

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

ANNUAL FINANCIAL REPORT

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

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

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2012

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**CITY OF WEATHERFORD, TEXAS
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UTILITY BOARD

Dennis Hooks – Mayor, Chairman

Ken Davis

James Dickason

Bob Glenn

Howard McClukin

Craig Swancy

Heidi Wilder

CITY MANAGER

Jerry Blaisdell

ASSISTANT CITY MANAGER

Sharon Hayes

CHIEF FINANCIAL OFFICER

Janina Jewell

DIRECTOR OF UTILITIES - ELECTRIC

Joe Farley

DIRECTOR OF INFORMATION TECHNOLOGY

Troy Garvin

DIRECTOR OF UTILITIES – ENGINEERING, WATER & WASTEWATER

James Hotopp

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INTRODUCTORY SECTION

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MESSAGE FROM THE CITY MANAGER

During the fiscal year ended September 30, 2012, the Weatherford Municipal Utility System continued to experience some customer growth, although at diminished numbers, in the residential and commercial sectors. Single-family residential building permits increased from 101 in fiscal year 2010-11 to 108 in fiscal year 2011-12, and commercial building permits had 8 recorded in fiscal year 2011-12 compared to 68 during fiscal year 2010-11.

The Electric Department saw a service connection increase of 207 or 1.5%. That increase, however, was offset by a much cooler summer than the previous record setting year of 2011 and resulted in an annual kWh sales decrease of 2.8% for fiscal year 2011-12.

The Electric Department continued new infrastructure construction to keep up with and ahead of this growth. During the 2011-12 fiscal year, 13 commercial construction projects and 16 commercial tenant remodel/finish-out projects were completed. Also, system improvements of existing feeders were continued to more efficiently utilize substation capacity and to build redundancy into the system. Approximately one mile of distribution feeder was upgraded on Santa Fe Drive, a mile and a half of feeder exits out of the Railroad Substation were upgraded, two miles of distribution feeder were upgraded on East Lake Drive, and three quarters of a mile of distribution feeder was upgraded on the western loop.

Electric deregulation began in Texas on January 1, 2002. Still, none of the 72 municipally owned electric systems in the State of Texas have opted in to the competitive market. Weatherford Electric continues to evaluate market conditions for the best services and costs for its customers.

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 current wholesale power supply contract expires on December 31, 2013, but the Board has approved a set of new wholesale power supply contracts that begin 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 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 expects to have less volatility in their wholesale power supply costs by pursuing this strategy.

The Water Department saw a service connection increase of 124 connections or 1.2%. That increase was offset by a much wetter year than the previous year for the region causing annual water sales in gallons to drop 6% for fiscal year 2011-12. Fiscal year 2012 was the second year of the three-year phase in rate increases for water services.

During fiscal year 2011-12, the Water Department maintenance crews installed 232 new water meters, 17 new water taps, replaced 415 water meters, 54 water services, 52 water main breaks, and 120 fire hydrants. In addition, the Water Department replaced the waterline at 500 Hobson and installed a waterline at 300 Case. Several capital water projects began in FY11 were continued in FY12, which included a 12- inch waterline, a 10- inch sanitary sewer line and a 12- inch sanitary sewer line.

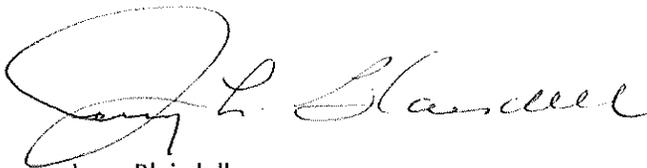
In the wastewater collection system, the wastewater maintenance crews repaired 36 wastewater services, and 69 wastewater main breaks. Crews also jetted 556,770 feet of wastewater lines; inspected 46,634 feet of wastewater line, smoke tested 33,122 feet of wastewater line, responded to 234 stop-ups, 398 grinder pump malfunctions, and 146 call-outs to lift stations and inspected all the grinder pumps operated by the City. The in-house water/wastewater crews replaced over 4,918 feet of sewer mains, 31 sewer taps, and 22 manholes. Some of these projects occurred at Soldier Spring Park, 500 Bois D 'arc, 1200 S. Brazos, Jade Ln., 700 Vine, and 300 Case St.

The Technical Services Department, Utility Administration, and Engineering continued to provide support to other departments and the City. During this fiscal year Technical Services continued a regular computer maintenance and change-out program for the entire City. Transfers are made from other funds to cover these 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.

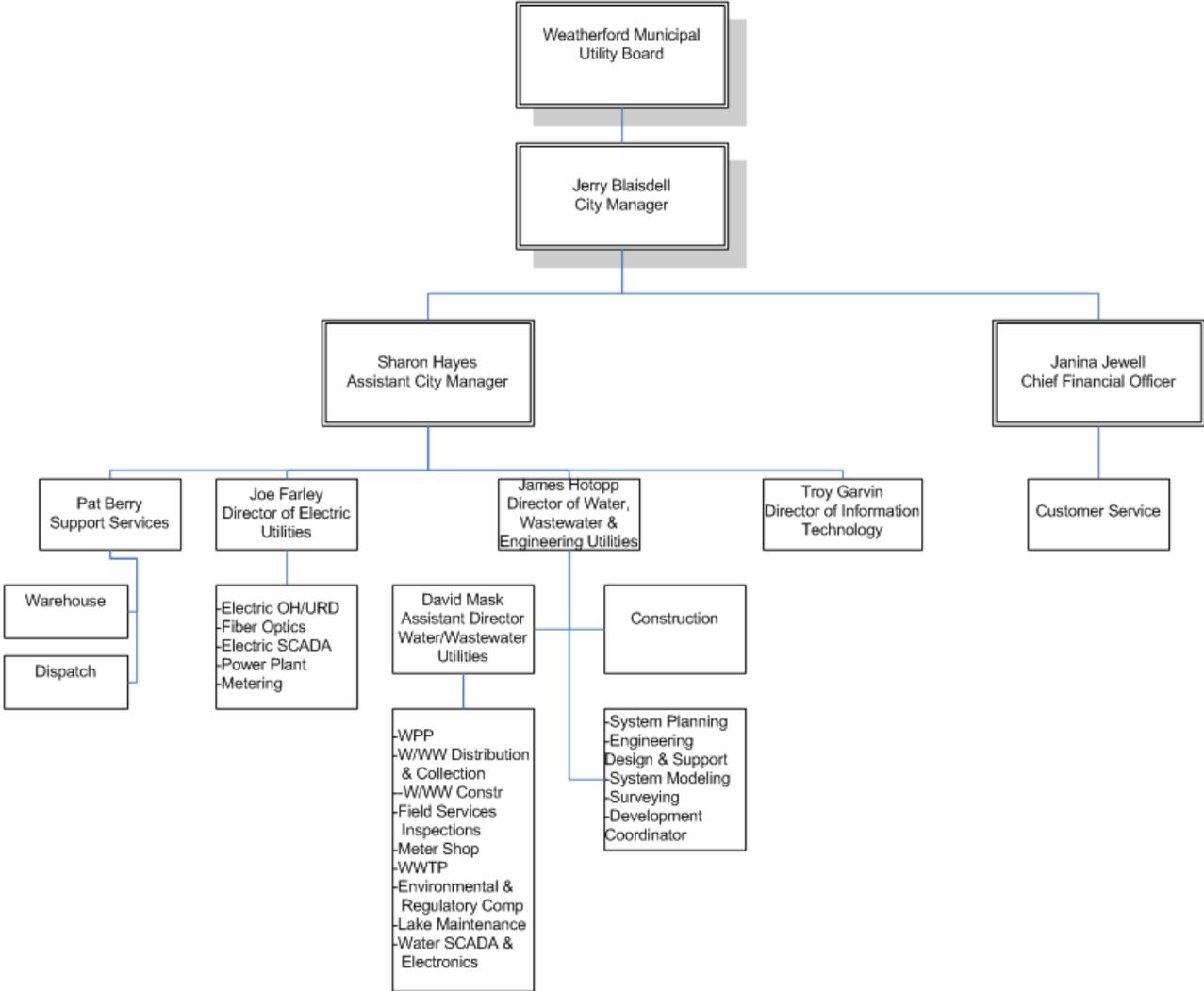
The Board's commitment to policy direction is very much appreciated.



Jerry Blaisdell
City Manager

Organizational Chart

Weatherford Municipal Utilities



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

PRINCIPAL OFFICIALS

**YEAR ENDED
SEPTEMBER 30, 2012**

**ELECTED
CITY COUNCIL**

Dennis Hooks – Mayor

Craig Swancy – Mayor Pro Tem
Council Member

Waymon Hamilton – Council Member

Jeff Robinson – Council Member

Heidi Wilder – Council Member

**APPOINTED/DESIGNATED
MUNICIPAL UTILITY BOARD**

Dennis Hooks – Mayor – Chairman

Craig Swancy – Designated Council Member

Heidi Wilder – Designated Council Member

Ken Davis – Appointed Public Member

James Dickason – Appointed Public Member

Bob Glenn – Appointed Public Member

Howard McClurkin – Appointed Public Member

SENIOR STAFF

Jerry Blaisdell – City Manager

Sharon Hayes – Assistant City Manager

Janina Jewell – 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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INDEPENDENT AUDITORS' REPORT

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

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, 2012 and 2011, as listed in the table of contents. These financial statements are the responsibility of the City of Weatherford, Texas' management. Our responsibility is to express opinions on these financial statements based on our audits.

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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of the other auditor provide a reasonable basis for our opinions.

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, 2012 and 2011, 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.

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, 2012 and 2011, and the changes in financial position and cash flows thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America.

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.

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.

