,874,400
North Wastewater Line to Lift Station 25	-	1,900,800
Dacey Road Wastewater Line Extension	-	2,502,000
Lift Station 6 Wastewater Line	-	2,016,000
FM 920 Wastewater Extension	-	1,519,200
B.B. Fielder Road Wastewater Extension	-	657,000
Wendy Lane Wastewater Extension	-	777,600
Town Creek Wastewater Extension	-	874,800

In regards to electric facilities, an electric substation is needed in the western part of the City's electric service territory due to increased load growth in that area and due to the opening of the Ric Williamson Memorial Highway. This project is expected to cost approximately \$4,000,000, and should be completed by the summer of 2016. Another electric capital project is the installation of an Advanced Metering System (AMS). This system will allow for remote reading of meters, instant outage notification, on demand re-reads of meters, and more detailed usage information for customers. This project is expected to cost approximately \$2,500,000 and should be completed by the end of fiscal year 2018.

Project	Status	Estimated/ Actual Cost
West Loop Substation	Under Design	\$ 4,000,000
Advanced Metering System	Pilot Program	2,500,000

**CITY OF WEATHERFORD, TEXAS
MUNICIPAL UTILITY SYSTEM**

ATTORNEYS

Zellers & Zellers, City Attorney Ed Zellers

Fifty percent of Mr. Zellers salary is paid by the Utility Board by City Charter. Mr. Zellers performs many tasks for the Utility Division in all areas of electric, water, and wastewater related issues.

Davidson & Troilo Ream & Garza

Davidson & Troilo Ream & Garza have been retained to provide legal services pertaining to the electric system and to provide legal services regarding the Transmission Cost of Service.

Herrera & Boyle

Herrera & Boyle reviewed the AT&T and Charter Communications agreements to evaluate the rights and obligations under each agreement and identify areas in the agreements to modify to address concerns.

Lloyd Gosselink Rochelle & Townsend

Lloyd Gosselink Rochelle & Townsend assisted and provided legal services with the wholesale water agreement.

Mathews & Freeland

Mathews & Freeland were retained to provide legal services to assist with pretreatment permitting and to assist with a spill at Weatherford Aerospace.

Willatt & Flickinger

Mike Willatt was retained to provide legal services for assistance with water rights permitting.

ENGINEERING & CONSULTING FIRMS

Baird, Hampton & Brown

Baird, Hampton & Brown have provided professional engineering services to design an 8", 12" and 16" water line including surveying, designing plans and bid documentation referred to as the Deerfield Water Line. They also provided survey and easement exhibits for IH 20.

Concentric Energy Advisor

Concentric Energy Advisor aided the City of Weatherford Electric Department with risk management.

Freese & Nichols

Freese & Nichols provided engineering services for multiple projects. They provided services to perform an evaluation of parameters, alternatives and permitting requirements to implement a reuse system including filing of an application amending Weatherford's Lake Weatherford water right to include reuse of Weatherford's treated wastewater. Freese & Nichols also designed multiple segments of sanitary sewer replacements of the Black Warrior Creek project.

Gregory Geotechnical

Gregory Geotechnical provided geotechnical engineering services for the preliminary review of candidate sites for the expansion of the Water Treatment Plant.

Gupta & Associates

Gupta & Associates provided consulting engineering services for the replacement of the variable frequency drives which were installed about ten years ago. The VFDs are critical in the operation of the water plant and the manufacturer of the current VFDs are planning to discontinue the manufacturing of circuit boards used in the existing VFDs, thus, making spare parts difficult to find.

Hazen & Sawyer

Hazen and Sawyer were retained to provide engineering services to evaluate and plan for long term water treatment facilities including an expansion and a twenty year Capital Improvements Plan in prioritizing long-term needs of the Water Treatment Plant.

Municipal H2O

Municipal H2O conducted a compliance audit of the Water Treatment Plant and created a report including a hazard assessment, RMP prevention program with required EPA elements, a hazard review and process analysis, and a compliance audit report.

Newgen Strategies and Solutions

Newgen Strategies and Solutions reviewed current contracts and developed a wholesale rate design in accordance with the terms and conditions of those contracts to allow full recovery of costs. They also updated the cost of service and rate design models for the electric, water, and wastewater systems and facilitated a review of the proposed wholesale water rate methodology.

Perkins Engineering Consultants

Perkins Engineering provided professional services to assist with the renewal of the TCEQ Water Treatment Plant Lagoon Permit.

Petty & Associates

Petty & Associates developed a Strategic Plan focusing on identifying key issues which will impact electric, water and sewer utilities over the next several years. The Strategic Plan provided a foundation for the planning and execution of services, sustaining fiscal responsibility, maintaining performance accountability, and increasing value for citizens and customers.

Rush Creek Consulting

Rush Creek was retained to provide survey services and to prepare water utility construction plans and specifications for the Fort Worth Highway water line renewals. (2012 CIP - Project 2)

Schneider Engineering

Schneider Engineering have been active in providing professional services for the West Loop Substation, AMS metering project, Wholesale Power Supply, Transmission Cost of Service, and Regulatory Support.

Teague Nall & Perkins

Teague Nall & Perkins have been involved in multiple projects. TNP have provided engineering services of survey and design of the 30" water line and of a gravity sewer line. They have also been retained to perform a Water and Sewer Impact Fee Study and for the negotiation and acquisition of water line and construction easements.

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**CITY OF WEATHERFORD, TEXAS
MUNICIPAL UTILITY SYSTEM
WHOLESALE PURCHASED POWER CONTRACTS**

Weatherford Electric retained Schneider Engineering of Boerne, Texas to consult with the Weatherford Municipal Utility Board on the electric utility's future wholesale power supply needs. Weatherford Electric's wholesale power supply contract expired on December 31, 2013, but the Board approved a set of new wholesale power supply contracts that began January 1, 2014. In an effort to diversify wholesale power suppliers and the percentage of Weatherford Electric's load to be bid on the market in any given year, Weatherford Electric entered into three wholesale power supply agreements with three different wholesale power suppliers: Garland Power and Light, Bryan Texas Utilities, and American Electric Power. Each supplier supplies one-third of Weatherford Electric's power needs for differing contract term lengths: Garland Power and Light for five years, Bryan Texas Utilities for three years, and American Electric Power for two years. Weatherford Electric expects to have less volatility in their wholesale power supply costs by pursuing this strategy.

**CITY OF WEATHERFORD MUNICIPAL UTILITY SYSTEM
MAJOR CAPITAL PROJECTS SUMMARY FOR THE PERIOD 10/01/04-09/30/14 (Unaudited)**

	BEGINNING BALANCE 10/01/04	FISCAL YEAR 2004/2005	FISCAL YEAR 2005/2006	FISCAL YEAR 2006/2007	FISCAL YEAR 2007/2008
REVENUE:					
Bond Revenues	-	\$ 2,217,089.54	\$ 24,372,373.59	\$ -	\$ -
Utility Fund Revenues	-	364,342.77	1,468,867.25	-	-
EPA Grant	-	-	-	240,000.00	-
Wastewater Impact Fee	-	-	-	-	397,519.81
2009 Tax Notes	-	-	-	-	-
Water Impact Fees	-	-	-	-	-
SIB Loans	-	-	-	-	-
Lake Lot Licenses	-	-	-	-	-
Gas Well Royalties	-	-	-	-	-
TOTAL REVENUES		\$ 2,581,432.31	\$ 25,841,240.84	\$ 240,000.00	\$ 397,519.81
EXPENDITURES BY PROJECT:	BEGINNING BALANCE 10/01/04	FISCAL YEAR 2004/2005	FISCAL YEAR 2005/2006	FISCAL YEAR 2006/2007	FISCAL YEAR 2007/2008
Wastewater Treatment Plant Phase II	\$ -	\$ 2,217,089.54	\$ -	\$ -	\$ -
Lake Weatherford Substation	-	364,342.77	990,293.41	-	-
Water Purification Plant Expansion	-	-	6,199,799.38	485,107.22	-
Elevated Water Tank & Lines	-	-	100,261.12	440,809.59	1,588,780.61
Parallel Treated Water Line	-	-	44,459.44	597,817.77	335,215.11
Parallel Wastewater Line	-	-	-	18,879.84	105,120.26
Lift Station #8 Relocation	-	-	-	-	164,198.55
Lift Station #6 Improvements	-	-	-	-	233,321.26
12" Waterline I-20/High School/Tin Top	-	-	-	-	-
Railroad Substation Construction	-	-	-	-	-
Viaduct Project	-	-	-	-	-
SIB Loan-Hwy. 171 W/W Relocation	-	-	-	-	-
SIB Loan-Viaduct	-	-	-	-	-
Recoating Filtration Tanks	-	-	-	-	-
SH 51 12" Water Line	-	-	-	-	-
Western Loop Water Line	-	-	-	-	-
SIB Loan-South Main Utility Relocation	-	-	-	-	-
12" Waterline TinTop/BB Fielder	-	-	-	-	-
Boat Ramp Lake Weatherford	-	-	-	-	-
30" Water Transmission Line	-	-	-	-	-
AMI Project - Water	-	-	-	-	-
Black Warrior Creek-Wastewater	-	-	-	-	-
Deerfield Water Line	-	-	-	-	-
Fort Worth Highway West Line	-	-	-	-	-
Lift Station #25 Improvements	-	-	-	-	-
Wastewater Effluent Project	-	-	-	-	-
Benbrook Valve Automation	-	-	-	-	-
I-20 Bethel Road/Tin Top Wastewater	-	-	-	-	-
I-20 Bethel Road/Tin Top Waterline	-	-	-	-	-
Miracle League Project	-	-	-	-	-
West Loop Substation	-	-	-	-	-
TOTAL EXPENDITURES	-	\$ 2,581,432.31	\$ 7,334,813.35	\$ 1,542,614.42	\$ 2,426,635.79
ENDING BALANCE	-	\$ -	\$ 18,506,427.49	\$ 17,203,813.07	\$ 15,174,697.09

FISCAL YEAR 2008/2009	FISCAL YEAR 2009/2010	FISCAL YEAR 2010/2011	FISCAL YEAR 2011/2012	FISCAL YEAR 2012/2013	FISCAL YEAR 2013/2014	ENDING BALANCE 41,912.00
\$ -	\$ -	\$ -	\$ -	\$ 136,552.02	\$ 363,581.94	\$ 27,089,597.09
294,366.21	109,848.00	-	5,000.00	1,803,942.95	547,411.63	4,593,778.81
-	-	-	-	-	-	240,000.00
99,864.78	10,399.81	-	-	1,844,240.00	-	2,352,024.40
690,000.00	-	-	-	-	-	690,000.00
163,633.25	-	-	-	3,055,541.46	-	3,219,174.71
-	137,747.66	252,214.13	520,658.47	-	-	910,620.26
-	-	-	-	252,190.40	-	252,190.40
-	-	-	-	149,515.91	639,484.00	788,999.91
\$ 1,247,864.24	\$ 257,995.47	\$ 252,214.13	\$ 525,658.47	\$ 7,241,982.74	\$ 1,550,477.57	\$ 40,136,385.58
FISCAL YEAR 2008/2009	FISCAL YEAR 2009/2010	FISCAL YEAR 2010/2011	FISCAL YEAR 2011/2012	FISCAL YEAR 2012/2013	FISCAL YEAR 2013/2014	ENDING BALANCE 41,912.00
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,217,089.54
-	-	-	-	-	-	1,354,636.18
-	-	-	-	-	-	6,684,906.60
1,840,468.78	126,364.08	-	-	-	-	4,096,684.18
2,168,199.07	2,656,060.16	805,895.18	1,849.50	-	-	6,609,496.23
882,805.33	510,402.90	-	-	-	-	1,517,208.33
68,632.75	692,513.93	371,081.31	-	-	-	1,296,426.54
31,232.03	70,670.25	206,150.98	422,304.35	660,078.05	210,026.46	1,833,783.38
163,633.25	-	-	-	-	-	163,633.25
1,472,374.64	-	-	-	-	-	1,472,374.64
-	139,848.59	-	-	-	-	139,848.59
-	33,822.50	34,833.25	-	-	-	68,655.75
-	103,925.16	217,380.88	-	-	-	321,306.04
-	109,848.00	-	5,000.00	239,924.20	-	354,772.20
-	-	58,898.66	116,882.47	-	-	175,781.13
-	-	62,903.98	27,966.43	20,805.52	-	111,675.93
-	-	-	520,658.47	-	-	520,658.47
-	-	-	97,662.30	77,424.40	-	175,086.70
-	-	-	-	252,190.40	-	252,190.40
-	-	-	-	215,299.99	36,184.32	251,484.31
-	-	-	-	63,072.73	65,597.38	128,670.11
-	-	-	-	136,552.02	363,581.94	500,133.96
-	-	-	-	55,541.46	188,782.95	244,324.41
-	-	-	-	83,948.75	1,204,149.17	1,288,097.92
-	-	-	-	44,240.00	99,174.16	143,414.16
-	-	-	-	149,515.91	148,004.54	297,520.45
-	-	-	-	138,165.21	178,245.15	316,410.36
-	-	-	-	-	100,542.59	100,542.59
-	-	-	-	-	292,775.60	292,775.60
-	-	-	-	-	95,184.10	95,184.10
-	-	-	-	-	70,219.79	70,219.79
\$ 6,627,345.85	\$ 4,443,455.57	\$ 1,757,144.24	\$ 1,192,323.52	\$ 2,136,758.64	\$ 3,052,468.15	\$ 33,094,991.84
\$ 9,795,215.48	\$ 5,609,755.38	\$ 4,104,825.27	\$ 3,438,160.22	\$ 8,543,384.32	\$ 7,041,393.74	\$ 7,041,393.74

**CITY OF WEATHERFORD
MUNICIPAL UTILITY SYSTEM
10/01/04-09/30/14**

**WASTEWATER TREATMENT PLANT PHASE II
(Unaudited)**

	Balance 9/30/2013	Fiscal Year 2013-2014	Balance 9/30/2014
<u>PROJECT EXPENDITURES</u>			
ENGINEERING DESIGN SERVICES	\$ 134,500.00	\$ -	\$ 134,500.00
ENGINEERING CONSTRUCTION	64,987.45	-	64,987.45
CONSTRUCTION	1,923,705.84	-	1,923,705.84
MISC. & CONTINGENCY	3,672.00	-	3,672.00
CAPITALIZED INTEREST	90,224.25	-	90,224.25
<i>TOTAL EXPENDITURES</i>	\$ 2,217,089.54	\$ -	\$ 2,217,089.54

This expansion increased capacity from 2.7 to 4.5 MGD. Construction was completed in May 2005.