March 25, 2013

FINANCIAL STATEMENTS

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

COMPARATIVE STATEMENTS OF NET ASSETS

SEPTEMBER 30, 2012 AND 2011

	2012	2011
ASSETS		
Current assets:		
Unrestricted assets:		
Cash and cash equivalents	\$ 16,935,547	\$ 22,049,959
Investments	3,190,930	535,685
Receivables:		
Accounts, net of allowances for uncollectible of \$2,527,170 and \$2,441,596 for 2012 and 2011, respectively	3,134,422	3,512,112
Earned but unbilled customer accounts	1,996,169	2,360,338
Other	97,567	72,557
Inventory	3,382,022	3,178,485
Prepaid expenses	100	35,182
Restricted assets:		
Cash and cash equivalents		
Revenue bond debt service	838,690	836,562
Revenue bond reserve	1,918,456	532,037
Construction	6,105,306	-
Investments - revenue bond reserve	2,081,250	3,512,915
Accrued interest	9,146	3,168
Total current assets	39,689,605	36,629,000
Noncurrent assets:		
Deferred charges	364,823	414,542
Capital assets:		
Nondepreciable	3,362,485	3,619,323
Depreciable, net of accumulated depreciation	109,824,035	108,390,180
Total noncurrent assets	113,551,343	112,424,045
Total assets	153,240,948	149,053,045

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

	<u>2012</u>	<u>2011</u>
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 1,847,859	\$ 2,457,787
Accrued wages	131,626	130,422
Accrued interest	22,484	11,688
Other accrued liabilities	-	10,985
Unearned revenue	2,918,964	2,313,595
Customer deposits	1,167,255	1,102,368
Notes payable	256,135	165,163
Capital lease	57,334	45,790
Revenue bonds	2,678,408	2,487,917
Compensated absences	145,549	155,745
Payable from restricted assets:		
Accrued interest	149,904	160,671
Revenue bonds payable	<u>237,500</u>	<u>227,083</u>
Total current liabilities	<u>9,613,018</u>	<u>9,269,214</u>
Noncurrent liabilities:		
Notes payable	905,281	603,768
Capital lease	531,683	26,125
Revenue bonds	35,395,599	38,383,655
Compensated absences	824,778	973,821
Net pension obligation	516,402	462,322
Net OPEB obligation	<u>665,082</u>	<u>495,447</u>
Total noncurrent liabilities	<u>38,838,825</u>	<u>40,945,138</u>
Total liabilities	<u>48,451,843</u>	<u>50,214,352</u>
NET ASSETS		
Invested in capital assets, net of related debt	74,802,941	70,070,002
Restricted for:		
Debt service	4,460,138	4,496,928
Construction	4,381,741	3,866,615
Unrestricted	<u>21,144,285</u>	<u>20,405,148</u>
Total net assets	<u>\$ 104,789,105</u>	<u>\$ 98,838,693</u>

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

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

FOR THE YEARS ENDED SEPTEMBER 30, 2012 AND 2011

	2012	2011
OPERATING REVENUES		
Electric sales	\$ 27,231,266	\$ 34,541,361
Electric services	421,194	576,896
Water sales	8,418,620	8,209,795
Water services	38,582	33,795
Wastewater services	4,481,825	4,740,718
Total operating revenues	40,591,487	48,102,565
OPERATING EXPENSES		
Personnel services	4,863,596	6,130,780
Contractual services	3,047,899	3,527,526
Purchased power	15,092,644	20,985,190
Materials and supplies	1,776,323	2,012,500
Depreciation	4,477,723	4,225,227
Total operating expenses	29,258,185	36,881,223
OPERATING INCOME	11,333,302	11,221,342
NONOPERATING REVENUES (EXPENSES)		
Investment earnings	47,769	40,698
Miscellaneous	42,346	46,572
Rentals	1,013,765	919,027
Interest and fiscal charges	(1,912,348)	(2,048,715)
Total nonoperating revenues (expenses)	(808,468)	(1,042,418)
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	10,524,834	10,178,924
Capital contributions	919,439	1,122,523
Transfers in	41,581	37,832
Transfers out	(5,535,442)	(5,168,471)
NET CHANGE IN NET ASSETS	5,950,412	6,170,808
NET ASSETS, BEGINNING	98,838,693	92,667,885
NET ASSETS, ENDING	\$ 104,789,105	\$ 98,838,693

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, 2012 AND 2011

	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 41,978,592	\$ 46,610,577
Cash paid to employees for services	(4,797,916)	(5,778,204)
Cash paid to suppliers for goods and services	(20,695,249)	(26,019,131)
Net cash provided by operating activities	16,485,427	14,813,242
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Cash received from rentals	1,013,765	919,027
Cash received for miscellaneous items	42,346	46,572
Transfers from other funds	41,581	37,832
Transfers to other funds	(5,535,442)	(5,168,471)
Net cash used by noncapital financing activities	(4,437,750)	(4,165,040)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from developers for contributions in aid of construction	510,296	636,526
Proceeds from long-term debt	1,212,891	-
Principal payments on long-term debt	(3,018,304)	(2,820,398)
Acquisition and construction of capital assets	(5,256,582)	(4,675,205)
Interest and fiscal charges on debt	(1,934,748)	(2,022,336)
Net cash used by capital and related financing activities	(8,486,447)	(8,881,413)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	89,560	49,479
Purchase of investments	(1,271,349)	(4,060,549)
Net cash used by investing activities	(1,181,789)	(4,011,070)
NET INCREASE (DECREASE) IN CASH	2,379,441	(2,244,281)
CASH AND CASH EQUIVALENTS, BEGINNING	23,418,558	25,662,839
CASH AND CASH EQUIVALENTS, ENDING	\$ 25,797,999	\$ 23,418,558
RECONCILIATION OF TOTAL CASH AND CASH EQUIVALENTS		
Current assets - cash and cash equivalents	16,935,547	22,049,959
Restricted assets - cash and cash equivalents	8,862,452	1,368,599
Total cash and cash equivalents	\$ 25,797,999	\$ 23,418,558

(continued)

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

**COMPARATIVE STATEMENTS OF CASH FLOWS
(Continued)
FOR THE YEARS ENDED SEPTEMBER 30, 2012 AND 2011**

	2012	2011
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income	\$ 11,333,302	\$ 11,221,342
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	4,477,723	4,225,227
Decrease (increase) in accounts receivable	352,680	(1,019,520)
Decrease (increase) in earned but unbilled customer accounts	364,169	(455,346)
Decrease (increase) in due from other governments	-	65,837
Decrease (increase) in inventory	(203,537)	421,160
Decrease (increase) in prepaid expenses	35,082	14,813
Increase (decrease) in accounts payable	(609,928)	4,275
Increase (decrease) in accrued wages payable	1,204	15,229
Increase (decrease) in unearned revenue	605,369	(98,056)
Increase (decrease) in customer deposits	64,887	80,934
Increase (decrease) in compensated absences	(159,239)	13,750
Increase (decrease) in net pension obligation	54,080	162,197
Increase (decrease) in net OPEB obligation	169,635	161,400
Net cash provided by operating activities	\$ 16,485,427	\$ 14,813,242
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
Capital lease	\$ -	\$ 78,485
Capital contributions from developers	409,143	485,997
Change in fair value of investments	47,769	11,949

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

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

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2012

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.

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.

(continued)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting (Continued)

Private sector standards of accounting and financial reporting issued subsequent to November 30, 1989, are not followed as allowed by the Governmental Accounting Standards Board.

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.

Cash equivalents include investments in the Texas Local Governments Investment Pool, Texas Short-term Asset Reserve Program and U. S. Government Securities. State statutes authorize the City to invest in obligations of the U. S. Treasury, the State of Texas or its agencies; other states, counties, cities and state agencies with an "A" rating or equivalent; fully insured or collateralized bank certificates of deposit and fully collateralized direct repurchase agreements.

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

(continued)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Restricted Assets

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

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 or 480 hours for certified Fire personnel. If the employee reaches the maximum accrual limit future accruals will cease until the vacation leave balance is below the established maximum accrual. The Utility System has accrued for the estimated liability for compensated absences.

(continued)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount and deferred amount on refunding. Bond issuance costs are reported as unamortized debt issue costs and amortized over the term of the related debt.

J. Net Assets

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

K. 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.

L. Concentration of Credit Risk

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

M. Reclassifications

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

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

Concentration of Credit Risk: In accordance with the 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.

(continued)

II. DETAILED NOTES ON ALL FUNDS (Continued)

A. Deposits and Investments (Continued)

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 fair 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, 2012 and 2011, are shown below.

As of September 20, 2012:

Description	Maturity Date	Fair Value	% of Total	Weighted Average Maturity (Days)
Local Government Investment				
Pools (2a-7 like pools):				
TexPool	N/A	\$ 13,003,242	45.21%	41
TexStar	N/A	10,483,428	36.45%	49
U. S. Government Securities:				
U. S. Treasury Note	08/13/14	2,081,250	7.24%	316
Federal Home Loan	09/27/13	519,255	1.81%	362
Federal Home Loan Mortgage Corp	08/20/14	660,385	2.30%	689
Federal National Mortgage Association	08/28/14	1,010,950	3.52%	332
Federal Home Loan Bank	02/24/14	<u>1,000,340</u>	<u>3.48%</u>	512
Total		<u>5,272,180</u>	<u>18.33%</u>	
Total investments		<u>\$ 28,758,850</u>	<u>100.00%</u>	

As of September 20, 2011:

Description	Maturity Date	Fair Value	% of Total	Weighted Average Maturity (Days)
Local Government Investment				
Pools (2a-7 like pools):				
TexPool	N/A	\$ 12,114,062	47.37%	44
TexStar	N/A	9,408,247	36.79%	40
U. S. Government Securities:				
Federal Home Loan	09/27/13	535,685	2.09%	728
U. S. Treasury Note	07/31/12	2,007,890	7.85%	305
U. S. Treasury Note	02/29/12	<u>1,505,025</u>	<u>5.89%</u>	152
Total		<u>4,048,600</u>	<u>15.83%</u>	
Total investments		<u>\$ 25,570,909</u>	<u>100.00%</u>	

(continued)

II. DETAILED NOTES ON ALL FUNDS (Continued)

B. Interfund Transfers

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

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
City's General Fund	Utility System	\$ 5,535,442
Utility System	Solid Waste Fund	<u>41,581</u>
Total Transfers		<u>\$ 5,577,023</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, 2012 and 2011, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Transfers/ Retirements</u>	<u>Ending Balance</u>
September 30, 2012				
Capital assets, not being depreciated:				
Land	\$ 2,224,486	\$ 25,311	\$ -	\$ 2,249,797
Construction in progress	<u>1,394,837</u>	<u>1,153,409</u>	<u>(1,435,558)</u>	<u>1,112,688</u>
Total assets not being depreciated	<u>3,619,323</u>	<u>1,178,720</u>	<u>(1,435,558)</u>	<u>3,362,485</u>
Capital assets, being depreciated:				
Buildings and improvements	18,936,156	540,525	-	19,476,681
Other improvements	140,226,304	3,281,004	1,306,141	144,813,449
Machinery and equipment	<u>6,305,294</u>	<u>664,154</u>	<u>(107,139)</u>	<u>6,862,309</u>
Total capital assets being depreciated	<u>165,467,754</u>	<u>4,485,683</u>	<u>1,199,002</u>	<u>171,152,439</u>
Less accumulated depreciation:				
Buildings and improvements	(8,281,288)	(438,398)	-	(8,719,686)
Other improvements	(44,361,267)	(3,585,151)	122,743	(47,823,675)
Machinery and equipment	<u>(4,435,019)</u>	<u>(454,174)</u>	<u>104,150</u>	<u>(4,785,043)</u>
Total accumulated depreciation	<u>(57,077,574)</u>	<u>(4,477,723)</u>	<u>226,893</u>	<u>(61,328,404)</u>
Total capital assets being depreciated, net	<u>108,390,180</u>	<u>7,960</u>	<u>1,425,895</u>	<u>109,824,035</u>
Municipal Utility capital assets, net	<u>\$ 112,009,503</u>	<u>\$ 1,186,680</u>	<u>\$ (9,663)</u>	<u>\$ 113,186,520</u>

(continued)

II. DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital Assets (Continued)

	Beginning Balance	Additions	Transfers/ Retirements	Ending Balance
September 30, 2011				
Capital assets, not being depreciated:				
Land	\$ 2,223,092	\$ 1,394	\$ -	\$ 2,224,486
Construction in progress	954,059	1,388,660	(947,882)	1,394,837
Total assets not being depreciated	<u>3,177,151</u>	<u>1,390,054</u>	<u>(947,882)</u>	<u>3,619,323</u>
Capital assets, being depreciated:				
Buildings and improvements	18,926,187	9,969	-	18,936,156
Other improvements	136,141,002	3,137,420	947,882	140,226,304
Machinery and equipment	5,756,723	593,100	(44,529)	6,305,294
Total capital assets being depreciated	<u>160,823,912</u>	<u>3,740,489</u>	<u>903,353</u>	<u>165,467,754</u>
Less accumulated depreciation:				
Buildings and improvements	(7,844,347)	(436,941)	-	(8,281,288)
Other improvements	(40,936,335)	(3,424,932)	-	(44,361,267)
Machinery and equipment	(4,116,191)	(363,354)	44,526	(4,435,019)
Total accumulated depreciation	<u>(52,896,873)</u>	<u>(4,225,227)</u>	<u>44,526</u>	<u>(57,077,574)</u>
Total capital assets being depreciated, net	<u>107,927,039</u>	<u>(484,738)</u>	<u>947,879</u>	<u>108,390,180</u>
Municipal Utility capital assets, net	<u>\$ 111,104,190</u>	<u>\$ 905,316</u>	<u>\$ (3)</u>	<u>\$ 112,009,503</u>

D. Long-term Liabilities

Long-term liability activity for the years ended September 30, 2012 and 2011, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
September 30, 2012					
Bonds payable:					
Revenue bonds	\$ 40,140,000	\$ -	\$ 2,715,000	\$ 37,425,000	\$ 2,840,000
Issuance premium/discount	1,202,278	-	124,805	1,077,473	124,805
Less: deferred amount on refunding	(243,623)	-	(52,657)	(190,966)	(48,897)
Total bonds payable	<u>41,098,655</u>	<u>-</u>	<u>2,787,148</u>	<u>38,311,507</u>	<u>2,915,908</u>
Tax note	415,000	-	100,000	315,000	100,000
State infrastructure loans	353,931	650,000	157,515	846,416	156,135
Capital lease obligation	71,915	562,891	45,789	589,017	57,334
OPEB obligation	495,447	250,315	80,680	665,082	-
Pension obligation	462,322	823,595	769,515	516,402	-
Compensated absences	1,129,566	177,695	336,934	970,327	145,549
Municipal Utility long-term liabilities	<u>\$ 44,026,836</u>	<u>\$ 2,464,496</u>	<u>\$ 4,277,581</u>	<u>\$ 42,213,751</u>	<u>\$ 3,374,926</u>

(continued)

II. DETAILED NOTES ON ALL FUNDS (Continued)

D. Long-term Liabilities (Continued)

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
September 30, 2011					
Bonds payable:					
Revenue bonds	\$ 42,755,000	\$ -	\$ 2,615,000	\$ 40,140,000	\$ 2,715,000
Issuance premium/discount	1,325,582	-	123,304	1,202,278	123,304
Less: deferred amount on refunding	(340,706)	-	(97,083)	(243,623)	(97,083)
Total bonds payable	43,739,876	-	2,641,221	41,098,655	2,741,221
Tax note	510,000	-	95,000	415,000	100,000
State infrastructure loans	416,667	-	62,736	353,931	65,163
Capital lease obligation	41,094	78,485	47,664	71,915	45,790
OPEB obligation	334,047	250,044	88,644	495,447	-
Pension obligation	300,125	1,019,549	857,352	462,322	-
Compensated absences	1,115,816	378,927	365,177	1,129,566	155,745
Municipal Utility long-term liabilities	<u>\$ 46,457,625</u>	<u>\$ 1,727,005</u>	<u>\$ 4,157,794</u>	<u>\$ 44,026,836</u>	<u>\$ 3,107,919</u>

The Utility System had capitalized interest expense of \$24,406 and \$34,890, on various construction projects in progress during fiscal year 2012 and 2011, respectively.

Bonds payable at September 30, 2012 and 2011, consist of the following individual issues:

	2012	2011
\$21,055,000 2005 Utility System Refunding Bonds, due in annual installments through September 1, 2018, 3.00% - 5.00% .	\$ 14,300,000	\$ 16,305,000
\$20,000,000 2006 Utility System Improvement Bonds, due in annual installments through September 1, 2026, 4.00% - 5.125%.	19,250,000	19,390,000
\$6,575,000 2008 Utility System Refunding Bonds, due in annual installments through September 1, 2018, 3.46%.	<u>3,875,000</u>	<u>4,445,000</u>
	<u>\$ 37,425,000</u>	<u>\$ 40,140,000</u>

(continued)

II. DETAILED NOTES ON ALL FUNDS (Continued)

D. Long-term Liabilities (Continued)

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 2,840,000	\$ 1,787,416	\$ 4,627,416
2014	2,985,000	1,655,952	4,640,952
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
2018-2022	13,355,000	4,061,235	17,416,235
2023-2027	<u>8,485,000</u>	<u>1,106,039</u>	<u>9,591,039</u>
 Total	 <u>\$ 37,425,000</u>	 <u>\$ 12,744,560</u>	 <u>\$ 50,169,560</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, 2012 and 2011.

	<u>2012</u>		<u>2011</u>	
	<u>Required</u>	<u>Actual</u>	<u>Required</u>	<u>Actual</u>
Reserve fund	\$ 3,987,280	\$ 3,999,706	\$ 3,987,280	\$ 4,048,120
Bond fund	444,904	838,690	445,254	836,562

(continued)

II. DETAILED NOTES ON ALL FUNDS (Continued)

D. Long-term Liabilities (Continued)

The following is a summary of notes payable as of September 30, 2012 and 2011:

Description and Terms	2012	2011
Bank of America:		
\$690,000 2009 Tax Notes, due in annual installments through March 1, 2015, 3.63%.	\$ 315,000	\$ 415,000
Texas Department of Transportation:		
May 2003, the City received a State Infrastructure Bank Loan in the amount of \$193,525, payable in 10 annual installments of \$24,098, including interest at 4.2%, for assistance in funding, the relocation of the water line located in Santa Fe Drive.	23,127	45,320
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.	236,190	265,175
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.	29,452	43,436
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.	557,647	-
	\$ 1,161,416	\$ 768,931

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

Fiscal Year	Principal	Interest	Total
2013	\$ 256,135	\$ 33,181	\$ 289,316
2014	241,852	24,646	266,498
2015	235,308	16,784	252,092
2016	128,844	11,252	140,096
2017	132,483	7,612	140,095
2018-2022	166,794	5,379	172,173
Total	\$ 1,161,416	\$ 98,854	\$ 1,260,270

The Utility System has entered into lease agreements as lessee for financing the acquisition of computers and building improvements. The lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their minimum lease payments as of the inception date. The computers acquired through the capital lease were below the Utility System's capitalization threshold; therefore, these items were not capitalized. The building improvements were capitalized for \$540,526 in fiscal year 2012. As of September 30, 2012, the building improvements have accumulated depreciation of \$1,126 and a book value of \$539,400.

(continued)

II. DETAILED NOTES ON ALL FUNDS (Continued)

D. Long-term Liabilities (Continued)

The annual debt payment requirements for the capital leases as of September 30, 2012, are as follows:

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

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 publically 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 by writing to TMRS, P. O. Box 149153, Austin, Texas 78714-9153 or by calling 800-924-8677; in addition, the report is available on 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. A summary of plan provisions for the City were as follows:

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

(continued)

III. OTHER INFORMATION (Continued)

A. Retirement Plan (Continued)

Contributions (Continued)

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

The City contributes to the TMRS Plan at an actuarially determined rate. 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 are as follows:

Fiscal Year		<u>2011</u>		<u>2012</u>
Annual required contribution (ARC)		\$ 3,461,822		\$ 3,148,531
Interest on net pension obligation		83,359		122,979
Adjustment to ARC		<u>(70,625)</u>		<u>(105,713)</u>
Annual pension cost		3,474,556		3,165,797
Contributions made		<u>(2,857,839)</u>		<u>(2,909,441)</u>
Change in net pension obligation		616,717		256,356
Net pension obligation, beginning of year		<u>1,138,119</u>		<u>1,756,836</u>
Net pension obligation, end of year		<u>\$ 1,754,836</u>		<u>\$ 2,013,192</u>
Percentage of APC contributed		82%		92%
Fiscal Year Ending	Annual Pension Cost (APC)	Annual Contribution Made	Percentage of APC Contributed	Net Pension Obligation (Asset)
09/30/2010	\$ 3,315,328	\$ 2,666,331	80%	\$ 1,138,119
09/30/2011	3,476,369	2,857,839	82%	1,756,836
09/30/2012	3,165,797	2,909,441	92%	2,013,192

The Utility System's portion of the net pension obligation was \$516,402 and \$462,322 as of September 30, 2012 and 2011, respectively.

(continued)

III. OTHER INFORMATION (Continued)

A. Retirement Plan (Continued)

Contributions (Continued)

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

Actuarial Liabilities and Funding Progress

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

Funded Status and Funding Progress

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

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

(continued)

III. OTHER INFORMATION (Continued)

A. Retirement Plan (Continued)

Funded Status and Funding Progress (Continued)

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

Actuarial calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each valuation, and reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. The schedule of funding progress 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. The funded status as of December 31, 2011, is the most recent actuarial valuation.

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.