**CITY OF WEATHERFORD
MUNICIPAL UTILITY SYSTEM
10/01/04-09/30/14**

**LAKE WEATHERFORD SUBSTATION
(Unaudited)**

	BALANCE 9/30/2013	FISCAL YEAR 2013-2014	BALANCE 9/30/2014
<u>PROJECT EXPENDITURES</u>			
ENGINEERING SERVICES	\$ -	\$ -	\$ -
LAND EASEMENTS/RIGHT OF WAY	-	-	-
MISC. & CONSTRUCTION	1,354,636.18	-	1,354,636.18
CAPITALIZED INTEREST	-	-	-
<i>TOTAL EXPENDITURES</i>	\$ 1,354,636.18	\$ -	\$ 1,354,636.18

The Lake Weatherford Substation project included relocating the substation from property that was leased from Brazos Electric Power Cooperative to a site that was owned by the City of Weatherford. The project also included upgrading the substation from a single 10 MVA transformer with two distribution circuits to two transformers with 30 MVA capability and four distribution circuits. These improvements allowed for scheduled maintenance, redundancy, and greater reliability of the distribution system. This project was completed in 2006.

**CITY OF WEATHERFORD
MUNICIPAL UTILITY SYSTEM
10/01/04-09/30/14**

**WATER PURIFICATION PLANT EXPANSION
(Unaudited)**

	Balance 9/30/2013	Fiscal Year 2013-2014	Balance 9/30/2014
<u>PROJECT EXPENDITURES</u>			
ENGINEERING DESIGN SERVICES	\$ 153,338.16	\$ -	\$ 153,338.16
ENGINEERING CONSTRUCTION	-	-	-
CONSTRUCTION	6,417,441.74	-	6,417,441.74
MISC. & CONTINGENCY	11,573.20	-	11,573.20
CAPITALIZED INTEREST	102,553.50	-	102,553.50
<i>TOTAL EXPENDITURES</i>	\$ 6,684,906.60	\$ -	\$ 6,684,906.60

The 6 MG expansion of the water plant began in June 2005. The plant was substantially complete in July 2006 with the final completion in August 2007.

**CITY OF WEATHERFORD
MUNICIPAL UTILITY SYSTEM
10/01/04-09/30/14**

**ELEVATED WATER TANK AND LINES
(Unaudited)**

	BALANCE 9/30/2013	FISCAL YEAR 2013-2014	BALANCE 9/30/2014
<u>PROJECT EXPENDITURES</u>			
ENGINEERING SERVICES	\$ 550,576.10	\$ -	\$ 550,576.10
LAND	81,100.00	-	81,100.00
LAND EASEMENTS/ROW'S	119,889.44	-	119,889.44
CONSTRUCTION	3,098,277.54	-	3,098,277.54
MISC. & CONTINGENCY	126,561.65	-	126,561.65
CAPITALIZED INTEREST	120,279.45	-	120,279.45
<i>TOTAL EXPENDITURES</i>	\$ 4,096,684.18	\$ -	\$ 4,096,684.18

An additional elevated water storage tank was needed in the southeast portion of the city. Bids were opened February 5, 2008, with construction starting in April 2008. The tank became operational in the summer of 2009.

**CITY OF WEATHERFORD
MUNICIPAL UTILITY SYSTEM
10/01/04-09/30/14**

**PARALLEL TREATED WATER LINE
(Unaudited)**

	BALANCE 9/30/2013	FISCAL YEAR 2013-2014	BALANCE 9/30/2014
<u>PROJECT EXPENDITURES</u>			
ENGINEERING SERVICES	\$ 1,153,655.00	\$ -	\$ 1,153,655.00
LAND EASEMENTS/RIGHT-OF-WAYS	484,059.00	-	484,059.00
CONSTRUCTION	4,756,443.91	-	4,756,443.91
MISC. & CONTINGENCY	9,130.68	-	9,130.68
CAPITALIZED INTEREST	206,207.64	-	206,207.64
<i>TOTAL EXPENDITURES</i>	\$ 6,609,496.23	\$ -	\$ 6,609,496.23

The parallel water line extends from the Water Purification Plant into various points within the distribution system. The waterline was designed in three segments. Construction of segment A-1 began June 2009 and was completed in January 2010. Construction of segment A-2 began in December 2009 and was completed in April 2010. Construction of segment A-3 began in January 2011 and was completed by July 2011.

**CITY OF WEATHERFORD
MUNICIPAL UTILITY SYSTEM
10/01/04-09/30/14**

**PARALLEL WASTEWATER LINE
S. MAIN TO WWTP
(Unaudited)**

	BALANCE 9/30/2013	FISCAL YEAR 2013-2014	BALANCE 9/30/2014
<u>PROJECT EXPENDITURES</u>			
ENGINEERING SERVICES	\$ 149,100.00	\$ -	\$ 149,100.00
CONSTRUCTION	1,298,590.27	-	1,298,590.27
MISC. & CONTINGENCY	18,459.50	-	18,459.50
CAPITALIZED INTEREST	51,058.56	-	51,058.56
<i>TOTAL EXPENDITURES</i>	\$ 1,517,208.33	\$ -	\$ 1,517,208.33

This line will replace the existing 12 inch line from I-20 to the Wastewater Treatment Plant with a 24 inch line. Design was completed in Fiscal Year 2008. Construction began in April 2009 and was completed in February 2010.

**CITY OF WEATHERFORD
MUNICIPAL UTILITY SYSTEM
10/01/04-09/30/14**

**LIFT STATION #8 RELOCATION
(Unaudited)**

	BALANCE 9/30/2013	FISCAL YEAR 2013-2014	BALANCE 9/30/2014
<u>PROJECT EXPENDITURES</u>			
ENGINEERING SERVICES	\$ 214,099.99	\$ -	\$ 214,099.99
LAND EASEMENTS/RIGHT OF WAY	25,391.12	-	25,391.12
MISC. & CONSTRUCTION	781,194.22	-	781,194.22
SALARIES	127,654.10	-	127,654.10
CAPITALIZED LABOR	125,682.53	-	125,682.53
CAPITALIZED INTEREST	22,404.58	-	22,404.58
<i>TOTAL EXPENDITURES</i>	\$ 1,296,426.54	\$ -	\$ 1,296,426.54

Growing citizenry and a recent annexation south of I-20 are requiring the relocation and upgrade of the existing Lift Station #8. The existing lift station was constructed in 1980 and is quickly approaching the end of its useful life. Coupling that with the increasing demand for safe, reliable sewage disposal, the station will be moved south approximately one mile to serve the southern annexation. Construction began in March 2010 and was completed in September 2011.

**CITY OF WEATHERFORD
MUNICIPAL UTILITY SYSTEM
10/01/04-09/30/14**

**LIFT STATION #6 IMPROVEMENTS
(Unaudited)**

	BALANCE 9/30/2013	FISCAL YEAR 2013-2014	BALANCE 9/30/2014
<u>PROJECT EXPENDITURES</u>			
ENGINEERING SERVICES	\$ 244,308.29	\$ -	\$ 244,308.29
LAND EASEMENTS/RIGHT OF WAYS	12,000.00	-	12,000.00
MISC. & CONSTRUCTION	947,652.51	205,328.95	1,152,981.46
SALARIES	330,601.96	-	330,601.96
CAPITALIZED LABOR	43,605.65	-	43,605.65
CAPITALIZED INTEREST	45,588.51	4,697.51	50,286.02
TOTAL EXPENDITURES	\$ 1,623,756.92	\$ 210,026.46	\$ 1,833,783.38

Growing citizenry and a recent annexation south of I-20 are requiring the relocation and upgrade of the existing Lift Station #6. The existing lift station was constructed in 1980 and is quickly approaching the end of its useful life. Coupling that with the increasing demand for safe, reliable sewage disposal, the lift station will be moved south approximately one mile to serve the southern annexation area. The City is obligated to move the lift station as part of the required services from the annexation. Construction began in May 2011 and was completed in January 2014.

**CITY OF WEATHERFORD
MUNICIPAL UTILITY SYSTEM
10/01/04-09/30/14**

**12" WATERLINE BETWEEN I-20/HIGH SCHOOL/TIN TOP
(Unaudited)**

	BALANCE 9/30/2013	FISCAL YEAR 2013-2014	BALANCE 9/30/2014
<u>PROJECT EXPENDITURES</u>			
ENGINEERING SERVICES	\$ -	\$ -	\$ -
LAND EASEMENTS/RIGHT OF WAY	-	-	-
MISC. & CONSTRUCTION	163,633.25	-	163,633.25
CAPITALIZED INTEREST	-	-	-
<i>TOTAL EXPENDITURES</i>	\$ 163,633.25	\$ -	\$ 163,633.25

This project consisted of approximately 2,375 linear feet of 12" water line and associated appurtenances along the south side of Interstate 20 between Bethel Road and Tin Top Road. The project was completed in December 2008.

**CITY OF WEATHERFORD
MUNICIPAL UTILITY SYSTEM
10/01/04-09/30/14**

**RAILROAD SUBSTATION CONSTRUCTION
(Unaudited)**

	BALANCE 9/30/2013	FISCAL YEAR 2013-2014	BALANCE 9/30/2014
<u>PROJECT EXPENDITURES</u>			
ENGINEERING SERVICES	\$ -	\$ -	\$ -
CONSTRUCTION	597,955.06	-	597,955.06
MISC. & CONTINGENCY	834,314.81	-	834,314.81
CAPITALIZED INTEREST	40,104.77	-	40,104.77
<i>TOTAL EXPENDITURES</i>	\$ 1,472,374.64	\$ -	\$ 1,472,374.64

This 30 MVA (power for 5,000 homes) planned expansion of the Railroad Substation provides not only additional power handling capability, but enhances the overall flexibility and designed source redundancy for the utility's installed distribution system. This project became operational in May, 2009.

**CITY OF WEATHERFORD
MUNICIPAL UTILITY SYSTEM
10/01/04-09/30/14**

**VIADUCT PROJECT
(Unaudited)**

	BALANCE 9/30/2013	FISCAL YEAR 2013-2014	BALANCE 9/30/2014
<u>PROJECT EXPENDITURES</u>			
CONSTRUCTION	\$ 135,081.83	\$ -	\$ 135,081.83
CAPITALIZED INTEREST	4,766.76	-	4,766.76
<i>TOTAL EXPENDITURES</i>	\$ 139,848.59	\$ -	\$ 139,848.59

The Viaduct project relocated existing water and wastewater lines which were in conflict with the reconstruction of the Viaduct bridge. Construction began in September 2009 and was completed in April 2010.

**CITY OF WEATHERFORD
MUNICIPAL UTILITY SYSTEM
10/01/04-09/30/14**

**SIB LOAN-STATE HIGHWAY 171 W/W RELOCATION
(Unaudited)**

	BALANCE 9/30/2013	FISCAL YEAR 2013-2014	BALANCE 9/30/2014
<u>PROJECT EXPENDITURES</u>			
ENGINEERING SERVICES	\$ -	\$ -	\$ -
LAND EASEMENTS/RIGHT OF WAY	-	-	-
MISC. & CONSTRUCTION	68,655.75	-	68,655.75
CAPITALIZED INTEREST	-	-	-
<i>TOTAL EXPENDITURES</i>	\$ 68,655.75	\$ -	\$ 68,655.75

Construction consists of relocating approximately 300 linear feet of 12" wastewater line and 91 linear feet of 10 force main. This was completed in December 2009.

**CITY OF WEATHERFORD
MUNICIPAL UTILITY SYSTEM
10/01/04-09/30/14**

**SIB LOAN-VIADUCT
(Unaudited)**

	BALANCE 9/30/2013	FISCAL YEAR 2013-2014	BALANCE 9/30/2014
<u>PROJECT EXPENDITURES</u>			
ENGINEERING SERVICES	\$ -	\$ -	\$ -
LAND EASEMENTS/RIGHT OF WAY	-	-	-
MISC. & CONSTRUCTION	321,306.04	-	321,306.04
CAPITALIZED INTEREST	-	-	-
<i>TOTAL EXPENDITURES</i>	\$ 321,306.04	\$ -	\$ 321,306.04

The Viaduct project relocated existing water and wastewater lines which were in conflict with the reconstruction of the Viaduct bridge. Construction began in September 2009 and was completed in April 2010.

**CITY OF WEATHERFORD
MUNICIPAL UTILITY SYSTEM
10/01/04-09/30/14**

**RECOATING FILTRATION TANKS
(Unaudited)**

	BALANCE 9/30/2013	FISCAL YEAR 2013-2014	BALANCE 9/30/2014
<u>PROJECT EXPENDITURES</u>			
ENGINEERING SERVICES	\$ -	\$ -	\$ -
LAND EASEMENTS/RIGHT OF WAY	-	-	-
MISC. & CONSTRUCTION	354,772.20	-	354,772.20
CAPITALIZED INTEREST	-	-	-
<i>TOTAL EXPENDITURES</i>	\$ 354,772.20	\$ -	\$ 354,772.20

This project consists of the recoating of four Trident Filtration Tanks at the Water Purification Plant. The first phase was completed in April 2012 and the second phase was completed in April 2013.

**CITY OF WEATHERFORD
MUNICIPAL UTILITY SYSTEM
10/01/04-09/30/14**

**SH 51 12" WATER LINE
(Unaudited)**

	BALANCE 9/30/2013	FISCAL YEAR 2013-2014	BALANCE 9/30/2014
<u>PROJECT EXPENDITURES</u>			
ENGINEERING SERVICES	\$ -	\$ -	\$ -
MISC. & CONSTRUCTION	121,745.64	-	121,745.64
SALAIRES	48,036.74	-	48,036.74
CAPITALIZED LABOR	351.23	-	351.23
CAPITALIZED INTEREST	5,647.52	-	5,647.52
<i>TOTAL EXPENDITURES</i>	\$ 175,781.13	\$ -	\$ 175,781.13

Approximately 1,800 linear feet of twelve (12) inch PVC water line and associated appurtenances were installed along the west side of FM 51/SH 171 from Alford Drive to approximately 700 feet south of B.B. Fielder Road. This water line was installed to serve the southern annexation area. This project began in June 2011 and was completed in March 2012.

**CITY OF WEATHERFORD
MUNICIPAL UTILITY SYSTEM
10/01/04-09/30/14**

**WESTERN LOOP WATER LINE
(Unaudited)**

	BALANCE 9/30/2013	FISCAL YEAR 2013-2014	BALANCE 9/30/2014
<u>PROJECT EXPENDITURES</u>			
ENGINEERING SERVICES	\$ 13,093.16	\$ -	\$ 13,093.16
MISC. & CONSTRUCTION	75,778.57	-	75,778.57
CAPITALIZED LABOR	19,579.96	-	19,579.96
CAPITALIZED INTEREST	3,224.24	-	3,224.24
<i>TOTAL EXPENDITURES</i>	\$ 111,675.93	\$ -	\$ 111,675.93

Eight segments of twelve (12) inch PVC water line, ranging from sixty (60) to three hundred and thirty-three (333) linear feet, were installed at various locations along the proposed Western Loop, crossing under the future street, in order to accommodate future water lines. These lines were installed prior to construction of the loop in order to avoid excavation or boring under the street in the future. This project began in May 2011 and was completed in May 2013.

**CITY OF WEATHERFORD
MUNICIPAL UTILITY SYSTEM
10/01/04-09/30/14**

**SIB LOAN-SOUTH MAIN UTILITY RELOCATION
(Unaudited)**

	BALANCE 9/30/2013	FISCAL YEAR 2013-2014	BALANCE 9/30/2014
<u>PROJECT EXPENDITURES</u>			
ENGINEERING SERVICES	\$ -	\$ -	\$ -
LAND EASEMENTS/RIGHT OF WAY	-	-	-
MISC. & CONSTRUCTION	520,658.47	-	520,658.47
CAPITALIZED INTEREST	-	-	-
<i>TOTAL EXPENDITURES</i>	\$ 520,658.47	\$ -	\$ 520,658.47

This project consists of relocating approximately 1117 linear feet of 8" wastewater line, 1535 linear feet of 8", 12", and 16" waterline, and associated appurtenances along FM51/SH171 South Main near I-20. This project was completed in May 2010.

**CITY OF WEATHERFORD
MUNICIPAL UTILITY SYSTEM
10/01/04-09/30/14**

**12" WATERLINE ALONG TIN TOP BETWEEN I-20 & BB FIELDER ROAD
(Unaudited)**

	BALANCE 9/30/2013	FISCAL YEAR 2013-2014	BALANCE 9/30/2014
<u>PROJECT EXPENDITURES</u>			
ENGINEERING SERVICES	\$ -	\$ -	\$ -
MISC. & CONSTRUCTION	136,886.28	-	136,886.28
SALARIES	31,970.33	-	31,970.33
CAPITALIZED LABOR	-	-	-
CAPITALIZED INTEREST	6,230.09	-	6,230.09
<i>TOTAL EXPENDITURES</i>	\$ 175,086.70	\$ -	\$ 175,086.70

Approximately 2,100 linear feet of twelve (12) inch PVC water line and associated appurtenances were installed along the east side of Tin Top Road from Interstate 20 to B.B. Fielder Road. This water line was installed to serve the southern annexation area. This project began in August 2012 and was completed in July 2013.

**CITY OF WEATHERFORD
MUNICIPAL UTILITY SYSTEM
10/01/04-09/30/14**

**BOAT RAMP LAKE WEATHERFORD
(Unaudited)**

	BALANCE 9/30/2013	FISCAL YEAR 2013-2014	BALANCE 9/30/2014
<u>PROJECT EXPENDITURES</u>			
ENGINEERING SERVICES	\$ -	\$ -	\$ -
LAND EASEMENTS/RIGHT OF WAY	-	-	-
MISC. & CONSTRUCTION	252,190.40	-	252,190.40
CAPITALIZED INTEREST	-	-	-
<i>TOTAL EXPENDITURES</i>	\$ 252,190.40	\$ -	\$ 252,190.40

This project consists of replacing an existing boat ramp at Lake Weatherford that was no longer able to be used due to low lake levels. This project was completed in May 2013.

**CITY OF WEATHERFORD
MUNICIPAL UTILITY SYSTEM
10/01/04-09/30/14**

**30" WATER TRANSMISSION LINE
(Unaudited)**

	BALANCE 9/30/2013	FISCAL YEAR 2013-2014	BALANCE 9/30/2014
<u>PROJECT EXPENDITURES</u>			
ENGINEERING SERVICES	\$ 215,299.99	\$ 35,375.01	\$ 250,675.00
LAND EASEMENTS/RIGHT OF WAY	-	-	-
MISC. & CONSTRUCTION	-	-	-
CAPITALIZED INTEREST	-	809.31	809.31
<i>TOTAL EXPENDITURES</i>	\$ 215,299.99	\$ 36,184.32	\$ 251,484.31

Approximately 8,000 linear feet of 30" water line and associated appurtenances from the intersection of Weiland Street and East Oak Street to the Dubellette ground storage tank. The design of the project has been completed and the estimated cost of construction is approximately \$3,100,000. This project will increase conveyance from the water treatment plant to water storage facilities. It is unknown when construction will begin.

**CITY OF WEATHERFORD
MUNICIPAL UTILITY SYSTEM
10/01/04-09/30/14**

**AMI PROJECT-WATER
(Unaudited)**

	BALANCE 9/30/2013	FISCAL YEAR 2013-2014	BALANCE 9/30/2014
<u>PROJECT EXPENDITURES</u>			
ENGINEERING SERVICES	\$ -	\$ -	\$ -
LAND EASEMENTS/RIGHT OF WAY	-	-	-
MISC. & CONSTRUCTION	63,072.73	65,597.38	128,670.11
CAPITALIZED INTEREST	-	-	-
<i>TOTAL EXPENDITURES</i>	\$ 63,072.73	\$ 65,597.38	\$ 128,670.11

Advanced Metering Infrastructure (AMI) consists of the replacement of water and electric meters with automated metering devices.

**CITY OF WEATHERFORD
MUNICIPAL UTILITY SYSTEM
10/01/04-09/30/14**

**BLACK WARRIOR CREEK-WASTEWATER
PHASE ONE
(Unaudited)**

	BALANCE 9/30/2013	FISCAL YEAR 2013-2014	BALANCE 9/30/2014
<u>PROJECT EXPENDITURES</u>			
ENGINEERING SERVICES	\$ 136,552.02	\$ 48,820.94	\$ 185,372.96
LAND EASEMENTS/RIGHT OF WAY	-	6,814.34	6,814.34
MISC. & CONSTRUCTION	-	307,946.66	307,946.66
CAPITALIZED INTEREST	-	-	-
<i>TOTAL EXPENDITURES</i>	\$ 136,552.02	\$ 363,581.94	\$ 500,133.96

This project consists of replacement of approximately 1,000 linear feet of 8" wastewater line, 5,750 linear feet of 12" wastewater line, 1,900 linear feet of 18" wastewater line and associated appurtenances. The construction of the first phase was completed in August 2014. The construction of the second phase is expected to begin in May 2015 and expected to be completed in December 2015.

**CITY OF WEATHERFORD
MUNICIPAL UTILITY SYSTEM
10/01/04-09/30/14**

**DEERFIELD WATER LINE
(Unaudited)**

	BALANCE 9/30/2013	FISCAL YEAR 2013-2014	BALANCE 9/30/2014
<u>PROJECT EXPENDITURES</u>			
ENGINEERING SERVICES	\$ 55,541.46	\$ 126,495.00	\$ 182,036.46
LAND EASEMENTS/RIGHT OF WAY	-	52,134.05	52,134.05
MISC. & CONSTRUCTION	-	5,931.52	5,931.52
CAPITALIZED INTEREST	-	4,222.38	4,222.38
<i>TOTAL EXPENDITURES</i>	\$ 55,541.46	\$ 188,782.95	\$ 244,324.41

Approximately 1,365 linear feet of 8" water line, 6,336 linear feet of 12" water line and 9,440 linear feet of 16" water line and associated appurtenances from the West Park elevated storage tank to Roark Lane in Deerfield Estates. The estimated construction cost is approximately \$2,100,000. The project will expand service to the newly constructed Ric Williamson Memorial Highway and other areas to the west. It will also allow the groundwater system serving the Deerfield Estates subdivision to be abandoned. The construction of Phase One began in November 2014 and is expected to be completed in March 2015. The construction of Phase Two is expected to begin in July 2015 and will be completed in October 2015.

**CITY OF WEATHERFORD
MUNICIPAL UTILITY SYSTEM
10/01/04-09/30/14**

**FORT WORTH HIGHWAY WEST LINE
(Unaudited)**

	BALANCE 9/30/2013	FISCAL YEAR 2013-2014	BALANCE 9/30/2014
<u>PROJECT EXPENDITURES</u>			
ENGINEERING SERVICES	\$ 83,948.75	\$ 14,273.17	\$ 98,221.92
LAND EASEMENTS/RIGHT OF WAY	-	2,212.19	2,212.19
MISC. & CONSTRUCTION	-	1,187,663.81	1,187,663.81
CAPITALIZED INTEREST	-	-	-
<i>TOTAL EXPENDITURES</i>	\$ 83,948.75	\$ 1,204,149.17	\$ 1,288,097.92

The project consisted of approximately 7,300 linear feet of 6" to 12" water lines and associated appurtenances along Fort Worth Highway from Hogle Street to the 1500 block of Fort Worth Highway. This project was completed in August 2014.

**CITY OF WEATHERFORD
MUNICIPAL UTILITY SYSTEM
10/01/04-09/30/14**

**LIFT STATION #25 IMPROVEMENTS
(Unaudited)**

	BALANCE 9/30/2013	FISCAL YEAR 2013-2014	BALANCE 9/30/2014
<u>PROJECT EXPENDITURES</u>			
ENGINEERING SERVICES	\$ 44,240.00	\$ 96,956.00	\$ 141,196.00
LAND EASEMENTS/RIGHT OF WAY	-	-	-
MISC. & CONSTRUCTION	-	-	-
CAPITALIZED INTEREST	-	2,218.16	2,218.16
<i>TOTAL EXPENDITURES</i>	\$ 44,240.00	\$ 99,174.16	\$ 143,414.16

Approximately 1,800 linear feet of 8" wastewater line, 3,400 linear feet of 8" force main line, 2,448 linear feet of 12" wastewater line, one lift station and associated appurtenances located near the intersection of Bowie Drive and Interstate 20. This project expands wastewater service to areas on the west side of the City's service area. Construction of Phase One began in March 2015 and is expected to be completed in June 2015. Construction of Phase Two is expected to begin in May 2015 and is expected to be completed in August 2015.

**CITY OF WEATHERFORD
MUNICIPAL UTILITY SYSTEM
10/01/04-09/30/14**

**WASTEWATER EFFLUENT PROJECT
(Unaudited)**

	BALANCE 9/30/2013	FISCAL YEAR 2013-2014	BALANCE 9/30/2014
<u>PROJECT EXPENDITURES</u>			
ENGINEERING SERVICES	\$ 149,515.91	\$ 147,904.54	\$ 297,420.45
LAND EASEMENTS/RIGHT OF WAY	-	-	-
MISC. & CONSTRUCTION	-	100.00	100.00
CAPITALIZED INTEREST	-	-	-
<i>TOTAL EXPENDITURES</i>	\$ 149,515.91	\$ 148,004.54	\$ 297,520.45

This project consists of one pump station and approximately 31,000 linear feet of 16" reuse water line and associated appurtenances from the City of Weatherford wastewater treatment plant to Lake Weatherford. A Reuse System Preliminary Design and Alternative Analysis Implementation Plan was completed in May 2014. Design of the pump station and pipeline is expected to begin in May 2015. Construction is expected to begin in January 2016 and be completed in January 2017.

**CITY OF WEATHERFORD
MUNICIPAL UTILITY SYSTEM
10/01/04-09/30/14**

**BENBROOK VALVE AUTOMATION
(Unaudited)**

	BALANCE 9/30/2013	FISCAL YEAR 2013-2014	BALANCE 9/30/2014
<u>PROJECT EXPENDITURES</u>			
ENGINEERING SERVICES	\$ -	\$ -	\$ -
LAND EASEMENTS/RIGHT OF WAY	-	-	-
MISC. & CONSTRUCTION	138,165.21	178,245.15	316,410.36
CAPITALIZED INTEREST	-	-	-
<i>TOTAL EXPENDITURES</i>	\$ 138,165.21	\$ 178,245.15	\$ 316,410.36

This project consisted of installing one new 24" automated valve, modifying an existing 24" valve and 36" valve to achieve automated operation, installing one 24" flow meter and associated site improvements. The purpose of this project is to control the transfer of raw water from the Lake Benbrook transmission line to either Lake Weatherford or directly to the Water Treatment Plant. The project was completed in May 2014.

**CITY OF WEATHERFORD
MUNICIPAL UTILITY SYSTEM
10/01/04-09/30/14**

**I-20 BETHEL ROAD/TIN TOP-WASTEWATER IMPROVEMENTS
(Unaudited)**

	BALANCE 9/30/2013	FISCAL YEAR 2013-2014	BALANCE 9/30/2014
<u>PROJECT EXPENDITURES</u>			
ENGINEERING SERVICES	\$ -	\$ -	\$ -
LAND EASEMENTS/RIGHT OF WAY	-	1,269.00	1,269.00
MISC. & CONSTRUCTION	-	97,024.82	97,024.82
CAPITALIZED INTEREST	-	2,248.77	2,248.77
<i>TOTAL EXPENDITURES</i>	\$ -	\$ 100,542.59	\$ 100,542.59

Approximately 14 linear feet of 4" wastewater line, 1,253 linear feet of 8" wastewater line and associated appurtenances along Interstate 20 from the intersection of Tin Top Road and Interstate 20 to approximately 1,400 feet east of the intersection of Bethel Road and Interstate 20. This project expanded services to growing areas along Interstate 20. The construction of the project began in July 2014 and was completed in November 2014.