(continued)

III. OTHER INFORMATION (Continued)

B. Other Postemployment Benefits (Continued)

Retiree Health Plan (Continued)

Plan Description (Continued)

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, 2012 and 2011, are as follows:

(continued)

III. OTHER INFORMATION (Continued)

B. Other Postemployment Benefits (Continued)

Retiree Health Plan (Continued)

Funding Policy (Continued)

	<u>2012</u>	<u>2011</u>
Annual required contribution	\$ 923,281	\$ 896,389
Interest on OPEB obligation	83,281	56,054
Adjustment to ARC	<u>(77,159)</u>	<u>(51,934)</u>
Annual OPEB cost (expense) end of year	929,403	900,509
Net estimated employer contributions	<u>(310,683)</u>	<u>(295,480)</u>
Increase in net OPEB obligation	618,720	605,029
Net OPEB obligation - as of beginning of the year	<u>1,850,684</u>	<u>1,245,655</u>
 Net OPEB obligation - as of end of the year	 <u>\$ 2,469,404</u>	 <u>\$ 1,850,684</u>

The Utility System's portion of the net OPEB obligation was \$655,082 and \$495,447 as of September 30, 2012 and 2011, 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>
09/30/10	\$ 949,739	\$ 321,382	33.8%	\$ 1,245,655
09/30/11	900,509	295,480	32.8%	1,850,684
09/30/12	929,403	310,683	33.4%	2,469,404

Funded Status and Funding Progress

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

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

(continued)

III. OTHER INFORMATION (Continued)

B. Other Postemployment Benefits (Continued)

Retiree Health Plan (Continued)

Funded Status and Funding Progress (Continued)

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

Actuarial Methods and Assumptions

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

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

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

(continued)

III. OTHER INFORMATION (Continued)

B. Other Postemployment Benefits (Continued)

Retiree Health Plan (Continued)

Actuarial Methods and Assumptions (Continued)

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

Supplemental Death Benefits Plan for Retirees

Plan Description

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

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

Contributions

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

(continued)

III. OTHER INFORMATION (Continued)

B. Other Postemployment Benefits (Continued)

Supplemental Death Benefits Plan for Retirees (Continued)

Contributions (Continued)

**City of Weatherford Schedule of Contribution Rates
(Retiree Portion of the Rate)**

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

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.

(continued)

III. OTHER INFORMATION (Continued)

D. Risk Management (Continued)

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	5,000
Boiler and machinery	11,000,000	N/A	5,000
Sewage backup	50,000	N/A	500

*Actual cash value

**Blanket limit

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

E. Commitments

The Utility System 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 Utility System-owned gas/diesel-fired generators during emergencies.

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 current wholesale power supply contract expires on December 31, 2013, but the Board has approved a set of new wholesale power supply contracts that begin 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 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 expects to have less volatility in their wholesale power supply costs by pursuing this strategy.

(continued)

III. OTHER INFORMATION (Continued)

E. Commitments (Continued)

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

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

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

During the year ended September 30, 2012 and 2011, the total KWHs purchased, total cost, and cost per KWH were as follows:

<u>2012</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>395,708,595</u>	<u>\$ 15,076,443</u>	<u>\$ 0.0381</u>
<u>2011</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>399,961,886</u>	<u>\$ 20,968,990</u>	<u>\$ 0.0524</u>

F. Subsequent Events

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

G. New Accounting Principles

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

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

(continued)

III. OTHER INFORMATION (Continued)

G. New Accounting Principles (Continued)

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

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

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

**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, 2012

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

**CITY OF WEATHERFORD, TEXAS
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, 2012

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%	18,204,776	57.24%

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CAPITAL ASSETS

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

SCHEDULES OF CAPITAL ASSETS

SEPTEMBER 30, 2012 AND 2011

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

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

SCHEDULE OF CAPITAL ASSETS BY FUNCTION AND ACTIVITY

SEPTEMBER 30, 2012

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

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

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

FOR THE YEAR ENDED SEPTEMBER 30, 2012

<u>Function and Activity</u>	<u>Balance 09/30/11</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 09/30/12</u>
Administration	\$ 5,184,497	\$ 613,441	\$(19,301)	\$ 5,778,637
Water production	25,638,061	210,797	(66,060)	25,782,798
Water distribution	52,406,117	2,341,910	(1,468,043)	53,279,984
Wastewater	36,391,697	1,283,690	(203,174)	37,472,213
Electric production	1,192,893	-	-	1,192,893
Electric distribution	<u>48,273,812</u>	<u>2,734,587</u>	<u>-</u>	<u>51,008,399</u>
Total capital assets	<u>\$ 169,087,077</u>	<u>\$ 7,184,425</u>	<u>\$(1,756,578)</u>	<u>\$ 174,514,924</u>

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STATISTICAL SECTION

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

PLEGGED REVENUE COVERAGE

**SEPTEMBER 30, 2012
(UNAUDITED)**

Fiscal Year	Utility System Revenue Bonds					
	Gross Revenues (1)	Less: Operating Expenses (2)	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2002/03	\$ 34,839,032	\$ 25,867,740	\$ 8,971,292	\$ 1,795,000	\$ 1,977,878	2.38%
2003/04	35,042,210	26,856,979	8,185,231	1,870,000	1,901,654	2.17%
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%

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>
2003	289,085,021	792,014	73,205
2004	289,880,920	794,194	71,857
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

* 28.4% Increase since 2003 (KWHR)
 ** 28.4% Increase since 2003 (KWHR)
 *** 26.6% Increase since 2003 (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>
2003	1,043,244	2,858	7,076
2004	983,680	2,695	5,951
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	9,070
2012	* 1,289,037	** 3,532	*** 9,003

* 23.6% Increase since 2003
 ** 23.6% Increase since 2003
 *** 27.2% Decrease since 2003

20,550 pop. - 139.07 gals per day per person (2003)
 26,370 pop. - 133.94 gals per day per person (2012)

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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>
2003	846,935	2,320	3,870
2004	886,695	2,429	7,055
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	4,840
2012	* 818,178	** 2,242	*** 4,389

* 3.4% Decrease since 2003

** 3.4% Decrease since 2003

*** 13.4% Decrease since 2003

19,900 pop. - 102.51 gals per day per person (2002)

25,250 pop. - 84.48 gals per day per person (2011)

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

MISCELLANEOUS STATISTICS

**SEPTEMBER 30, 20112
(UNAUDITED)**

Date of incorporation	January 2, 1858
Form of government	Council/Manager
Number of full-time employees (excluding police and fire):	248
Area in square miles	26.76
Facilities and Services	
Miles of streets	226.00
Number of street lights	1,808
Culture and Recreation:	
Public libraries	1
Total library holdings	101,404
Community centers	2
Parks	20
Park acreage	403.45
Swimming pools	1
Tennis courts	3
Soccer fields	9
Softball and baseball fields	11
Multi-purpose fields and courts	9
Fire Protection:	
Number of stations	4
Number of paid fire personnel and officers	57
Number of trucks	18
Number of calls answered	4,360
Police Protection:	
Number of stations	1
Number of police personnel and officers	82
Number of patrol units	22
Number of law violations:	
Arrests	957
Violations other than parking	4,455
Parking violations	87

(continued)

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

**MISCELLANEOUS STATISTICS
(Continued)
SEPTEMBER 30, 2012
(UNAUDITED)**

Facilities and Services - continued

Sanitary Sewer System:

Miles of sanitary sewers	208.00
Number of treatment plants	1
Number of service connections	9,994
Daily average treatment in gallons	2,241,000
Permitted daily capacity of treatment plant in gallons	4,500,000

Water System:

Miles of water mains	272.00
Number of service connections	10,845
Number of fire hydrants	1,370
Daily average consumption in gallons	4,292,380
Maximum daily capacity of plant in gallons	14,000,000
Total water storage capacity	7,600,000
Annual water sales in gallons	1,331,738,000

Electric Distribution System:

Miles of distribution lines	326
Number of service connections	13,767
Total system peak demand (kw)	92,705
Annual kilowatt-hour sales (kwh)	371,081,397

Other Community Facilities:

Education:

Number of elementary schools	7
Number of elementary school instructors	269
Number of secondary schools	4
Number of secondary school instructors	223
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, 2012
(UNAUDITED)**

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

Residential	\$8.08 customer charge \$0.0462 per KWH May - October \$0.0443 per KWH November - April
Small General Service (Demand does not exceed 20)	\$19.55 customer charge plus \$.0490 per KWH
Large General Service - 1 (Demand 20 - 200)	\$35.33 customer charge \$3.62 per KW demand \$0.0289 per KWH
Large General Service - 2 (Demand 200 - 1000 KVA)	\$74.08 customer charge \$3.38 per KVA demand \$0.0278 per KWH
Large General Service - 3 (Demand 1000 KVA or more)	\$137.42 customer charge \$5.13 per KVA demand \$0.0212 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
-------------	---

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.

(continued)

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

SERVICE RATE SCHEDULES

**AS OF SEPTEMBER 30, 2012
(UNAUDITED)**

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

RESIDENTIAL WATER CUSTOMER

Customer Charge (minimum)	\$15.35
Per Cu. Ft. (0-1,000)	\$0.0315
Per Cu. Ft. (1,001-3,500)	\$0.0394
Per Cu. Ft. (3,501-5,000)	\$0.0494
Per Cu. Ft. (all over 5,000)	\$0.0613

RURAL WATER CUSTOMER - Westridge/Southcrest Subdivisions

Customer Charge (minimum)	\$15.35
Residential:	
Per Cu. Ft. (0-1,000)	\$0.0575
Per Cu. Ft. (1,001-3,500)	\$0.0654
Per Cu. Ft. (3,501-5,000)	\$0.0754
Per Cu. Ft. (all over 5,000)	\$0.0873
Commercial	\$0.0613

COMMERCIAL RATES

Customer Charge (minimum)	\$16.63
Per Cu. Ft.	\$0.0324

OFFSITE COMMERCIAL/INDUSTRIAL

Fire Hydrant Meters	
Customer Charge (minimum) - FH 2 inch	\$70.80
Customer Charge (minimum) - FH 3 inch	\$149.97
Per Cu. Ft. (all)	\$0.0624

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

RESIDENTIAL RATES

Customer Charge (minimum)	\$14.50
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 WEATHERFORD, TEXAS
MUNICIPAL UTILITY SYSTEM
September 30, 2012

MAJOR CAPITAL PROJECTS SUMMARY
FOR THE PERIOD 10/01/11 - 09/30/12
(Unaudited)

	PROJECT BUDGET	BALANCE 9/30/2011	FISCAL YEAR 2011-2012	BALANCE 9/30/2012
<u>REVENUES</u>				
2009 Tax Notes				
Sales of Bonds	\$ 690,000.00	\$ 690,000.00	\$ -	\$ 690,000.00
Bond Issuance Costs	(23,000.00)	(23,000.00)	-	(23,000.00)
2006 Revenue Bond Funds				
Sale of Bonds	20,000,000.00	20,000,000.00	-	20,000,000.00
Original Issue Premium		835,310.45	-	835,310.45
Bond Issuance Costs	-	(357,318.50)	-	(357,318.50)
Change in Fair Value of Investments	-	(723.44)	-	(723.44)
Interest Earnings	-	1,787,039.91	2,311.71	1,789,351.62
EPA Grant Funds (Elevat. Storage Tank)	-	240,600.00	-	240,600.00
Prior Funding Sources				
Utility Revenues	523,342.00	523,342.03	-	523,342.03
1999 Revenue Bond Funds	905,894.00	905,894.18	-	905,894.18
Capitalized Interest - 1999 Bonds	20,952.00	25,716.03	-	25,716.03
Capitalized Interest - 2006 Bonds	-	491,645.06	24,406.17	516,051.23
Capitalized Interest - 2009 Tax Notes	-	40,104.77	-	40,104.77
TOTAL REVENUES	\$ 22,117,188.00	\$ 25,158,610.49	\$ 26,717.88	\$ 25,185,328.37
<u>PROJECT EXPENDITURES</u>				
Railroad Substation	\$ 1,567,000.00	\$ 1,178,008.43	\$ -	\$ 1,178,008.43
Water Purification Plant Expansion	6,045,000.00	6,173,464.65	-	6,173,464.65
Elevated Water Tank & Lines	2,797,250.00	4,096,684.18	-	4,096,684.18
Parallel Treated Water Line	9,035,000.00	6,607,646.73	1,849.50	6,609,496.23
Parallel Sewer Line-S Main to WWTP	1,700,000.00	1,517,208.33	-	1,517,208.33
Viaduct Relocation	109,238.00	139,848.60	-	139,848.60
Western Loop Water Line	-	64,435.55	29,025.77	93,461.32
SH 51 12" Water Line	-	60,332.71	115,448.42	175,781.13
12" Waterline Tin Top /I-20/ BB Fielder	-	-	101,327.78	101,327.78
Lift Station #6 Improvements	150,000.00	276,821.23	422,304.35	699,125.58
Lift Station #8 Relocation	600,000.00	1,048,891.34	-	1,048,891.34
Unallocated Contingency	113,700.00	-	-	-
Interest Transfer to Utility System	-	1,676,155.19	-	1,676,155.19
TOTAL PROJECT EXPENDITURES	\$ 22,117,188.00	\$ 22,839,496.94	\$ 669,955.82	\$ 23,509,452.76
ENDING BALANCE	\$ -	\$ 2,319,113.55	\$ (643,237.94)	\$ 1,675,875.61

**CITY OF WEATHERFORD, TEXAS
MUNICIPAL UTILITY SYSTEM
September 30, 2012**

**RAILROAD SUBSTATION CONSTRUCTION
(Unaudited)**

	BALANCE 9/30/2011	FISCAL YEAR 2011-2012	BALANCE 9/30/2012
<u>PROJECT EXPENDITURES</u>			
ENGINEERING SERVICES	\$ -	\$ -	\$ -
CONSTRUCTION	303,588.85	-	303,588.85
MISC. & CONTINGENCY	834,314.81	-	834,314.81
CAPITALIZED INTEREST	40,104.77	-	40,104.77
<i>TOTAL EXPENDITURES</i>	\$ 1,178,008.43	\$ -	\$ 1,178,008.43

This 30 MVA (power for 5,000 homes) 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, TEXAS
MUNICIPAL UTILITY SYSTEM
September 30, 2012**

**WATER PURIFICATION PLANT EXPANSION
(Unaudited)**

	BALANCE 9/30/2011	FISCAL YEAR 2011-2012	BALANCE 9/30/2012
<u>PROJECT EXPENDITURES</u>			
ENGINEERING SERVICES	\$ 153,338.16	\$ -	\$ 153,338.16
CONSTRUCTION	5,905,999.79	-	5,905,999.79
MISC. & CONTINGENCY	11,573.20	-	11,573.20
CAPITALIZED INTEREST	102,553.50	-	102,553.50
<i>TOTAL EXPENDITURES</i>	\$ 6,173,464.65	\$ -	\$ 6,173,464.65

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

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

September 30, 2012

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

	BALANCE 9/30/2011	FISCAL YEAR 2011-2012	BALANCE 9/30/2012
<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, TEXAS
MUNICIPAL UTILITY SYSTEM
September 30, 2012**

**PARALLEL TREATED WATER LINE
(Unaudited)**

	BALANCE 9/30/2011	FISCAL YEAR 2011-2012	BALANCE 9/30/2012
<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	7,348.68	1,782.00	9,130.68
CAPITALIZED INTEREST	206,140.14	67.50	206,207.64
TOTAL EXPENDITURES	\$ 6,607,646.73	\$ 1,849.50	\$ 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 in July 2011.

CITY OF WEATHERFORD, TEXAS
MUNICIPAL UTILITY SYSTEM
September 30, 2012

WESTERN LOOP WATER LINE
(Unaudited)

	BALANCE 9/30/2011	FISCAL YEAR 2011-2012	BALANCE 9/30/2012
<u>PROJECT EXPENDITURES</u>			
ENGINEERING SERVICES	\$ 13,093.16	\$ -	\$ 13,093.16
MISC. & CONSTRUCTION	30,230.86	27,966.43	58,197.29
CAPITALIZED LABOR	19,579.96	-	19,579.96
CAPITALIZED INTEREST	1,531.57	1,059.34	2,590.91
<i>TOTAL EXPENDITURES</i>	\$ 64,435.55	\$ 29,025.77	\$ 93,461.32

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 June 2011.

**CITY OF WEATHERFORD, TEXAS
MUNICIPAL UTILITY SYSTEM
September 30, 2012**

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

	BALANCE 9/30/2011	FISCAL YEAR 2011-2012	BALANCE 9/30/2012
<u>PROJECT EXPENDITURES</u>			
ENGINEERING SERVICES	\$ -	\$ -	\$ -
MISC. & CONSTRUCTION	58,547.43	63,198.21	121,745.64
SALARIES	-	48,036.74	48,036.74
CAPITALIZED LABOR	351.23	-	351.23
CAPITALIZED INTEREST	1,434.05	4,213.47	5,647.52
<i>TOTAL EXPENDITURES</i>	\$ 60,332.71	\$ 115,448.42	\$ 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 will be completed by February 2012.

CITY OF WEATHERFORD, TEXAS
MUNICIPAL UTILITY SYSTEM
September 30, 2012

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

	BALANCE 9/30/2011	FISCAL YEAR 2011-2012	BALANCE 9/30/2012
<u>PROJECT EXPENDITURES</u>			
ENGINEERING SERVICES	\$ -	\$ -	\$ -
MISC. & CONSTRUCTION	-	78,333.27	78,333.27
SALARIES	-	19,329.03	19,329.03
CAPITALIZED LABOR	-	-	-
CAPITALIZED INTEREST	-	3,665.48	3,665.48
<i>TOTAL EXPENDITURES</i>	\$ -	\$ 101,327.78	\$ 101,327.78

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 by November 2012.

**CITY OF WEATHERFORD, TEXAS
MUNICIPAL UTILITY SYSTEM
September 30, 2012**

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

	BALANCE 9/30/2011	FISCAL YEAR 2011-2012	BALANCE 9/30/2012
<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, TEXAS
MUNICIPAL UTILITY SYSTEM
September 30, 2012**

**VIADUCT RELOCATION
(Unaudited)**

	BALANCE 9/30/2011	FISCAL YEAR 2011-2012	BALANCE 9/30/2012
<u>PROJECT EXPENDITURES</u>			
CONSTRUCTION	\$ 135,081.84	-	\$ 135,081.84
CAPITALIZED INTEREST	4,766.76	-	4,766.76
<i>TOTAL EXPENDITURES</i>	\$ 139,848.60	\$ -	\$ 139,848.60

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, TEXAS
MUNICIPAL UTILITY SYSTEM
September 30, 2012

LIFT STATION #6 IMPROVEMENTS
(Unaudited)

	BALANCE 9/30/2011	FISCAL YEAR 2011-2012	BALANCE 9/30/2012
<u>PROJECT EXPENDITURES</u>			
ENGINEERING SERVICES	\$ 845.00	\$ 1,500.00	\$ 2,345.00
LAND EASEMENTS/RIGHT OF WAYS	-	8,000.00	8,000.00
MISC. & CONSTRUCTION	183,223.77	235,683.76	418,907.53
SALARIES	41,954.33	161,720.21	203,674.54
CAPITALIZED LABOR	43,605.65	-	43,605.65
CAPITALIZED INTEREST	7,192.48	15,400.38	22,592.86
<i>TOTAL EXPENDITURES</i>	\$ 276,821.23	\$ 422,304.35	\$ 699,125.58

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 will be completed by October 2013.

**CITY OF WEATHERFORD, TEXAS
MUNICIPAL UTILITY SYSTEM
September 30, 2012**

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

	BALANCE 9/30/2011	FISCAL YEAR 2011-2012	BALANCE 9/30/2012
<u>PROJECT EXPENDITURES</u>			
MISC. & CONSTRUCTION	\$ 773,150.13	\$ -	\$ 773,150.13
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>	\$ 1,048,891.34	\$ -	\$ 1,048,891.34

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 May 2011.