**CITY OF WEATHERFORD
MUNICIPAL UTILITY SYSTEM
10/01/04-09/30/14**

**I-20 BETHEL ROAD/TIN TOP WATERLINE
(Unaudited)**

	BALANCE 9/30/2013	FISCAL YEAR 2013-2014	BALANCE 9/30/2014
<u>PROJECT EXPENDITURES</u>			
ENGINEERING SERVICES	\$ -	\$ -	\$ -
LAND EASEMENTS/RIGHT OF WAY	-	3,431.00	3,431.00
MISC. & CONSTRUCTION	-	282,796.29	282,796.29
CAPITALIZED INTEREST	-	6,548.31	6,548.31
<i>TOTAL EXPENDITURES</i>	\$ -	\$ 292,775.60	\$ 292,775.60

Approximately 54 linear feet of 6" water line, 41 linear feet of 8" water line, 2.754 linear feet of 12" water line and associated appurtenances along Interstate 20 from the intersection of Tin Top Road and Interstate 20 to the intersection of Bethel Road and Interstate 20. This project expanded services growing areas along Interstate 20. The construction of the project began in July 2014 and was completed in November 2014.

**CITY OF WEATHERFORD
MUNICIPAL UTILITY SYSTEM
10/01/04-09/30/14**

**MIRACLE LEAGUE PROJECT
(Unaudited)**

	BALANCE 9/30/2013	FISCAL YEAR 2013-2014	BALANCE 9/30/2014
<u>PROJECT EXPENDITURES</u>			
ENGINEERING SERVICES	\$ -	\$ -	\$ -
LAND EASEMENTS/RIGHT OF WAY	-	-	-
MISC. & CONSTRUCTION	-	95,184.10	95,184.10
CAPITALIZED INTEREST	-	-	-
<i>TOTAL EXPENDITURES</i>	\$ -	\$ 95,184.10	\$ 95,184.10

This project consists of approximately 1,360 linear feet of 8" of wastewater line and associated manholes along Tin Top Road between BB Fielder Drive and Candleridge Court. This project was completed in September 2014.

**CITY OF WEATHERFORD
MUNICIPAL UTILITY SYSTEM
10/01/04-09/30/14**

**WEST LOOP SUBSTATION
(Unaudited)**

	BALANCE 9/30/2013	FISCAL YEAR 2013-2014	BALANCE 9/30/2014
<u>PROJECT EXPENDITURES</u>			
ENGINEERING SERVICES	\$ -	\$ 69,392.48	\$ 69,392.48
LAND EASEMENTS/RIGHT OF WAY	-	-	-
MISC. & CONSTRUCTION	-	827.31	827.31
CAPITALIZED INTEREST	-	-	-
<i>TOTAL EXPENDITURES</i>	\$ -	\$ 70,219.79	\$ 70,219.79

The Weatherford West Loop Substation project will provided adequate capacity to the western reaches of the City of Weatherford's electric service territory by building a new electric substation on Ric Williamson Memorial Highway near Interstate 20. It will be a two transformer substation with potential for eight distribution circuits that will not only provide electric for the immediate area, but will also serve as a limited backup for the City's North Weatherford and Live Oak Substations. The target completion date for this project is May of 2016.

BUDGET SECTION

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City of Weatherford
MUNICIPAL UTILITY SYSTEM
TRANSFER CALCULATION REPORT
YEAR ENDED SEPTEMBER 30, 2014
(Unaudited)

RETURN ON INVESTMENT TRANSFER CALCULATION

As Adopted by City Council June 14, 2011

	<u>Estimated Volume</u>	<u>Actual Volume</u>	<u>Rate of Return Per Unit Sold</u>	<u>Estimated Transfer</u>	<u>Actual Transfer</u>
2013-14 Electric KWH Sales	374,464,299	389,421,402	\$0.0056	\$2,097,000	\$2,180,760
2013-14 Water (1,000 Gal.) Sales	1,250,000	1,184,851	\$0.2469	308,625	292,540
2013-14 Wastewater (1,000 Gal.) Treated	805,852	784,012	\$0.2716	218,869	212,938
				<u>\$2,624,494</u>	<u>\$2,686,238</u>

GROSS RECEIPTS CHARGE CALCULATION

As Adopted by City Council June 14, 2011

	<u>Estimated Volume</u>	<u>Actual Volume</u>	<u>Gross Receipts Per Unit Sold</u>	<u>Estimated Gross Receipts</u>	<u>Actual Gross Receipts</u>
2013-14 Electric KWH Sales	374,464,299	389,421,402	\$0.0044	\$1,647,643	\$1,713,454
2013-14 Water (1,000 Gal.) Sales	1,250,000	1,184,851	\$0.2223	277,875	263,392
2013-14 Wastewater (1,000 Gal.) Treated	805,852	784,012	\$0.1975	159,156	154,842
				<u>\$2,084,673</u>	<u>\$2,131,688</u>

ADMINISTRATIVE SERVICES TRANSFER CALCULATION

<u>DEPARTMENT</u>	<u>PROPOSED BUDGET</u>	<u>PERCENT ALLOCATED</u>	<u>ALLOCATED AMOUNT</u>	<u>TRANSFER ALLOCATION BASED ON SYSTEM REVENUES & DIRECT EXPENDITURES</u>		
Administration	\$672,215	45.0%	\$302,497			
Human Resources	335,259	50.0%	167,630	ELECTRIC	76.000%	\$1,250,094
Finance Administration	739,738	50.0%	369,869			
City Attorney	151,490	33.3%	50,496	WATER	15.500%	\$534,953
Economic Development	185,203	50.0%	92,602			
City Hall (3,628sf)	(65,304)	100.0%	(65,304)	WASTEWATER	8.500%	\$139,813
Graduate Engineer	(96,290)	33.3%	(32,096)			
Information Technology	1,522,079	Project Specific	733,967			
Lake Maintenance	280,000	100.0%	280,000			
Audit Services	63,000	40.0%	25,200			<u>\$1,924,860</u>
	<u>\$3,787,390</u>		<u>\$1,924,860</u>			

SUMMARY - ALL TRANSFERS

	<u>ACTUAL 2012-2013</u>	<u>BUDGET 2012-2013</u>	<u>ACTUAL 2013-2014</u>	<u>ACTUAL INCREASE/ (DECREASE)</u>
Gross Receipts Fee	\$2,084,673	\$2,084,673	\$2,131,688	\$47,015
Administrative Services	1,924,860	1,924,860	1,924,860	0
Return on Investment	2,624,494	2,624,494	2,686,238	61,744
Total Transfers	<u>\$6,634,028</u>	<u>\$6,634,028</u>	<u>\$6,742,786</u>	<u>\$108,759</u>
TRANSFERS AS % OF REVENUES	15.83%	14.45%	14.56%	-1.27%

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City of Weatherford
MUNICIPAL UTILITY SYSTEM
UTILITY SYSTEM REVENUES
YEAR ENDED SEPTEMBER 30, 2014
(Unaudited)

	Actual 2012-2013	Amended Budget 2013-2014	Actual 2013-2014	Variance Positive (Negative)
Electric				
415-Sale of Electricity	30,651,340	36,962,462	37,460,703	498,241
508-NSF Check Charge	7,050	10,000	7,050	(2,950)
601-Interest - Non-Restricted	77,966	25,000	79,395	54,395
602-Net Change in Fair Value - Investments	(51,469)	-	(60,990)	(60,990)
604-Sale of Fixed Assets	27,565	-	4,000	4,000
612-Sale of Salvage	1,324	5,000	1,770	(3,230)
632-Pole Rental - CATV	112,433	110,000	106,895	(3,105)
634-Electric Fiber Lease Fee	41,678	-	156,994	156,994
644-Late Payment Fees	151,155	160,000	181,670	21,670
645-Temp. Connect & Reconnect Fees	69,330	80,000	74,990	(5,010)
646-Service Connection Fees	85,620	85,000	85,705	705
647 Service Transfer Fees	11,745	12,000	11,660	(340)
651-Miscellaneous	209,926	120,000	28,527	(91,473)
808-Contributions-Aid of Construction	116,988	100,000	72,377	(27,623)
833-Transfer From Solid Waste	29,107	33,115	28,324	(4,791)
850-Proceeds From Insurance	434	-	17,622	17,622
Total Electric	31,542,192	37,702,577	38,256,692	554,115
Water				
404-Inspection Service Fee	-	-	10,686	10,686
416-Wholesale Water Sales	169,731	68,599	59,664	(8,935)
417-Retail Water Sales	8,884,689	9,170,582	8,673,334	(497,248)
418-Raw Water Sales	2,521	2,500	2,677	177
426-TRWD Pass-Through	-	1,300,000	588,685	(711,315)
467-Water Taps	2,199	3,500	3,665	165
469-Water Main Pro-Rata Fees	22,292	15,000	22,900	7,900
604-Sale of Fixed Assets	-	-	14,400	14,400
612-Sale of Salvage	598	-	13,861	13,861
625-Lake Lot Leases	922,856	915,000	922,210	7,210
627-Lake Lot Transfers	12,796	5,000	8,050	3,050
629-Lake Concession Rental	12,226	9,500	12,297	2,797
633-Water Tower License Fee	37,375	34,375	40,375	6,000
641-Cash Shortage/Overage	163	-	2	2
651-Miscellaneous	3,739	15,770	1,564	(14,206)
810-Proceeds from Lease/Purchase Agreement	-	-	(5,634)	(5,634)
833-Transfer From Solid Waste	12,474	15,503	13,260	(2,243)
850-Proceeds From Insurance	24,503	1,500	1,500	-
Total Water	10,108,162	11,556,829	10,383,496	(1,173,333)
Wastewater				
419-Wastewater Service Fees	4,466,060	4,450,000	4,360,033	(89,967)
420-Pre-Treatment Fees	28,740	26,000	23,622	(2,378)
404-Inspection Service Fee	-	-	14,487	14,487
463-Sewer Tap Fees	1,270	1,200	2,540	1,340
466-Non-system Wastewater Service Fees	161,192	160,000	132,440	(27,560)
651-Miscellaneous	4,414	5,245	-	(5,245)
833-Transfer from Solid Waste	-	15,503	-	(15,503)
Total Wastewater	4,661,676	4,657,948	4,533,122	(124,826)
TOTAL UTILITY SYSTEMS FUND	46,312,030	53,917,354	53,173,310	(744,044)

City of Weatherford
MUNICIPAL UTILITY SYSTEM
SUMMARY BUDGET REPORT
YEAR ENDED SEPTEMBER 30, 2014
(Unaudited)

	<i>Actual</i> 2012-2013	<i>Amended</i> <i>Budget</i> 2013-2014	<i>Actual</i> 2013-2014	<i>Variance</i> <i>Positive</i> <i>(Negative)</i>
REVENUES				
ELECTRIC				
<i>Sales of Power</i>	30,651,340	36,962,462	37,460,703	498,241
<i>Interest & Other</i>	890,852	740,115	795,989	55,874
	<u>31,542,192</u>	<u>37,702,577</u>	<u>38,256,692</u>	<u>554,115</u>
WATER				
<i>Wholesale Water Sales</i>	169,731	68,599	59,664	(8,935)
<i>Retail Water Sales</i>	8,884,689	9,170,582	8,673,334	(497,248)
<i>Raw Water Sales</i>	2,521	2,500	2,677	177
<i>TRWD Pumping Pass-Through</i>	-	1,300,000	588,685	(711,315)
<i>Lake Lot Leases</i>	922,856	915,000	922,210	7,210
<i>Interest & Other</i>	128,365	100,148	136,926	36,778
	<u>10,108,162</u>	<u>11,556,829</u>	<u>10,383,496</u>	<u>(1,173,333)</u>
WASTEWATER				
<i>Wastewater Service Fees</i>	4,627,252	4,610,000	4,492,473	(117,527)
<i>Tap & Pro-Rata Fees</i>	1,270	1,200	2,540	1,340
<i>Pre-Treatment Fees</i>	28,740	26,000	23,622	(2,378)
<i>Interest & Other</i>	4,414	20,748	14,487	(6,261)
	<u>4,661,676</u>	<u>4,657,948</u>	<u>4,533,122</u>	<u>(124,826)</u>
Total Revenues	<u>46,312,030</u>	<u>53,917,354</u>	<u>53,173,310</u>	<u>(744,044)</u>
EXPENDITURES				
ELECTRIC				
<i>Administration</i>	293,389	270,830	280,291	(9,461)
<i>Customer Services</i>	764,707	467,655	466,986	669
<i>Utility Service Center</i>	183,759	283,586	246,542	37,044
<i>Technical Services</i>	26,311	27,873	512	27,361
<i>Electric Distribution</i>	6,181,727	7,372,770	5,574,015	1,798,755
<i>Fiber</i>	-	-	285	(285)
<i>Electric Production</i>	8,128	11,850	7,589	4,261
<i>Purchased Power</i>	18,363,695	25,010,874	24,445,168	565,706
<i>Purchased CRRs</i>	272,013	-	(26,040)	26,040
<i>Other/Contingency</i>	26,275	2,850,000	1,010,635	1,839,365
<i>Debt Service</i>	786,184	787,094	789,582	(2,488)
<i>Principal Expense</i>	-	32,058	-	32,058
<i>Interest Expense</i>	-	13,736	20,809	(7,073)
<i>Fiscal Agent/Rating Fees</i>	623	700	622	78
<i>OPEB Contribution</i>	71,041	-	-	-
<i>Other Professional Services</i>	-	17,500	17,209	291
<i>Bad Debt Expense</i>	39,928	-	-	-
<i>Loss on Disposal of Assets</i>	96,798	-	-	-
<i>Change in Accounting Principal</i>	37,441	-	-	-
<i>Transfer-Admin. Services</i>	837,373	862,133	862,133	-
<i>Transfer-R.O.I.</i>	3,719,829	3,816,664	3,969,214	(152,550)
	<u>31,709,221</u>	<u>41,825,323</u>	<u>37,665,552</u>	<u>4,159,771</u>

SUMMARY BUDGET REPORT

(Cont.)

	<i>Actual</i> 2012-2013	<i>Amended Budget</i> 2013-2014	<i>Actual</i> 2013-2014	<i>Variance Positive (Negative)</i>
EXPENDITURES (Cont.)				
WATER				
<i>Administration</i>	588,796	318,061	294,093	23,968
<i>Customer Services</i>	327,732	369,608	369,079	529
<i>Water Treatment Plant</i>	2,589,841	3,950,370	3,179,194	771,176
<i>Distribution Maintenance</i>	1,329,530	1,259,732	1,295,050	(35,318)
<i>Distribution Construction</i>	208,129	407,211	357,940	49,271
<i>Engineering</i>	277,048	280,030	215,857	64,173
<i>Debt Service</i>	3,214,156	3,221,739	3,221,265	474
<i>Fiscal Agent/Rating Fees</i>	3,630	3,700	3,630	70
<i>OPEB Contribution</i>	55,841	-	-	-
<i>Loan Requirements</i>	125,965	102,963	130,442	(27,479)
<i>Transfer-Admin. Services</i>	700,726	750,595	750,595	-
<i>Transfer-R.O.I.</i>	598,156	586,500	561,288	25,212
<i>Transfer-Street Maintenance</i>	30,626	20,000	11,851	8,149
<i>Transfer to Other Funds</i>	1,500,000	-	-	-
<i>Bad Debt Expense</i>	11,728	-	-	-
<i>Loss on Disposal of Assets</i>	13,763	-	12,593	(12,593)
<i>Change in Accounting Principal</i>	286,554	-	-	-
<i>Other/Contingency Expenses</i>	12,988	624,448	30,452	593,996
<i>Other Professional Services</i>	-	27,500	17,209	10,291
<i>Other Improvements</i>	252,190	709,014	-	709,014
	12,127,399	12,631,471	10,450,538	2,180,933
WASTEWATER				
<i>Administration</i>	-	318,061	294,092	23,969
<i>Collection Maintenance</i>	1,031,729	1,304,698	1,341,275	(36,577)
<i>Customer Services</i>	-	340,392	339,905	487
<i>Collection Construction</i>	579,480	416,212	365,851	50,361
<i>Engineering</i>	191,667	280,030	215,857	64,173
<i>Treatment</i>	870,846	1,063,175	951,803	111,372
<i>Transfer-Admin. Services</i>	316,468	312,132	312,132	-
<i>Debt Service</i>	740,439	743,018	742,901	117
<i>Fiscal Agent/Rating Fees</i>	747	1,400	748	652
<i>Original Issue Disc Amort Expense</i>	-	-	(16,218)	16,218
<i>OPEB Contribution</i>	45,636	-	-	-
<i>Loan Requirements</i>	52,068	37,140	60,717	(23,577)
<i>Loss on Disposal of Assets</i>	-	-	3,067	(3,067)
<i>Transfer-R.O.I.</i>	362,208	378,025	367,780	10,245
<i>Bad Debt Expense</i>	5,239	-	-	-
<i>Change in Accounting Principal</i>	40,828	-	-	-
<i>Other/Contingency Expenses</i>	-	80,000	41,456	38,544
	4,237,355	5,274,283	5,021,366	252,917
Total Expenditures	48,073,975	59,731,077	53,137,456	6,593,621
Revenues Over (Under) Expenditures	(1,761,945)	(5,813,723)	35,854	5,849,577

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**CITY OF WEATHERFORD
MUNICIPAL UTILITY SYSTEM
BUDGET SUMMARY UTILITY ADMINISTRATION
2013-2014 ANNUAL BUDGET
(Unaudited)**

Expenditure Classification	Actual 2012-13	Amended Budget 2013-2014	Actual 2013-2014	Variance Positive (Negative)
Personal Services	202,060	203,270	232,032	(28,762)
Supplies	11,503	15,500	12,079	3,421
Services	79,826	52,060	36,180	15,880
TOTAL EXPENDITURES	\$ 293,389	\$ 270,830	\$ 280,291	\$(9,461)

UTILITY ADMINISTRATION

Utility Administration is responsible for the overall management and administration of water and wastewater treatment, water distribution and wastewater collection, electric distribution and power generation, streets, sanitation, garage and other ancillary services.

City of Weatherford
MUNICIPAL UTILITY SYSTEM
UTILITY ADMINISTRATION
2013-2014 ANNUAL BUDGET
(Unaudited)

Account Number	Account Title	Actual 2012-13	Amended Budget 2013-2014	Actual 2013-2014	Variance Positive (Negative)
<u>Personal Services</u>					
101	Salaries Of Regular Employees	131,641	133,971	148,779	(14,808)
102	Overtime	2,521	4,000	1,660	2,340
107	Group Health/Life Benefits	33,576	31,132	31,449	(317)
108	FICA	10,004	10,624	11,114	(490)
109	Retirement	22,346	20,791	36,162	(15,371)
110	Workers Compensation	689	764	879	(115)
111	Tec	71	1,080	865	215
112	Longevity	1,212	908	1,124	(216)
	Total Personal Services	202,060	203,270	232,032	(28,762)
<u>Supplies</u>					
202	General Office Supplies	5,467	6,500	5,559	941
204	Computer & Office Equip	673	1,400	-	1,400
215	Food/Meal Expense	3,622	4,600	4,983	(383)
219	Uniforms/Protective Clothing	1,061	1,000	466	534
220	Vehicle/Equip Fuel & Oil	115	-	306	(306)
221	Vehicle/Equip Parts & Labor	53	-	-	-
228	Safety Equipment	-	500	-	500
229	Miscellaneous Supplies	505	1,000	765	235
281	Small Tools & Equipment	7	500	-	500
	Total Supplies	11,503	15,500	12,079	3,421
<u>Services</u>					
304	Medical Services	60	60	-	60
305	Seminars & Training	-	500	-	500
306	Other Professional Services	27,774	23,600	14,925	8,675
308	Telephone/Communication Svcs	3,970	4,000	4,784	(784)
309	Postage	107	1,000	145	855
311	Travel Expense	-	1,000	232	768
313	Other Advertising	-	500	-	500
314	Printing & Binding	61	500	-	500
318	Insurance	10,766	12,000	10,495	1,505
326	Office & Copy Equipment Rental	2,377	4,800	1,730	3,070
328	Other Rental	832	1,000	915	85
330	Dues/Memberships	31,779	500	239	261
336	Utility System Trustee	2,100	2,100	2,275	(175)
361	Awards & Recognition	-	500	440	60
	Total Services	79,826	52,060	36,180	15,880
	TOTAL EXPENDITURES	293,389	270,830	280,291	(9,461)

**CITY OF WEATHERFORD
MUNICIPAL UTILITY SYSTEM
BUDGET SUMMARY CUSTOMER SERVICES
2013-2014 ANNUAL BUDGET
(Unaudited)**

Expenditure Classification	Actual 2012-13	Amended Budget 2013-2014	Actual 2013-2014	Variance Positive (Negative)
Personal Services	672,026	684,819	672,342	12,477
Supplies	29,823	36,263	36,532	(269)
Services	352,125	403,642	426,458	(22,816)
Capital Outlay	38,465	52,932	40,638	12,294
TOTAL EXPENDITURES	1,092,439	1,177,656	1,175,970	1,686

CUSTOMER SERVICES

The Customer Services Department is responsible for the reading and billing of approximately 26,000 electric and water meters and timely and accurate billing of 15,200 accounts each month. Of the utility accounts billed, approximately 1,450 each month require some degree of collection action.

The Customer Services Department issues approximately 10,000 work orders annually, not only for customer requested services (connects, disconnects, transfers, etc.), but repair/replacement of electric and water meters, water and sewer taps.

City of Weatherford
MUNICIPAL UTILITY SYSTEM
CUSTOMER SERVICES
2013-2014 ANNUAL BUDGET
(Unaudited)

Account Number	Account Title	Actual 2012-13	Amended Budget 2013-2014	Actual 2013-2014	Variance Positive (Negative)
<u>Personal Services</u>					
101	Salaries & Wages	466,357	497,336	473,201	24,135
102	Overtime	2,406	4,500	2,628	1,872
107	Group Medical/Life Insurance	79,193	68,490	84,152	(15,662)
108	FICA	35,705	36,191	34,300	1,891
109	Retirement (TMRS)	82,151	68,691	68,503	188
110	Workers Compensation	1,618	1,853	2,133	(280)
111	Unemployment Tax (TWC)	772	3,510	3,061	449
112	Longevity	3,824	4,248	4,364	(116)
	Total Personal Services	672,026	684,819	672,342	12,477
<u>Supplies</u>					
202	General Office Supplies	6,249	7,820	7,820	0
215	Food & Meal Expense	-	-	12	(12)
219	Uniforms & Protective Clothing	3,580	5,200	6,537	(1,337)
220	Vehicle Fuel & Oil	13,565	14,232	14,104	128
221	Vehicle Parts & Labor	4,250	6,000	4,481	1,519
229	Miscellaneous	85	561	650	(89)
281	Small Tools & Equipment	2,094	2,450	2,928	(478)
	Total Supplies	29,823	36,263	36,532	(269)
<u>Services</u>					
304	Medical Services	60	280	295	(15)
305	Seminars & Training Fees	-	300	230	70
306	Other Professional Services	255,049	294,500	312,691	(18,191)
308	Telephone/Communication Services	3,986	4,800	3,932	868
309	Postage	89,716	99,126	105,237	(6,111)
311	Travel Expense	15	600	58	542
318	Insurance	1,933	2,500	2,125	375
324	Office Equipment Maintenance	1,335	1,500	1,828	(328)
326	Office & Copy Equipment Rental	31	36	62	(26)
	Total Services	352,125	403,642	426,458	(22,816)
<u>Capital Outlay</u>					
410	Motor Vehicles	38,465	41,432	40,638	794
426	Other Improvements	-	11,500	-	11,500
	Total Capital Outlay	38,465	52,932	40,638	12,294
TOTAL EXPENDITURES		1,092,439	1,177,656	1,175,970	1,686

**CITY OF WEATHERFORD
MUNICIPAL UTILITY SYSTEM
BUDGET SUMMARY UTILITY SERVICE CENTER
2013-2014 ANNUAL BUDGET
(Unaudited)**

Expenditure Classification	Actual 2012-13	Amended Budget 2013-2014	Actual 2013-2014	Variance Positive (Negative)
Personal Services	115,408	151,143	134,993	16,150
Supplies	11,958	20,550	11,254	9,296
Services	56,393	78,393	70,247	8,146
Capital Outlay	-	33,500	30,048	3,452
TOTAL EXPENDITURES	183,759	283,586	246,542	37,044

UTILITY SERVICE CENTER

The Weatherford Municipal Warehouse is housed in the Utility Service Center. The warehouse maintains utility and general fund inventories of materials and supplies, requisitions, receives, stores, and transfers to all departments specific quantities as required. The warehouse and personnel are under the supervision of the Warehouse Manager.

The Service Center serves as the center of utility operations. Water, wastewater and electric crews and supervisors, utility engineering, technical services, and support services office at this facility.

City of Weatherford
MUNICIPAL UTILITY SYSTEM
UTILITY SERVICE CENTER
2013-2014 ANNUAL BUDGET
(Unaudited)

Account Number	Account Title	Actual 2012-13	Amended Budget 2013-2014	Actual 2013-2014	Variance Positive (Negative)
<u>Personal Services</u>					
101	Salaries Of Regular Employees	77,759	104,821	87,039	17,782
102	Overtime	5,552	8,000	6,119	1,881
107	Group Health/Life Benefits	9,331	12,453	17,499	(5,046)
108	FICA	5,927	7,348	6,527	821
109	Retirement	14,173	14,298	13,324	974
110	Workers Compensation	1,952	2,447	2,817	(370)
111	Tec	18	540	432	108
112	Longevity	696	1,236	1,236	-
	Total Personal Services	115,408	151,143	134,993	16,150
<u>Supplies</u>					
202	General Office Supplies	467	500	488	12
204	Computers & Office Equip	489	-	-	-
215	Food & Meals	5,306	6,000	5,231	769
217	Janitorial Supplies	1,420	3,250	3,080	170
219	Uniforms/Protective Clothing	280	900	292	608
222	Equipment Parts & Labor	937	3,000	1,315	1,685
223	Equipment Fuel & Oil	-	800	-	800
228	Safety Equipment	121	600	219	381
229	Miscellaneous Supplies	447	500	59	441
235	Building Maintenance Supplies	2,491	4,000	570	3,430
281	Small Tools & Equipment	-	1,000	-	1,000
	Total Supplies	11,958	20,550	11,254	9,296
<u>Services</u>					
304	Employee Physical	-	60	-	60
305	Seminars & Training	-	1,450	-	1,450
306	Other Professional Services	-	10,000	7,802	2,198
308	Telephone/Communication Svcs	1,199	1,600	1,198	402
311	Travel Expense	-	1,000	760	240
318	Insurance	4,406	5,700	4,844	856
319	Utility Services	38,248	49,233	50,259	(1,026)
320	R & M - Building & Structures	7,244	3,000	48	2,952
325	Other Maintenance	-	500	250	250
326	Office & Copy Equipment Rental	33	100	62	38
331	Laundry & Sanitation	5,263	4,750	5,024	(274)
372	Material Scrapped	-	1,000	-	1,000
	Total Services	56,393	78,393	70,247	8,146
<u>Capital Outlay</u>					
420	Other Equipment	-	33,500	30,048	3,452
	Total Capital Outlay	-	33,500	30,048	3,452
TOTAL EXPENDITURES		183,759	283,586	246,542	37,044

**CITY OF WEATHERFORD
MUNICIPAL UTILITY SYSTEM
BUDGET SUMMARY TECHNICAL SERVICES
2013-2014 ANNUAL BUDGET
(Unaudited)**

Expenditure Classification	Actual 2012-13	Amended Budget 2013-2014	Actual 2013-2014	Variance Positive (Negative)
Personal Services	-	-	512	(512)
Services	26,311	27,873	-	27,873
TOTAL EXPENDITURES	26,311	27,873	512	27,361

TECHNICAL SERVICES

During the budget process for FY 12-13 it was decided the the Technical Services Division would be expensed out of the General funds only. There was one payment remaining on the Dell lease which was required to be paid out of the Utility fund. This division is responsible for ensuring the efficient operations of the City's computers and voice/data networking systems. The Wide Area Network (WAN), Geographical Information System, and HelpDesk/Desktop Support are managed under Technical Services. Technical Services is under the direction of the Director of Information Technology and reports directly to the Assistant City Manager. Maintenance of the WAN involves networking hardware and software troubleshooting, networking equipment upgrades, contract negotiations, fiber optic coordination, data management, and network administration duties. GIS employees coordinate and manage functions of mapping services to all users including database integrity and data validation. The GIS system is used by internal employees and outside consultants to make decisions and recommendations regarding the City's public infrastructure improvements and changes. HelpDesk/Desktop Support performs PC hardware and software troubleshooting, incident management for all city staff, HelpDesk problem resolution for approximately 516 computers, thin clients, IP telephones, printers/copiers, and mobile devices throughout the City. Additional functions of this group include business application support and systems analysis.