BUDGET SECTION

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**CITY OF WEATHERFORD, TEXAS
MUNICIPAL UTILITY SYSTEM
TRANSFER CALCULATION REPORT
YEAR ENDED SEPTEMBER 30, 2012
(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>
2010-11 Electric KWH Sales	361,371,434	371,081,397	\$0.0056	\$2,023,680	\$2,078,056
2010-11 Water (1,000 Gal.) Sales	1,223,899	1,331,738	\$0.2469	302,181	328,806
2010-11 Wastewater (1,000 Gal.) Treated	787,114	818,178	\$0.2716	213,780	222,217
				<u>\$2,539,641</u>	<u>\$2,629,079</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>
2010-11 Electric KWH Sales	361,371,434	371,081,397	\$0.0044	\$1,590,034	\$1,632,758
2010-11 Water (1,000 Gal.) Sales	1,223,899	1,331,738	\$0.2223	272,073	296,045
2010-11 Wastewater (1,000 Gal.) Treated	787,114	818,178	\$0.1975	155,455	161,590
				<u>\$2,017,562</u>	<u>\$2,090,393</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	\$691,278	45.0%	\$311,075	ELECTRIC	75.632%	\$601,851
Human Resources	314,918	50.0%	157,459			
Finance Administration	228,999	50.0%	114,500	WATER	15.505%	\$123,383
Accounting/Purchasing	245,287	50.0%	122,644			
Audit Services	63,000	50.0%	31,500	WASTEWATER	8.863%	\$70,529
Fleet Services	166,221	0.0%	0			
City Attorney	141,490	50.0%	70,745			
Economic Development	215,000	50.0%	107,500			<u>\$795,763</u>
City Hall (3,628sf)	(65,304)	100.0%	(65,304)			
Technical Services	(31,680)	50.0%	(15,840)			
Graduate Engineer	(96,290)	40.0%	(38,516)			
	<u>\$1,872,919</u>		<u>\$795,763</u>			

SUMMARY - ALL TRANSFERS

	<u>ACTUAL 2010-2011</u>	<u>BUDGET 2011-2012</u>	<u>ACTUAL 2011-2012</u>	<u>ACTUAL INCREASE/ (DECREASE)</u>
Gross Receipts Fee	\$2,148,931	\$2,017,562	\$2,090,393	(\$58,538)
Administrative Services	299,850	795,763	795,763	495,913
Return on Investment	2,699,693	2,539,641	2,629,079	(70,614)
Total Transfers	<u>\$5,148,474</u>	<u>\$5,352,966</u>	<u>\$5,515,235</u>	<u>\$366,761</u>
TRANSFERS AS % OF REVENUES	10.46%	9.60%	13.16%	2.70%

CITY OF WEATHERFORD, TEXAS
MUNICIPAL UTILITY SYSTEM
UTILITY SYSTEM REVENUES
YEAR ENDED SEPTEMBER 30, 2012
(Unaudited)

	Actual 2010-2011	Amended Budget 2011-2012	Actual 2011-2012	Variance Positive (Negative)
Electric				
415-Sale of Electricity	\$ 34,549,373	\$ 41,173,094	\$ 27,234,549	\$ (13,938,545)
508-NSF Check Charge	12,840	10,000	8,880	(1,120)
601-Interest - Non-Restricted	19,615	25,000	44,217	19,217
602-Net Change in Fair Value - Investments	(1,881)	-	(16,533)	(16,533)
604-Sale of Fixed Assets	2,758	-	(716)	(716)
612-Sale of Salvage	7,004	5,000	-	(5,000)
632-Pole Rental - CATV	111,100	110,620	111,346	726
634-Electric Fiber Lease Fee	-	-	18,000	18,000
644-Late Payment Fees	174,949	160,000	148,313	(11,687)
645-Temp. Connect & Reconnect Fees	82,730	80,000	81,115	1,115
646-Service Connection Fees	81,715	85,000	84,390	(610)
647 Service Transfer Fees	9,985	12,000	10,600	(1,400)
651-Miscellaneous	214,677	80,000	69,896	(10,104)
808-Contributions-Aid of Construction	72,718	100,000	136,003	36,003
810-Proceeds From Lease/Purchase Agreement	-	569,000	-	(569,000)
832-Transfer From Utility Reserve	-	49,000	49,000	-
833-Transfer From Solid Waste	26,482	29,107	29,107	-
Total Electric	35,364,065	42,487,821	28,008,167	(14,479,654)
Water				
404-Inspection Service Fee	11,069	-	-	-
416-Wholesale Water Sales	158,023	60,000	153,735	93,735
417-Retail Water Sales	8,052,588	7,437,615	8,264,114	826,499
418-Raw Water Sales	2,500	2,500	2,500	-
467-Water Taps	3,567	4,398	5,864	1,466
469-Water Main Pro-Rata Fees	26,370	12,000	26,730	14,730
604-Sale of Fixed Assets	3,480	-	2,721	2,721
612-Sale of Salvage	610	-	13,520	13,520
625-Lake Lot Leases	799,165	887,000	892,470	5,470
627-Lake Lot Transfers	5,350	4,500	8,850	4,350
629-Lake Concession Rental	8,762	10,000	9,949	(51)
633-Water Tower License Fee	16,375	16,375	17,875	1,500
641-Cash Shortage/Overage	(74)	-	96	96
651-Miscellaneous	3,858	8,000	5,988	(2,012)
833-Transfer From Solid Waste	11,350	12,474	12,474	-
Total Water	9,102,993	8,454,862	9,416,886	962,024
Wastewater				
419-Wastewater Service Fees	4,566,491	4,665,371	4,273,966	(391,405)
420-Pre-Treatment Fees	29,639	26,000	28,826	2,826
463-Sewer Tap Fees	1,270	635	4,524	3,889
464-Non-system Wastewater Maint. Fees	1,084	-	3,490	3,490
466-Non-system Wastewater Service Fees	140,458	115,000	167,111	52,111
651-Miscellaneous	2,242	2,000	3,908	1,908
Total Wastewater	4,741,184	4,809,006	4,481,825	(327,181)
TOTAL UTILITY SYSTEMS FUND	\$ 49,208,242	\$ 55,751,689	\$ 41,906,878	\$ (13,844,811)

CITY OF WEATHERFORD, TEXAS
MUNICIPAL UTILITY SYSTEM
SUMMARY BUDGET REPORT
YEAR ENDED SEPTEMBER 30, 2012
(Unaudited)

	<i>Actual</i> 2010-2011	<i>Amended</i> <i>Budget</i> 2011-2012	<i>Actual</i> 2011-2012	<i>Variance</i> <i>Positive</i> <i>(Negative)</i>
REVENUES				
<i>ELECTRIC</i>				
<i>Sales of Power</i>	\$ 34,549,373	\$ 41,173,094	\$ 27,234,549	\$ (13,938,545)
<i>Interest & Other</i>	814,692	1,314,727	773,618	(541,109)
	<u>35,364,065</u>	<u>42,487,821</u>	<u>28,008,167</u>	<u>(14,479,654)</u>
<i>WATER</i>				
<i>Wholesale Water Sales</i>	158,023	60,000	153,735	93,735
<i>Retail Water Sales</i>	8,052,588	7,437,615	8,264,114	826,499
<i>Raw Water Sales</i>	2,500	2,500	2,500	-
<i>Lake Lot Leases</i>	799,165	887,000	892,470	5,470
<i>Interest & Other</i>	90,717	67,747	104,067	36,320
	<u>9,102,993</u>	<u>8,454,862</u>	<u>9,416,886</u>	<u>962,024</u>
<i>WASTEWATER</i>				
<i>Wastewater Service Fees</i>	4,706,949	4,780,371	4,441,077	(339,294)
<i>Tap & Pro-Rata Fees</i>	1,270	635	4,524	3,889
<i>Pre-Treatment Fees</i>	29,639	26,000	28,826	2,826
<i>Wastewater Maintenance Fees</i>	1,084	-	3,490	3,490
<i>Interest & Other</i>	2,242	2,000	3,908	1,908
	<u>4,741,184</u>	<u>4,809,006</u>	<u>4,481,825</u>	<u>(327,181)</u>
<i>Total Revenues</i>	<u>49,208,242</u>	<u>55,751,689</u>	<u>41,906,878</u>	<u>(13,844,811)</u>
EXPENDITURES				
<i>ELECTRIC</i>				
<i>Administration</i>	526,266	319,410	181,522	137,888
<i>Customer Service</i>	729,464	770,804	688,597	82,207
<i>Utility Service Center</i>	247,521	204,027	168,325	35,702
<i>Technical Services</i>	1,252,428	636,895	566,199	70,696
<i>Distribution</i>	5,181,626	5,808,609	5,270,966	537,643
<i>Generation</i>	4,180	13,300	5,084	8,216
<i>Purchased Power</i>	20,985,192	29,455,232	15,092,644	14,362,588
<i>Other/Contingency</i>	(24,120)	649,000	8,902	640,098
<i>Debt Service</i>	722,197	786,722	786,720	2
<i>Fiscal Agent/Rating Fees</i>	622	700	622	78
<i>OPEB Contribution</i>	64,436	-	69,854	(69,854)
<i>Bad Debt Expense</i>	8,011	-	3,282	(3,282)
<i>Transfer-Admin. Services</i>	238,300	601,852	601,852	-
<i>Transfer-R.O.I.</i>	3,818,264	3,640,714	3,710,814	(70,100)
	<u>33,754,387</u>	<u>42,887,265</u>	<u>27,155,383</u>	<u>15,731,882</u>

**SUMMARY BUDGET REPORT
(Cont.)**

	<i>Actual 2010-2011</i>	<i>Amended Budget 2011-2012</i>	<i>Actual 2011-2012</i>	<i>Variance Positive (Negative)</i>
EXPENDITURES (Cont.)				
WATER				
<i>Administration</i>	\$ 603,656	\$ 612,188	\$ 592,425	\$ 19,763
<i>Customer Services</i>	312,628	330,345	295,113	35,232
<i>Treatment Plant</i>	2,051,103	2,102,164	1,337,524	764,640
<i>Distribution Maintenance</i>	945,866	1,040,371	978,639	61,731
<i>Distribution Construction</i>	134,457	281,624	185,144	96,480
<i>Engineering</i>	256,673	467,285	349,962	117,324
<i>Lake & Utility Maintenance</i>	206,138	255,800	266,250	(10,450)
<i>SIB Loan Projects</i>	-	570,793	395,861.200	174,932
<i>Debt Service</i>	2,827,365	3,213,957	3,213,958	(1)
<i>Fiscal Agent/Rating Fees</i>	3,630	3,700	3,630	70
<i>OPEB Contribution</i>	53,068	49,132	54,908	(5,776)
<i>Loan Requirements</i>	49,504	50,269	127,958	(77,689)
<i>Transfer-Admin. Services</i>	39,379	123,383	123,383	-
<i>Transfer-R.O.I.</i>	665,083	584,254	624,851	(40,597)
<i>Transfer-Street Maintenance</i>	19,992	17,225	20,206	(2,981)
<i>Bad Debt Expense</i>	3,317	-	1,730	(1,730)
<i>Other/Contingency Expenses</i>	-	40,000	24,950	15,050
	<u>8,171,858</u>	<u>9,742,490</u>	<u>8,596,492</u>	<u>1,145,998</u>
WASTEWATER				
<i>Collection Maintenance</i>	915,628	1,010,905	984,098	26,806
<i>Collection Construction</i>	440,981	521,574	384,538	137,036
<i>Engineering</i>	158,919	201,385	173,470	27,915
<i>Treatment</i>	834,473	976,459	814,019	162,440
<i>SIB Loan Projects</i>	-	180,250	125,009	55,241
<i>Transfer-Admin. Services</i>	22,176	70,529	70,529	-
<i>Debt Service</i>	1,234,048	740,208	740,208	-
<i>Fiscal Agent/Rating Fees</i>	748	1,400	748	652
<i>OPEB Contribution</i>	43,895	34,259	44,873	(10,614)
<i>Loan Requirements</i>	27,936	28,525	52,704	(24,179)
<i>Transfer-R.O.I.</i>	365,277	379,235	383,807	(4,572)
<i>Bad Debt Expense</i>	466	-	-	-
<i>Other/Contingency Expenses</i>	-	40,000	24,950	15,050
	<u>4,044,547</u>	<u>4,184,729</u>	<u>3,798,953</u>	<u>385,776</u>
Total Expenditures	<u>45,970,792</u>	<u>56,814,484</u>	<u>39,550,828</u>	<u>17,263,656</u>
Revenues Over (Under) Expenditures	<u>\$ 3,237,450</u>	<u>\$ (1,062,795)</u>	<u>\$ 2,356,050</u>	<u>\$ 3,418,845</u>