City of Weatherford
MUNICIPAL UTILITY SYSTEM
TECHNICAL SERVICES
2013-2014 ANNUAL BUDGET
(Unaudited)

Account Number	Account Title	Actual 2012-13	Amended Budget 2013-2014	Actual 2013-2014	Variance Positive (Negative)
<u>Personal Services</u>					
	Total Personal Services	-	-	512	(512)
<u>Services</u>					
352	Interest Expense	186	1,745	-	1,745
382	Principal	26,125	26,128	-	26,128
	Total Services	26,311	27,873	-	27,873
	TOTAL EXPENDITURES	26,311	27,873	512	27,361

**CITY OF WEATHERFORD
MUNICIPAL UTILITY SYSTEM
BUDGET SUMMARY ELECTRIC DISTRIBUTION
2013-2014 ANNUAL BUDGET
(Unaudited)**

Expenditure Classification	Actual 2012-13	Amended Budget 2013-2014	Actual 2013-2014	Variance Positive (Negative)
Personal Services	1,110,723	1,361,181	1,450,172	(88,991)
Supplies	560,822	525,857	480,789	45,068
Services	1,187,372	1,307,629	967,356	340,273
Capital Outlay	3,322,810	4,178,103	2,675,698	1,502,405
TOTAL EXPENDITURES	6,181,727	7,372,770	5,574,015	1,798,755

ELECTRIC DISTRIBUTION

The function of the Electric Distribution Division is to provide construction, operation and maintenance of the Electric Distribution System in accordance with industry standards. Duties include the repair or replacement of obsolete or failed equipment, preventative maintenance, and coordination of the electric system with other utility companies, City and the State. The Electric Department provides the customer the highest quality service at the most economical cost. Electric meter calibration, recordkeeping, testing, inventory, and repair are also part of this division. The Electric Department is under the supervision of the Director of Electric Utilities

City of Weatherford
MUNICIPAL UTILITY SYSTEM
ELECTRIC DISTRIBUTION
2013-2014 ANNUAL BUDGET
(Unaudited)

Account Number	Account Title	Actual 2012-13	Amended Budget 2013-2014	Actual 2013-2014	Variance Positive (Negative)
<u>Personal Services</u>					
101	Salaries Of Regular Employees	497,994	751,388	819,270	(67,882)
102	Overtime	87,290	100,000	79,961	20,039
107	Group Health/Life Benefits	155,344	149,432	195,760	(46,328)
108	FICA	103,224	112,246	105,971	6,275
109	Retirement	246,495	219,302	218,408	894
110	Workers Compensation	8,208	9,351	10,764	(1,413)
111	Tec	392	6,750	5,402	1,348
112	Longevity	11,776	12,712	14,636	(1,924)
	Total Personal Services	1,110,723	1,361,181	1,450,172	(88,991)
<u>Supplies</u>					
202	General Office Supplies	1,546	1,500	1,109	391
204	Computers & Office Equip	14,315	50,332	41,088	9,244
205	Radio & Communication Equip	575	1,000	185	815
215	Food/Meal Expense	459	500	455	45
219	Uniforms/Protective Clothing	27,553	29,000	28,585	415
220	Vehicle/Equip Fuel & Oil	61,558	63,000	58,797	4,203
221	Vehicle/Equip Parts & Labor	52,330	55,701	60,047	(4,346)
228	Safety Equipment	10,795	10,000	9,444	556
229	Miscellaneous Supplies	24,288	26,000	23,178	2,822
233	Street Repair Materials	-	184	184	-
244	Elec/Water Meter Repair & Main	568	2,000	637	1,363
249	Overhead Elec Line Repair/Main	93,382	63,967	61,856	2,111
250	Underground Elec Line Repair	78,626	45,000	42,670	2,330
251	Elec Transformer Repair/Maint	5,394	49,500	48,897	603
252	Overhead Elec Svc Repair/Manit	27,261	7,500	7,396	104
253	Underground Elec Svc Repair	5,039	7,000	3,026	3,974
254	Line Equip & Control Repair	2,934	5,000	1,257	3,743
255	Substation R&M Supplies	24,778	24,173	17,023	7,150
257	Street & Public Light Repair	37,914	35,000	29,427	5,573
259	Security Lighting Repair/Maint	56,902	16,000	17,912	(1,912)
261	Tree Trimming Supplies	648	1,000	74	926
270	Scada Parts	2,080	5,000	1,453	3,547
281	Small Tools & Equipment	31,877	27,500	26,089	1,411
	Total Supplies	560,822	525,857	480,789	45,068

ELECTRIC DISTRIBUTION

Account Number	Account Title	Actual 2012-13	Amended Budget 2013-2014	Actual 2013-2014	Variance Positive (Negative)
<u>Services</u>					
302	Architect & Engineering Srvcs	-	25,000	-	25,000
303	Legal Services	40,917	50,000	22,502	27,498
304	Medical Services	215	500	75	425
305	Seminars & Training	26,244	38,000	28,683	9,317
306	Other Professional Services	262,614	304,745	178,899	125,846
308	Telephone/Communication Svcs	11,569	12,100	14,679	(2,579)
309	Postage	756	1,000	792	208
310	Auto Allowance	4,800	4,800	5,200	(400)
311	Travel Expense	10,911	13,500	9,625	3,875
316	Tree Trimming	178,771	210,000	180,344	29,656
318	Insurance	8,194	10,600	15,208	(4,608)
321	R & M Of Radio & Comm Equip	1,745	4,500	5,054	(554)
325	Other Repair & Maint Service	32,099	7,716	7,221	495
327	Machinery & Equipment Rental	61,413	105,000	96,545	8,455
330	Dues/Memberships	3,396	35,044	35,044	-
331	Laundry & Sanitation	1,026	1,000	-	1,000
334	Regulatory Test/Monintoring	18,455	10,000	10,253	(253)
362	Meter Maintenance Services	12	1,000	212	788
363	Substation Maintenance	72,865	77,250	77,250	-
364	Overhead Elec Line Replacement	176,370	145,545	92,568	52,977
365	Underground Elec Line Repair	275,000	240,329	187,202	53,127
370	Scada Maintenance	-	10,000	-	10,000
	Total Services	1,187,372	1,307,629	967,356	340,273
<u>Capital Outlay</u>					
401	Land	264,456	-	-	-
402	Land Easements/Right Of Way	-	1,000	157	843
410	Motor Vehicles	160,743	65,054	32,602	32,452
415	Heavy Construction Equip	206,455	125,508	-	125,508
420	Other Equipment	14,481	-	-	-
423	New Meters	86,372	946,499	181,180	765,319
426	Other Improvements	-	595,008	70,220	524,788
427	Street & Public Grd Lights	125,628	110,296	132,761	(22,465)
432	Above Ground Electric Lines	668,168	1,045,690	1,080,326	(34,636)
433	Below Ground Electric Lines	1,070,518	528,888	451,911	76,977
434	Transformers	332,289	333,852	335,776	(1,924)
435	Above Ground Electric Svc	80,658	20,318	16,141	4,177
436	Below Ground Electric Svc	60,961	169,807	154,767	15,040
437	Electric Line-Equip/Controls	71,420	107,655	107,655	-
439	Fiber Optic System	43,237	92,528	84,322	8,206
441	Rent Lights	6,180	6,000	-	6,000
451	Specialized Equipment	131,244	30,000	27,880	2,120
	Total Capital Outlay	3,322,810	4,178,103	2,675,698	1,502,405
	TOTAL EXPENDITURES	6,181,727	7,372,770	5,574,015	1,798,755

**CITY OF WEATHERFORD
MUNICIPAL UTILITY SYSTEM
BUDGET SUMMARY ELECTRIC PRODUCTION
2013-2014 ANNUAL BUDGET
(Unaudited)**

Expenditure Classification	Actual 2012-13	Amended Budget 2013-2014	Actual 2013-2014	Variance Positive (Negative)
Personal Services	-	-	80	(80)
Supplies	2,647	6,000	1,025	4,975
Services	5,481	5,850	6,484	(634)
TOTAL EXPENDITURES	8,128	11,850	7,589	4,261

ELECTRIC PRODUCTION

The Weatherford Municipal Generating Plant is maintained and operated for electric production during the times dispatched by ERCOT as needed. The power plant is also capable of generating during switching procedures or other emergency situations.

City of Weatherford
MUNICIPAL UTILITY SYSTEM
ELECTRIC PRODUCTION
2013-2014 ANNUAL BUDGET
(Unaudited)

Account Number	Account Title	Actual 2012-13	Amended Budget 2013-2014	Actual 2013-2014	Variance Positive (Negative)
<u>Personal Services</u>					
107	Group Health/Life Benefits	-	-	80	(80)
	Total Personal Services	-	-	80	(80)
<u>Supplies</u>					
204	Computers & Office Equipment	-	250	-	250
217	Janitorial Supplies	-	100	-	100
220	Vehicle/Equip Fuel & Oil	-	200	-	200
221	Vehicle/Equip Parts & Labor	-	100	-	100
222	Equipment Parts & Labor	620	1,000	-	1,000
223	Equipment Fuel & Oil	-	1,000	-	1,000
224	Fuel For Electric Generation	450	1,000	503	497
228	Safety Equipment	105	100	-	100
229	Miscellaneous Supplies	502	500	522	(22)
235	Building Maintenance Supplies	970	750	-	750
247	Pumps & Controls Repair/Maint	-	500	-	500
281	Small Tools & Equipment	-	500	-	500
	Total Supplies	2,647	6,000	1,025	4,975
<u>Services</u>					
308	Telephone/Communication Svcs	1,056	1,000	1,194	(194)
318	Insurance	1,585	2,050	1,742	308
319	Utility Services	2,840	2,500	3,404	(904)
322	R & M Of Fixed Plant Equip	-	100	-	100
325	Other Repair & Maint Service	-	100	144	(44)
335	Regulatory Permit Fees	-	100	-	100
	Total Services	5,481	5,850	6,484	(634)
	TOTAL EXPENDITURES	8,128	11,850	7,589	4,261

City of Weatherford
MUNICIPAL UTILITY SYSTEM
ELECTRIC NON-DEPARTMENTAL
2013-2014 ANNUAL BUDGET
(Unaudited)

Account Number	Account Title	Actual 2012-13	Amended Budget 2013-2014	Actual 2013-2014	Variance Positive (Negative)
<u>Services</u>					
306	Other Professional Services	-	17,500	17,209	291
332	Inter-Fund Service Charges	837,373	862,133	862,133	-
343	Trans To General Fund	3,719,829	3,816,664	3,969,214	(152,550)
346	Trans To Debt Service	786,184	787,094	789,582	(2,488)
350	Opeb Contribution	71,041	-	-	-
352	Interest Expense	-	13,736	20,809	(7,073)
357	Loss On Bad Debts	39,928	-	-	-
371	Fiscal Agent / Rating Fees	623	700	622	78
373	Purchased Kwh	18,363,695	25,010,874	24,445,168	565,706
376	Purchased Crrs	272,013	-	(26,040)	26,040
380	Loss On Disposal Of Assets	96,798	-	-	-
382	Principal	-	32,058	-	32,058
395	Change In Accounting Principle	37,441	-	-	-
399	Other / Contingency Expenses	26,275	2,850,000	1,010,635	1,839,365
TOTAL EXPENDITURES		24,251,200	33,390,759	31,089,332	2,301,427

City of Weatherford
MUNICIPAL UTILITY SYSTEM
WATER NON-DEPARTMENTAL
2013-2014 ANNUAL BUDGET
(Unaudited)

Account Number	Account Title	Actual 2012-13	Amended Budget 2013-2014	Actual 2013-2014	Variance Positive (Negative)
<u>Services</u>					
306	Other Professional Services	-	27,500	17,209	10,291
332	Inter-Fund Service Charges	700,726	750,595	750,595	-
343	Trans To General Fund	598,156	586,500	561,288	25,212
346	Trans To Debt Service Fund	3,214,156	3,221,739	3,221,265	474
347	Trans To Other Funds	1,500,000	-	-	-
350	Trans - Offsite Wtr Sales	30,626	20,000	11,851	8,149
352	Interest Expense	15,448	12,344	40,618	(28,274)
353	Opeb Contribution	55,841	-	-	-
357	Loss On Bad Debts	11,728	-	-	-
371	Fiscal Agent / Rating Fees	3,630	3,700	3,630	70
380	Loss On Disposal Of Assets	13,763	-	12,593	(12,593)
382	Principal	110,517	90,619	89,824	795
395	Change In Accounting Principle	286,554	-	-	-
399	Other / Contingency Expenses	12,988	624,448	30,452	593,996
	Total Services	6,554,133	5,337,445	4,739,325	598,120
<u>Capital Outlay</u>					
426	Other Improvements	252,190	709,014	-	709,014
	Total Capital Outlay	252,190	709,014	-	709,014
	TOTAL EXPENDITURES	6,806,323	6,046,459	4,739,325	1,307,134

City of Weatherford
MUNICIPAL UTILITY SYSTEM
WASTEWATER NON-DEPARTMENTAL
2013-2014 ANNUAL BUDGET
(Unaudited)

Account Number	Account Title	Actual 2012-13	Amended Budget 2013-2014	Actual 2013-2014	Variance Positive (Negative)
<u>Services</u>					
332	Interfund Service Charges	316,468	312,132	312,132	-
343	Trans To General Fund	362,208	378,025	367,780	10,245
346	Trans To Debt Service Fund	740,439	743,018	742,901	117
351	Orig Iss Disc Amort Exp	-	-	(16,218)	16,218
352	Interest Expense	6,435	4,685	13,674	(8,989)
353	Opeb Contribution	45,636	-	-	-
357	Loss On Bad Debts	5,239	-	-	-
371	Fiscal Agent / Rating Fees	747	1,400	748	652
380	Loss On Disposal Of Assets	-	-	3,067	(3,067)
382	Principal	45,633	32,455	47,043	(14,588)
395	Change In Accounting Principle	40,828	-	-	-
399	Other / Contingency Expenses	-	80,000	41,456	38,544
TOTAL EXPENDITURES		1,563,633	1,551,715	1,512,583	39,132

**CITY OF WEATHERFORD
MUNICIPAL UTILITY SYSTEM
BUDGET SUMMARY WATER/WASTEWATER ADMINISTRATION
2013-2014 ANNUAL BUDGET
(Unaudited)**

Expenditure Classification	Actual 2012-13	Amended Budget 2013-2014	Actual 2013-2014	Variance Positive (Negative)
Personal Services	529,388	543,972	520,005	23,967
Supplies	39,897	33,950	25,423	8,527
Services	19,511	27,400	14,060	13,340
Capital Outlay	-	30,800	28,697	2,103
TOTAL EXPENDITURES	588,796	636,122	588,185	47,937

WATER/WASTEWATER ADMINISTRATION

The Water/Wastewater Administration Division is responsible for the supervision of all Water and Wastewater employees and the functions of these systems. This includes the management of the Water Purification Plant, Lake Maintenance, the Distribution System, and the Wastewater Treatment Plant and Collection System, as well as operation, construction, maintenance, and inspection of these systems. This division also reviews plans and specifications for utility projects, coordinates all construction projects on a day-to-day basis, oversees contractors, and ensures that all requirements of the EPA, TCEQ, and Texas Health Department are met. This division oversees and operates and maintains a superior Pretreatment Program for industrial and domestic discharges to the sewer system.

City of Weatherford
MUNICIPAL UTILITY SYSTEM
WATER/WASTEWATER ADMINISTRATION
2013-2014 ANNUAL BUDGET
(Unaudited)

Account Number	Account Title	Actual 2012-13	Amended Budget 2013-2014	Actual 2013-2014	Variance Positive (Negative)
<u>Personal Services</u>					
101	Salaries Of Regular Employees	379,609	387,054	376,035	11,019
102	Overtime	6,025	8,500	5,108	3,392
103	Education/Certification Pay	249	2,040	249	1,791
107	Group Health/Life Benefits	40,333	43,584	44,170	(586)
108	FICA	27,721	30,404	26,558	3,846
109	Retirement	65,025	59,361	54,079	5,282
110	Workers Compensation	6,311	7,291	8,392	(1,101)
111	Tec	323	1,890	1,510	380
112	Longevity	3,792	3,848	3,904	(56)
	Total Personal Services	529,388	543,972	520,005	23,967
<u>Supplies</u>					
202	General Office Supplies	1,076	500	658	(158)
204	Computers & Office Equipment	395	-	-	-
205	Radio & Communication Equip	142	-	-	-
215	Food/Meal Expense	246	450	321	129
219	Uniforms/Protective Clothing	2,655	3,000	3,116	(116)
220	Vehicle/Equip Fuel & Oil	13,666	12,500	11,447	1,053
221	Vehicle/Equip Parts & Labor	7,049	6,200	3,193	3,007
228	Safety Equipment	383	1,500	442	1,058
229	Miscellaneous Supplies	943	700	810	(110)
270	Scada Parts	1,815	1,500	665	835
281	Small Tools & Equipment	11,527	7,600	4,771	2,829
	Total Supplies	39,897	33,950	25,423	8,527
<u>Services</u>					
302	Architect & Engineering Svcs	-	-	-	-
304	Medical Services	30	50	-	50
305	Seminars & Training	7,246	5,000	2,161	2,839
306	Other Professional Services	459	10,000	434	9,566
308	Telephone/Communication Svcs	5,591	4,000	7,763	(3,763)
309	Postage	667	1,000	691	309
311	Travel Expense	1,348	2,000	382	1,618
314	Printing & Binding	-	200	-	200
318	Insurance	1,353	1,750	1,487	263
321	R & M Of Radio & Comm Equip	-	400	-	400
330	Dues/Memberships	111	500	600	(100)
370	Scada Maintenance	2,706	2,500	542	1,958
	Total Services	19,511	27,400	14,060	13,340
<u>Capital Outlay</u>					
410	Motor Vehicles	-	24,000	21,937	2,063
420	Other Equipment	-	6,800	6,760	40
	Total Capital Outlay	-	30,800	28,697	2,103
TOTAL EXPENDITURES		588,796	636,122	588,185	47,937

**CITY OF WEATHERFORD
MUNICIPAL UTILITY SYSTEM
BUDGET SUMMARY WATER TREATMENT PLANT
2013-2014 ANNUAL BUDGET
(Unaudited)**

Expenditure Classification	Actual 2012-13	Amended Budget 2013-2014	Actual 2013-2014	Variance Positive (Negative)
Personal Services	326,055	394,956	391,805	3,151
Supplies	501,448	598,725	458,213	140,512
Services	1,340,344	2,452,868	2,093,350	359,518
Capital Outlay	421,994	503,821	235,826	267,995
TOTAL EXPENDITURES	2,589,841	3,950,370	3,179,194	771,176

WATER TREATMENT PLANT

The Weatherford Water Purification Plant is responsible for safely treating water and delivering under sufficient pressure an adequate supply of water for the City of Weatherford customers. This includes meeting all current and proposed state and federal regulations and preparing appropriate reports. The Water Purification Plant treated 1,468 MG in FY 2014.

City of Weatherford
MUNICIPAL UTILITY SYSTEM
WATER TREATMENT PLANT
2013-2014 ANNUAL BUDGET
(Unaudited)

Account Number	Account Title	Actual 2012-13	Amended Budget 2013-2014	Actual 2013-2014	Variance Positive (Negative)
<u>Personal Services</u>					
101	Salaries Of Regular Employees	211,478	257,359	252,306	5,053
102	Overtime	17,403	20,000	19,781	219
103	Education/Certification Pay	-	1,800	-	1,800
107	Group Health/Life Benefits	35,195	43,482	54,944	(11,462)
108	FICA	16,840	21,767	19,003	2,764
109	Retirement	39,871	43,346	38,359	4,987
110	Workers Compensation	4,003	4,324	4,977	(653)
111	Tec	421	1,890	1,455	435
112	Longevity	844	988	980	8
	Total Personal Services	326,055	394,956	391,805	3,151
<u>Supplies</u>					
202	General Office Supplies	1,099	2,700	2,677	23
204	Computers & Office Equipment	13,322	-	-	-
212	Chemicals	357,500	414,850	300,164	114,686
215	Food/Meal Expense	1,092	1,200	1,173	27
217	Janitorial Supplies	1,234	2,000	949	1,051
218	Medical/Laboratory Supplies	39,184	46,000	40,221	5,779
219	Uniforms/Protective Clothing	1,680	3,150	1,061	2,089
220	Vehicle/Equip Fuel & Oil	2,036	2,300	2,029	271
221	Vehicle/Equip Parts & Labor	2,311	3,000	1,250	1,750
222	Equipment Parts & Labor	54,716	82,475	80,884	1,591
223	Equipment Fuel & Oil	100	750	-	750
228	Safety Equipment	6,879	3,900	3,769	131
229	Miscellaneous Supplies	687	700	686	14
235	Building Maintenance Supplies	1,779	2,500	9,036	(6,536)
241	Benbrook Pipeline Supplies	1,690	2,200	2,136	64
247	Pumps & Controls Repair/Maint	10,825	10,000	6,284	3,716
270	Scada Parts	2,979	17,000	3,699	13,301
281	Small Tools & Equipment	2,335	4,000	2,195	1,805
	Total Supplies	501,448	598,725	458,213	140,512

WATER TREATMENT PLANT

Account Number	Account Title	Actual 2012-13	Amended Budget 2013-2014	Actual 2013-2014	Variance Positive (Negative)
<u>Services</u>					
302	Architect & Engineering Svcs	14,091	185,050	146,310	38,740
304	Medical Services	360	110	225	(115)
305	Seminars & Training	3,664	4,350	3,882	468
306	Other Professional Services	16,156	14,000	12,042	1,958
308	Telephone/Communication Svcs	3,801	3,000	3,614	(614)
309	Postage	1,082	4,100	1,100	3,000
311	Travel Expense	-	200	-	200
312	Legal Advertising	-	2,050	2,049	1
318	Insurance	20,098	26,000	22,094	3,906
319	Utility Services	238,841	370,000	347,392	22,608
320	R & M Bldgs & Structures	12,715	3,000	5,155	(2,155)
321	R & M Of Radio & Comm Equip	264	600	-	600
322	R & M Of Fixed Plant Equip	121,477	139,513	78,206	61,307
324	R & M Of Office Equipment	-	2,000	-	2,000
327	Equipment Rental	4,749	3,000	209	2,791
330	Dues/Memberships	-	400	272	128
331	Laundry & Sanitation	868	1,200	1,219	(19)
333	Pump Maintenance	10,952	892	875	17
334	Regulatory Testing & Monitoring	32,270	35,727	23,056	12,671
335	Regulatory Permit Fees	27,843	32,737	32,635	102
350	R & M- Software	-	5,000	5,000	(0)
354	Benbrook Pipeline Services	194,933	66,000	264,068	(198,068)
370	Scada Maintenance	13,594	15,000	10,312	4,688
375	Purchased Water	622,586	1,538,939	1,133,635	405,304
	Total Services	1,340,344	2,452,868	2,093,350	359,518
<u>Capital Outlay</u>					
414	Plant Equipment	15,596	45,646	36,538	9,108
420	Other Equipment	20,284	5,383	5,383	-
426	Other Improvements	386,114	198,667	178,245	20,422
443	Pumps	-	251,000	15,660	235,340
451	Specialized Equipment	-	3,125	-	3,125
	Total Capital Outlay	421,994	503,821	235,826	267,995
	TOTAL EXPENDITURES	2,589,841	3,950,370	3,179,194	771,176

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**CITY OF WEATHERFORD
MUNICIPAL UTILITY SYSTEM
BUDGET SUMMARY WATER/WASTEWATER MAINTENANCE
2013-2014 ANNUAL BUDGET
(Unaudited)**

Expenditure Classification	Actual 2012-13	Amended Budget 2013-2014	Actual 2013-2014	Variance Positive (Negative)
Personal Services	995,311	1,009,117	1,045,934	(36,817)
Supplies	569,956	440,808	509,447	(68,639)
Services	359,731	405,029	332,446	72,583
Capital Outlay	436,261	709,476	748,498	(39,022)
TOTAL EXPENDITURES	2,361,259	2,564,430	2,636,325	(71,895)

WATER/WASTEWATER MAINTENANCE

The Water/Wastewater Maintenance division is responsible for the maintenance of 268 miles of water lines, 233 miles of wastewater lines, 1,447 fire hydrants, 23 lift stations, 10 water sites, 1 well system, and over 400 grinder pumps. This department includes a pump and motor maintenance crew which is responsible for the preventative maintenance and repairs of the lift stations, raw water pump station, distribution pump stations, and the water and wastewater treatment plants. Also included is a water meter shop which is responsible for the installation, repair, and testing of 11,108 commercial and residential meters.

City of Weatherford
MUNICIPAL UTILITY SYSTEM
WATER/WASTEWATER MAINTENANCE
2013-2014 ANNUAL BUDGET
(Unaudited)

Account Number	Account Title	Actual 2012-13	Amended Budget 2013-2014	Actual 2013-2014	Variance Positive (Negative)
<u>Personal Services</u>					
101	Salaries & Wages	581,869	597,379	635,707	(38,328)
102	Overtime	99,780	100,000	98,737	1,263
103	Education/Certification Pay	-	600	-	600
107	Group Medical/Life Insur	112,255	112,074	118,058	(5,984)
108	FICA	52,043	56,235	51,811	4,424
109	Retirement	123,294	110,113	106,700	3,413
110	Workers Compensation	20,332	22,968	26,438	(3,470)
111	Unemployment Tax	896	4,860	3,919	941
112	Longevity	4,842	4,888	4,564	324
	Total Personal Services	995,311	1,009,117	1,045,934	(36,817)
<u>Supplies</u>					
202	General Office Supplies	695	400	199	201
205	Radio & Communication Equip	-	-	805	(805)
212	Chemicals	2,664	12,000	7,336	4,664
215	Food & Meals	357	600	29	571
218	Medical & Laboratory Supplies	14,820	11,500	5,259	6,241
219	Uniforms & Protective Cloth	5,130	8,150	4,220	3,930
220	Vehicle Fuel & Oil	86,619	79,600	87,441	(7,841)
221	Vehicle Parts & Labor	106,913	75,250	106,963	(31,713)
228	Safety Equipment	10,881	9,000	13,042	(4,042)
229	Miscellaneous	12,975	4,000	7,953	(3,953)
233	Street & Road Materials	8,234	10,500	9,706	794
234	Traffic & Street Signs	2,910	2,500	2,415	85
235	Bldg Maint. Supplies	1,643	3,000	5,476	(2,476)
242	Water Mains	49,436	45,000	72,238	(27,238)
243	Water Services	25,324	17,000	3,444	13,556
244	Meters	15,963	15,000	18,151	(3,151)
245	Sanitary Sewers	91,097	40,000	60,394	(20,394)
247	Pump & Controls	89,738	45,000	36,043	8,957
260	Valves & Hydrants	21,329	20,000	20,850	(850)
270	Scada Parts	9,487	12,000	13,263	(1,263)
281	Small Tools & Equipment	13,741	30,308	34,220	(3,912)
	Total Supplies	569,956	440,808	509,447	(68,639)