**CITY OF WEATHERFORD, TEXAS
MUNICIPAL UTILITY SYSTEM
BUDGET SUMMARY UTILITY ADMINISTRATION
2011-2012 ANNUAL BUDGET
(Unaudited)**

Expenditure Classification	Actual 2010-2011	Amended Budget 2011-2012	Actual 2011-2012	Variance Positive (Negative)
Personal Services	\$ 419,284	\$ 223,450	\$ 92,488	\$ 130,962
Supplies	10,825	16,000	9,554	6,446
Services	96,157	79,960	79,480	480
TOTAL EXPENDITURES	\$ 526,266	\$ 319,410	\$ 181,522	\$ 137,888

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, TEXAS
MUNICIPAL UTILITY SYSTEM
UTILITY ADMINISTRATION
2011-2012 ANNUAL BUDGET
(Unaudited)

Account Number	Account Title	Actual 2010-2011	Amended Budget 2011-2012	Actual 2011-2012	Variance Positive (Negative)
<u>Personal Services</u>					
101	Salaries & Wages	\$ 293,864	\$ 138,894	\$ 20,093	\$ 118,801
102	Overtime	319	600	1,408	(808)
104	Salary Package	-	18,430	-	18,430
107	Group Medical/Life Insurance	34,475	29,025	31,759	(2,734)
108	FICA	21,930	10,554	10,832	(278)
109	Retirement (TMRS)	63,179	23,018	25,506	(2,488)
110	Workers Compensation	990	769	732	37
111	Unemployment Tax (TWC)	403	1,080	1,078	2
112	Longevity	4,124	1,080	1,080	-
	Total Personal Services	419,284	223,450	92,488	130,962
<u>Supplies</u>					
202	General Office Supplies	5,907	6,500	4,723	1,777
204	Computer & Office Equip	-	2,000	1,240	760
215	Food & Beverage	3,530	2,500	2,614	(114)
219	Uniforms & Protective Clothing	183	1,000	450	550
220	Vehicle Fuel & Oil	268	1,000	24	976
221	Vehicle Parts & Labor	633	1,000	194	806
228	Safety Equipment	163	500	-	500
229	Miscellaneous	56	1,000	221	779
281	Small Tools & Equipment	85	500	88	412
	Total Supplies	10,825	16,000	9,554	6,446
<u>Services</u>					
301	Auditing & Accounting	9,000	-	-	-
302	Architect & Engineer	1,000	-	-	-
303	Legal Services	11,873	-	-	-
304	Medical Services	60	60	-	60
305	Seminar & Training Fees	1,908	500	365	135
306	Other Professional Services	9,439	14,700	24,037	(9,337)
308	Telephone	4,678	4,000	3,434	566
309	Postage	511	1,000	162	838
310	Auto/Housing Allowance	5,400	-	600	(600)
311	Travel Expense	485	1,000	770	230
313	Other Advertising	250	300	250	50
314	Printing & Binding	1,431	500	153	347
318	Insurance	10,175	16,000	11,986	4,014
326	Office Copy Equipment Rental	3,567	4,800	2,469	2,331
328	Other Rental	915	1,000	1,381	(381)
330	Membership Dues/Subscriptions	32,543	33,500	31,386	2,114
336	Utility Board	2,050	2,100	2,050	50
361	Awards	872	500	437	63
	Total Services	96,157	79,960	79,480	480
TOTAL EXPENDITURES		\$ 526,266	\$ 319,410	\$ 181,522	\$ 137,888

**CITY OF WEATHERFORD, TEXAS
MUNICIPAL UTILITY SYSTEM
BUDGET SUMMARY CUSTOMER SERVICES
2011-2012 ANNUAL BUDGET
(Unaudited)**

Expenditure Classification	Actual 2010-2011	Amended Budget 2011-2012	Actual 2011-2012	Variance Positive (Negative)
Personal Services	\$ 660,186	\$ 646,476	\$ 630,300	\$ 16,176
Supplies	38,057	45,013	31,818	13,195
Services	341,549	409,660	321,592	88,068
Capital Outlay	2,300	-	-	-
TOTAL EXPENDITURES	\$ 1,042,092	\$ 1,101,149	\$ 983,710	\$ 117,439

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 14,900 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, TEXAS
MUNICIPAL UTILITY SYSTEM
CUSTOMER SERVICES
2011-2012 ANNUAL BUDGET
(Unaudited)

Account Number	Account Title	Actual 2010-2011	Amended Budget 2011-2012	Actual 2011-2012	Variance Positive (Negative)
<u>Personal Services</u>					
101	Salaries & Wages	\$ 454,797	\$ 435,588	\$ 434,470	\$ 1,118
102	Overtime	2,009	2,500	2,027	473
104	Salary Package	-	18,413	-	18,413
107	Group Medical/Life Insurance	74,145	75,465	72,495	2,970
108	FICA	34,086	33,195	33,522	(327)
109	Retirement (TMRS)	89,085	72,404	78,695	(6,291)
110	Workers Compensation	1,478	1,815	1,727	88
111	Unemployment Tax (TWC)	966	3,240	3,480	(240)
112	Longevity	3,620	3,856	3,884	(28)
	Total Personal Services	660,186	646,476	630,300	16,176
<u>Supplies</u>					
202	General Office Supplies	7,412	8,070	7,976	94
204	Computer & Office Equipment	1,015	-	-	-
219	Uniforms & Protective Clothing	2,934	4,200	1,818	2,382
220	Vehicle Fuel & Oil	13,676	16,493	14,152	2,341
221	Vehicle Parts & Labor	9,201	12,000	4,029	7,971
229	Miscellaneous	854	1,000	599	401
281	Small Tools & Equipment	2,965	3,250	3,244	6
	Total Supplies	38,057	45,013	31,818	13,195
<u>Services</u>					
304	Medical Services	240	280	245	35
305	Seminars & Training Fees	171	2,000	-	2,000
306	Other Professional Services	245,145	295,900	225,933	69,967
308	Telephone/Communication Services	4,191	6,780	4,325	2,455
309	Postage	85,477	98,500	87,966	10,534
311	Travel Expense	-	1,500	-	1,500
318	Insurance	5,387	3,500	1,933	1,567
324	Office Equipment Maintenance	938	1,200	1,190	10
	Total Services	341,549	409,660	321,592	88,068
<u>Capital Outlay</u>					
410	Motor Vehicles	2,300	-	-	-
	Total Capital Outlay	2,300	-	-	-
	TOTAL EXPENDITURES	\$ 1,042,092	\$ 1,101,149	\$ 983,710	\$ 117,439

**CITY OF WEATHERFORD, TEXAS
MUNICIPAL UTILITY SYSTEM
BUDGET SUMMARY UTILITY SERVICE CENTER
2011-2012 ANNUAL BUDGET
(Unaudited)**

Expenditure Classification	Actual 2010-2011	Amended Budget 2011-2012	Actual 2011-2012	Variance Positive (Negative)
Personal Services	\$ 113,790	\$ 118,234	\$ 105,118	\$ 13,116
Supplies	12,681	15,850	10,026	5,824
Services	60,489	69,943	53,181	16,762
Capital Outlay	60,561	-	-	-
TOTAL EXPENDITURES	\$ 247,521	\$ 204,027	\$ 168,325	\$ 35,702

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 Utility Support Service 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, TEXAS
MUNICIPAL UTILITY SYSTEM
UTILITY SERVICE CENTER
2011-12 ANNUAL BUDGET
(Unaudited)

Account Number	Account Title	Actual 2010-2011	Amended Budget 2011-2012	Actual 2011-2012	Variance Positive (Negative)
<u>Personal Services</u>					
101	Salaries & Wages	\$ 71,129	\$ 67,493	\$ 68,108	\$ (615)
102	Overtime	4,720	8,000	3,266	4,734
104	Salary Package	-	3,256	-	3,256
107	Group Medical/Life Insurance	15,143	17,415	11,698	5,717
108	FICA	5,297	5,774	5,222	552
109	Retirement (TMRS)	14,485	12,594	12,874	(280)
110	Workers Compensation	1,984	2,178	2,072	106
111	Unemployment Tax (TWC)	144	540	522	18
112	Longevity	888	984	1,356	(372)
	Total Personal Services	113,790	118,234	105,118	13,116
<u>Supplies</u>					
202	General Office Supplies	390	500	434	66
215	Food & Meals	4,532	6,000	5,712	288
217	Janitorial Supplies	6	50	-	50
219	Uniforms & Protective Clothing	39	900	430	470
222	Equipment Parts & Labor	3,039	1,000	1,056	(56)
223	Equipment Fuel & Oil	380	800	-	800
228	Safety Equipment	600	600	173	427
229	Miscellaneous	41	500	237	263
235	Building & Grounds Maint.	647	3,500	1,963	1,537
281	Small Tools & Equipment	3,007	2,000	21	1,979
	Total Supplies	12,681	15,850	10,026	5,824
<u>Services</u>					
304	Employee Physical	-	60	-	60
305	Seminars & Training	-	300	10	290
306	Other Professional Services	13	-	(13)	13
308	Telephone/Communication Services	1,067	1,600	1,122	478
311	Travel Expense	-	150	-	150
318	Insurance	4,784	8,600	5,706	2,894
319	Utilities	43,816	49,233	37,258	11,975
320	Building & Structures Maint.	4,318	3,500	3,697	(197)
325	Other Maintenance	545	1,000	407	593
331	Laundry & Sanitation	5,946	4,500	4,994	(494)
372	Material Scrapped	-	1,000	-	1,000
	Total Services	60,489	69,943	53,181	16,762
<u>Capital Outlay</u>					
403	Buildings	9,969	-	-	-
420	Other Equipment	50,592	-	-	-
	Total Capital Outlay	60,561	-	-	-
TOTAL EXPENDITURES		\$ 247,521	\$ 204,027	\$ 168,325	\$ 35,702

**CITY OF WEATHERFORD, TEXAS
MUNICIPAL UTILITY SYSTEM
BUDGET SUMMARY TECHNICAL SERVICES
2011-2012 ANNUAL BUDGET
(Unaudited)**