WATER/WASTEWATER MAINENANCE

Account Number	Account Title	Actual 2012-13	Amended Budget 2013-2014	Actual 2013-2014	Variance Positive (Negative)
<u>Services</u>					
304	Employment Physicals	355	100	75	25
305	Seminars & Training	4,280	7,700	6,955	745
306	Other Prof. Services	13,216	16,565	23,060	(6,495)
308	Telephone/Communications	5,697	5,280	4,879	401
309	Postage	98	750	316	434
311	Travel Expense	94	400	-	400
318	Insurance	26,858	23,500	26,613	(3,113)
319	Utilities	243,586	286,000	227,135	58,865
321	Radio & Comm Equip Maint	648	500	492	8
322	Plant Equip Maintenance	9,055	5,934	4,900	1,034
325	Other Maintenance	10,590	-	-	-
327	Equipment Rental	12,381	6,000	4,345	1,655
328	Other Rental	-	14,400	14,400	-
330	Membership Dues/Subscriptions	2,296	1,500	723	777
333	Pump Maintenance	22,239	20,000	9,209	10,791
335	Regulatory Permit Fees	3,257	2,000	1,251	749
350	R & M- Software	-	2,400	2,400	-
370	Scada Maintenance	5,081	12,000	5,693	6,307
	Total Services	359,731	405,029	332,446	72,583
<u>Capital Outlay</u>					
410	Motor Vehicle	75,158	380,902	381,908	(1,006)
420	Other Equipment	11,143	-	-	-
421	Water Mains	20,138	32,765	48,288	(15,523)
422	Water Services	14,303	13,895	11,666	2,229
423	New Water Meters	142,393	105,510	122,622	(17,112)
424	Sanitary Sewer Mains	11,701	14,129	11,156	2,973
425	Sanitary Sewer Services	7,082	8,895	9,101	(206)
426	Other Improvements	79,832	65,028	79,154	(14,126)
443	Pumps	50,260	53,900	47,463	6,437
445	Valves & Hydrants	24,251	34,452	37,140	(2,688)
	Total Capital Outlay	436,261	709,476	748,498	(39,022)
	TOTAL EXPENDITURES	2,361,259	2,564,430	2,636,325	(71,895)

**CITY OF WEATHERFORD
MUNICIPAL UTILITY SYSTEM
BUDGET SUMMARY WATER/WASTEWATER CONSTRUCTION
2013-2014 ANNUAL BUDGET
(Unaudited)**

Expenditure Classification	Actual 2012-13	Amended Budget 2013-2014	Actual 2013-2014	Variance Positive (Negative)
Personal Services	113,127	103,079	109,777	(6,698)
Supplies	90,072	80,750	90,189	(9,439)
Services	19,759	36,060	36,677	(617)
Capital Outlay	564,651	603,534	487,148	116,386
TOTAL EXPENDITURES	787,609	823,423	723,791	99,632

WATER/WASTEWATER CONSTRUCTION

The Water/Wastewater Construction Division is responsible for the replacement of infrastructure in the water distribution and wastewater collection systems to improve the delivery of water and wastewater services to citizens of Weatherford in a cost efficient manner.

City of Weatherford
MUNICIPAL UTILITY SYSTEM
WATER/WASTEWATER CONSTRUCTION
2013-2014 ANNUAL BUDGET
(Unaudited)

Account Number	Account Title	Actual 2012-13	Amended Budget 2013-2014	Actual 2013-2014	Variance Positive (Negative)
<u>Personal Services</u>					
101	Salaries Of Regular Employees	26,441	12,105	7,462	4,643
102	Overtime	9,801	12,000	19,568	(7,568)
107	Group Health/Life Benefits	30,000	31,132	35,539	(4,407)
108	FICA	12,020	13,174	12,673	501
109	Retirement	28,175	25,806	25,060	746
110	Workers Compensation	5,677	6,452	7,427	(975)
111	Unemployment Tax	45	1,350	1,100	250
112	Longevity	968	1,060	948	112
	Total Personal Services	113,127	103,079	109,777	(6,698)
<u>Supplies</u>					
202	General Office Supplies	104	200	17	183
212	Chemicals	-	700	-	700
215	Food & Meals	-	100	-	100
219	Uniforms & Protective Clothing	1,128	2,250	857	1,393
220	Vehicle/Equip Fuel & Oil	27,312	22,000	24,636	(2,636)
221	Vehicle/Equip Parts & Labor	48,005	40,000	53,616	(13,616)
228	Safety Equipment	6,503	4,500	1,284	3,216
229	Miscellaneous Supplies	1,778	2,000	439	1,561
234	Traffic & Street Signs	986	1,500	1,127	373
235	Building Maint Supplies	-	500	86	414
281	Small Tools & Equipment	4,256	7,000	8,127	(1,127)
	Total Supplies	90,072	80,750	90,189	(9,439)
<u>Services</u>					
304	Employee Physicals	145	100	240	(140)
305	Seminar & Training Fees	35	1,500	-	1,500
306	Other Professional Svcs	13,989	15,000	15,049	(49)
308	Telephone/Communications	340	860	243	617
311	Travel Expense	-	100	-	100
318	Insurance	773	1,000	937	63
319	Utility Services	1,271	2,000	3,830	(1,830)
327	Equipment Rental	3,206	15,000	16,345	(1,345)
330	Membership Dues/Subscriptions	-	500	33	467
	Total Services	19,759	36,060	36,677	(617)
<u>Capital Outlay</u>					
410	Motor Vehicle	29,488	-	-	-
420	Other Equipment	-	25,500	24,534	966
421	Water Mains	79,445	267,451	195,761	71,690
424	Sanitary Sewer Mains	453,257	299,583	251,039	48,544
445	Valves & Hydrants	2,461	11,000	15,814	(4,814)
	Total Capital Outlay	564,651	603,534	487,148	116,386
TOTAL EXPENDITURES		787,609	823,423	723,791	99,632

**CITY OF WEATHERFORD
MUNICIPAL UTILITY SYSTEM
BUDGET SUMMARY ENGINEERING
2013-2014 ANNUAL BUDGET
(Unaudited)**

Expenditure Classification	Actual 2012-13	Amended Budget 2013-2014	Actual 2013-2014	Variance Positive (Negative)
Personal Services	325,259	324,843	325,461	(618)
Supplies	2,076	7,280	1,903	5,377
Services	141,380	227,937	104,350	123,587
TOTAL EXPENDITURES	468,715	560,060	431,714	128,346

ENGINEERING

The Engineering Division is responsible for the design and management of all water/wastewater capital and rehabilitation projects. This department also reviews all new development plans within the City of Weatherford for compliance of water, wastewater, streets and drainage design standards and state regulations. The Engineering department is responsible for the management of the floodplain within the City of Weatherford.

City of Weatherford
MUNICIPAL UTILITY SYSTEM
ENGINEERING
2013-2014 ANNUAL BUDGET
(Unaudited)

Account Number	Account Title	Actual 2012-13	Amended Budget 2013-2014	Actual 2013-2014	Variance Positive (Negative)
<u>Personal Services</u>					
101	Salaries Of Regular Employees	245,334	246,960	248,682	(1,722)
102	Overtime	-	100	-	100
107	Group Health / Life Benefits	18,337	18,679	21,607	(2,928)
108	FICA	17,651	19,209	17,230	1,979
109	Retirement	42,800	37,748	35,867	1,881
110	Workers Compensation	514	597	687	(90)
111	Tec	27	810	648	162
112	Longevity	596	740	740	-
	Total Personal Services	325,259	324,843	325,461	(618)
<u>Supplies</u>					
204	Computer & Office Equipment	795	600	550	50
219	Uniforms/Protective Clothing	335	330	165	165
220	Vehicle/Equip.Fuel & Oil	726	1,800	672	1,128
221	Vehicle/Equip.Parts & Labor	40	2,250	86	2,164
228	Safety Equipment	71	300	-	300
229	Miscellaneous Supplies	3	500	63	437
281	Small Tools & Equipment	106	1,500	367	1,133
	Total Supplies	2,076	7,280	1,903	5,377
<u>Services</u>					
302	Architect & Engineering	85,381	171,690	88,563	83,127
303	Legal Services	3,864	18,399	-	18,399
305	Seminars & Training	1,170	2,100	1,254	846
306	Other Professional Services	42,802	22,253	2,253	20,001
308	Telephone/Communication Svcs	1,764	1,750	1,298	452
310	Auto Allowance	4,800	4,800	5,200	(400)
311	Travel Expenses	302	2,000	1,099	901
314	Printing & Binding	145	-	-	-
318	Insurance	502	650	552	98
330	Dues/Memberships	650	4,295	4,131	164
	Total Services	141,380	227,937	104,350	123,587
	TOTAL EXPENDITURES	468,715	560,060	431,714	128,346

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**CITY OF WEATHERFORD
MUNICIPAL UTILITY SYSTEM
BUDGET SUMMARY WASTEWATER TREATMENT PLANT
2013-2014 ANNUAL BUDGET
(Unaudited)**

Expenditure Classification	Actual 2012-13	Amended Budget 2013-2014	Actual 2013-2014	Variance Positive (Negative)
Personal Services	287,851	292,029	302,249	(10,220)
Supplies	131,688	135,419	133,334	2,085
Services	390,673	525,921	406,414	119,507
Capital Outlay	60,634	109,806	109,806	0
TOTAL EXPENDITURES	870,846	1,063,175	951,803	111,372

WASTEWATER TREATMENT PLANT

The Wastewater Treatment Plant is responsible for the treatment of wastewater collected from residences, businesses, and industries. Treatment includes the removal of suspended solids and organic contaminants as well as an ultra-violet disinfection process in order to meet Texas Commission on Environmental Quality discharge standards. Chemical and biological tests are performed by state certified plant personnel and contract laboratories to assure compliance with discharge permit limits. The Wastewater Treatment Plant treated and released to the receiving stream a total of 784 MG in the FY 2014.

City of Weatherford
MUNICIPAL UTILITY SYSTEM
WASTEWATER TREATMENT PLANT
2013-2014 ANNUAL BUDGET
(Unaudited)

Account Number	Account Title	Actual 2012-13	Amended Budget 2013-2014	Actual 2013-2014	Variance Positive (Negative)
<u>Personal Services</u>					
101	Salaries Of Regular Employees	196,300	197,030	203,617	(6,587)
102	Overtime	6,837	10,000	11,666	(1,666)
103	Education/Certification Pay	249	240	249	(9)
107	Group Health/Life Benefits	28,544	31,132	34,157	(3,025)
108	FICA	15,568	16,033	15,410	623
109	Retirement	35,874	31,241	30,662	579
110	Workers Compensation	2,358	2,687	3,093	(406)
111	Tec	45	1,350	1,079	271
112	Longevity	2,076	2,316	2,316	-
	Total Personal Services	287,851	292,029	302,249	(10,220)
<u>Supplies</u>					
202	General Office Supplies	1,426	250	203	47
212	Chemicals	22,390	40,000	21,563	18,437
215	Food/Meal Expense	52	200	132	68
217	Janitorial Supplies	451	725	1,336	(611)
218	Medical/Laboratory Supplies	18,639	2,718	20,186	(17,468)
219	Uniforms/Protective Clothing	2,004	2,250	707	1,543
220	Vehicle/Equip Fuel & Oil	6,289	7,020	6,943	77
221	Vehicle/Equip Parts & Labor	7,801	6,909	10,964	(4,055)
222	Equipment Parts & Labor	36,083	46,347	53,401	(7,054)
223	Equipment Fuel & Oil	3,621	4,000	3,104	896
228	Safety Equipment	1,645	2,000	1,295	705
229	Miscellaneous Supplies	717	500	759	(259)
235	Building Maintenance Supplies	330	3,500	201	3,299
247	Pumps & Controls Repair/Maint	28,319	15,000	11,952	3,048
270	Scada Parts	1,190	2,500	50	2,450
281	Small Tools & Equipment	731	1,500	538	962
	Total Supplies	131,688	135,419	133,334	2,085

WASTEWATER TREATMENT PLANT

Account Number	Account Title	Actual 2012-13	Amended Budget 2013-2014	Actual 2013-2014	Variance Positive (Negative)
<u>Services</u>					
302	Architect & Engineering Svcs	52,818	6,835	550	6,285
303	Legal Services	2,623	18,285	3,132	15,153
304	Medical Services	-	50	-	50
305	Seminars & Training	1,870	3,625	1,405	2,220
308	Telephone/Communication Svcs	1,804	1,500	1,666	(166)
309	Postage	475	500	-	500
311	Travel Expense	-	300	-	300
312	Legal Advertising	-	5,000	-	5,000
318	Insurance	5,798	7,500	6,373	1,127
319	Utility Services	190,202	226,259	218,788	7,471
320	R & M Buildings & Structures	786	4,000	894	3,106
322	R & M Of Fixed Plant Equip	24,963	129,550	38,430	91,120
330	Dues/Memberships	1,422	600	1,455	(855)
331	Laundry & Sanitation Svcs	39,888	47,787	42,255	5,532
334	Regulatory Testing & Monitorin	41,531	43,126	58,636	(15,510)
335	Regulatory Permit Fees	24,787	25,000	25,924	(924)
350	R & M-Software	-	3,004	3,004	-
370	Scada Maintenance	1,706	3,000	3,902	(902)
	Total Services	390,673	525,921	406,414	119,507
<u>Capital Outlay</u>					
410	Motor Vehicles	-	7,022	7,022	-
414	Plant Equipment	48,209	34,232	34,232	(0)
420	Other Equipment	-	11,578	11,577	1
426	Other Improvements	-	47,414	47,414	0
443	Pumps	12,425	9,560	9,561	(1)
	Total Capital Outlay	60,634	109,806	109,806	0
	TOTAL EXPENDITURES	870,846	1,063,175	951,803	111,372

**CITY OF WEATHERFORD
MUNICIPAL UTILITY SYSTEM
BUDGET SUMMARY FIBER
2013-2014 ANNUAL BUDGET
(Unaudited)**

Expenditure Classification	Actual 2012-13	Amended Budget 2013-2014	Actual 2013-2014	Variance Positive (Negative)
Personal Services	-	-	285	(285)
TOTAL EXPENDITURES	-	-	285	(285)

FIBER

The function of the Fiber Optic Department is to provide the fiber optic infrastructure to the City of Weatherford, Parker County, Weatherford Independent School District, Weatherford Regional Medical Center, and other private entities. The Fiber Optic Department is charged with constructing, operating, and maintaining the fiber optic system to ensure that its customers are provided the highest quality service at the most economical cost. In FY15, this division will be budgeted for separately in cost center 440.

City of Weatherford
MUNICIPAL UTILITY SYSTEM
FIBER
2013-2014 ANNUAL BUDGET
(Unaudited)

Account Number	Account Title	Actual 2012-13	Amended Budget 2013-2014	Actual 2013-2014	Variance Positive (Negative)
<u>Personal Services</u>					
101	Salaries Of Regular Employees	-	-	231	(231)
108	FICA	-	-	18	(18)
109	Retirement	-	-	36	(36)
TOTAL EXPENDITURES		-	-	285	(285)

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