Expenditure Classification	Actual 2010-2011	Amended Budget 2011-2012	Actual 2011-2012	Variance Positive (Negative)
Personal Services	\$ 591,218	\$ 311,708	\$ 238,911	\$ 72,797
Supplies	143,756	44,580	36,586	7,994
Services	454,398	228,766	242,052	(13,286)
Capital Outlay	63,056	51,841	48,650	3,191
TOTAL EXPENDITURES	\$ 1,252,428	\$ 636,895	\$ 566,199	\$ 70,696

TECHNICAL SERVICES

During the budget process for FY 11-12 it was decided the Technical Services Division would be split between the Utility and General funds. 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, TEXAS
MUNICIPAL UTILITY SYSTEM
TECHNICAL SERVICES
2011-2012 ANNUAL BUDGET
(Unaudited)

Account Number	Account Title	Actual 2010-2011	Amended Budget 2011-2012	Actual 2011-2012	Variance Positive (Negative)
<u>Personal Services</u>					
101	Salaries & Wages	\$ 425,309	\$ 214,966	\$ 146,213	\$ 68,753
102	Overtime	2,998	5,750	2,802	2,948
104	Salary Package	-	14,597	-	14,597
107	Group Medical/Life Insurance	40,408	20,318	33,366	(13,048)
108	FICA	31,306	16,416	15,104	1,312
109	Retirement (TMRS)	85,274	35,802	36,622	(820)
110	Workers Compensation	2,284	1,556	1,480	76
111	Unemployment Tax (TWC)	735	945	1,942	(997)
112	Longevity	2,904	1,358	1,382	(24)
	Total Personal Services	591,218	311,708	238,911	72,797
<u>Supplies</u>					
202	General Office Supplies	6,780	6,161	6,167	(6)
204	Computers & Office Equipment	120,995	28,859	23,994	4,865
205	Radio & Communication Equipment	70	370	-	370
215	Food & Beverage	118	190	63	127
220	Vehicle Fuel & Oil	724	1,250	424	826
221	Vehicle Parts & Labor	1,892	500	371	129
228	Safety Equipment	132	200	159	41
229	Miscellaneous	4,937	2,500	673	1,827
281	Small Tools & Equipment	8,108	4,550	4,735	(185)
	Total Supplies	143,756	44,580	36,586	7,994
<u>Services</u>					
304	Medical Services	60	15	30	(15)
305	Seminar & Training Fees	16,941	10,600	6,345	4,255
306	Other Professional Services	46,705	25,266	20,484	4,782
308	Telephone/Communication Services	6,311	10,476	17,971	(7,495)
309	Postage	195	357	249	108
310	Auto Allowance	4,800	2,400	2,400	-
311	Travel Expense	3,866	1,000	1,775	(775)
318	Insurance	1,052	850	647	203
321	Radio & Comm. Equip. Maint.	-	325	-	325
324	Office Equipment Maint.	261,404	-	-	-
325	Other Maintenance Service	8,367	5,000	1,372	3,628
326	Office & Copy Equipment Rental	51,549	4,059	1,011	3,048
330	Membership Dues/Subscriptions	691	550	498	52
350	Software Repair/Maintenance	-	125,474	128,278	(2,804)
352	Interest Expense	4,793	2,500	2,105	395
382	Principal	47,664	39,894	58,887	(18,993)
	Total Services	454,398	228,766	242,052	(13,286)
<u>Capital Outlay</u>					
413	Office Equipment	52,315	9,341	12,278	(2,937)
451	Specialized Equipment	10,741	42,500	36,372	6,128
	Total Capital Outlay	63,056	51,841	48,650	3,191
	TOTAL EXPENDITURES	\$ 1,252,428	\$ 636,895	\$ 566,199	\$ 70,696

CITY OF WEATHERFORD, TEXAS
MUNICIPAL UTILITY SYSTEM
BUDGET SUMMARY ELECTRIC DISTRIBUTION
2011-2012 ANNUAL BUDGET
(Unaudited)

Expenditure Classification	Actual 2010-2011	Amended Budget 2011-2012	Actual 2011-2012	Variance Positive (Negative)
Personal Services	\$ 1,429,229	\$ 2,002,409	\$ 1,025,256	\$ 977,153
Supplies	496,811	441,500	472,759	(31,259)
Services	992,358	1,208,200	1,038,366	169,834
Capital Outlay	2,263,228	2,156,500	2,734,585	(578,085)
TOTAL EXPENDITURES	\$ 5,181,626	\$ 5,808,609	\$ 5,270,966	\$ 537,643

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, TEXAS
MUNICIPAL UTILITY SYSTEM
ELECTRIC DISTRIBUTION
2011-2012 ANNUAL BUDGET
(Unaudited)

Account Number	Account Title	Actual 2010-2011	Amended Budget 2011-2012	Actual 2011-2012	Variance Positive (Negative)
<u>Personal Services</u>					
101	Salaries & Wages	\$ 802,308	\$ 1,318,376	\$ 410,206	\$ 908,170
102	Overtime	78,592	100,000	92,856	7,144
103	Education/Certification	-	-	-	-
104	Salary Package	-	67,934	-	67,934
107	Group Medical/Life Insurance	144,821	145,125	148,898	(3,773)
108	FICA	101,432	107,226	98,733	8,493
109	Retirement (TMRS)	278,245	233,859	245,842	(11,983)
110	Workers Compensation	10,428	10,165	9,671	494
111	Unemployment Tax (TWC)	1,999	6,480	6,506	(26)
112	Longevity	11,404	13,244	12,544	700
	Total Personal Services	1,429,229	2,002,409	1,025,256	977,153
<u>Supplies</u>					
202	General Office Supplies	1,320	1,500	1,209	291
204	Computer & Office Equipment	30	1,000	4,352	(3,352)
205	Radio & Communication Equipment	100	1,000	-	1,000
215	Food & Beverage	258	500	593	(93)
217	Janitorial Supplies	33	-	-	-
219	Uniforms & Protective Clothing	15,242	25,000	18,275	6,725
220	Vehicle Fuel & Oil	55,054	50,000	58,725	(8,725)
221	Vehicle Parts & Labor	58,624	50,000	52,641	(2,641)
228	Safety Equipment	8,622	10,000	10,343	(343)
229	Miscellaneous	20,570	20,000	21,078	(1,078)
233	Street & Road Materials	-	-	-	-
235	Building Maintenance Supplies	13	-	6	(6)
244	Meters	1,812	2,000	563	1,437
249	Overhead Electric Lines	103,468	75,000	74,319	681
250	Underground Electric Lines	119,175	80,000	96,563	(16,563)
251	Transformers	1,184	2,000	10,743	(8,743)
252	Overhead Electric Service	6,337	5,000	8,161	(3,161)
253	Underground Electric Service	4,973	7,000	5,940	1,060
254	Line Equipment & Controls	7,902	5,000	3,786	1,214
255	Substation Repair/Maint. Supplies	37,588	24,000	10,383	13,617
257	Street & Public Lights	19,753	40,000	52,803	(12,803)
259	MV Security Lights	3,276	9,000	8,798	202
261	Tree Trimming	642	1,000	626	374
270	SCADA Parts	2,771	5,000	9,131	(4,131)
281	Small Tools & Equipment	28,064	27,500	23,721	3,779
	Total Supplies	496,811	441,500	472,759	(31,259)

ELECTRIC DISTRIBUTION

(Cont.)

Account Number	Account Title	Actual 2010-2011	Amended Budget 2011-2012	Actual 2011-2012	Variance Positive (Negative)
<u>Services</u>					
302	Engineering Services	\$ 26,552	\$ 31,500	\$ 32,666	\$ (1,166)
303	Legal Services	2,678	62,500	54,356	8,144
304	Employee Physicals	225	500	280	220
305	Seminar & Training Fees	20,353	23,000	24,967	(1,967)
306	Other Professional Services	199,481	197,500	205,501	(8,001)
308	Telephone	8,542	11,500	10,085	1,415
309	Postage	1,008	1,000	1,769	(769)
310	Auto Allowance	4,800	4,800	4,800	-
311	Travel Expense	9,269	10,000	15,125	(5,125)
316	Tree Trimming	137,978	200,000	198,446	1,554
318	Insurance	8,671	15,000	11,273	3,727
319	Utilities	-	-	-	-
321	Radio & Comm. Equip. Maint.	2,963	4,500	1,351	3,149
325	Other Maintenance	8,423	4,400	9,347	(4,947)
327	Equipment Rental	21,248	32,000	31,860	140
330	Membership Dues/Subscriptions	2,730	3,000	3,444	(444)
331	Laundry & Sanitation	925	1,000	1,011	(11)
334	Regulatory Testing/Monitoring	9,638	10,000	2,907	7,093
362	Meter Maintenance	-	1,000	-	1,000
363	Transformers	87,895	75,000	107,273	(32,273)
364	O/H Electrical Line Repair	198,836	240,000	110,633	129,367
365	U/G Electrical Line Repair	240,143	275,000	211,272	63,728
370	SCADA Maintenance	-	5,000	-	5,000
372	Material Scrapped	-	-	-	-
	Total Services	992,358	1,208,200	1,038,366	169,834
<u>Capital Outlay</u>					
401	Land	-	250,000	-	250,000
402	Land Easement/Right-of-Ways	1,395	20,000	18,247	1,753
410	Motor Vehicles	-	116,500	111,568	4,932
415	Heavy Construction Equip.	33,400	-	-	-
423	New Electric Meters	50,876	60,000	138,590	(78,590)
427	Street & Public Lights	109,048	60,000	58,633	1,367
432	Overhead Electric Line	767,602	500,000	815,765	(315,765)
433	Underground Electric Line	601,575	445,000	850,753	(405,753)
434	Transformers	398,505	300,000	350,298	(50,298)
435	Overhead Electric Services	4,665	10,000	19,874	(9,874)
436	Underground Electric Services	114,662	145,000	127,884	17,116
437	Line Equipment & Controls	48,224	95,000	92,522	2,478
439	Fiber Optic System	131,202	50,000	44,491	5,509
441	Rent Lights	2,074	5,000	15,127	(10,127)
444	SCADA Improvements	-	100,000	90,833	9,167
	Total Capital Outlay	2,263,228	2,156,500	2,734,585	(578,085)
	TOTAL EXPENDITURES	\$ 5,181,626	\$ 5,808,609	\$ 5,270,966	\$ 537,643

**CITY OF WEATHERFORD, TEXAS
MUNICIPAL UTILITY SYSTEM
BUDGET SUMMARY ELECTRIC PRODUCTION
2011-12 ANNUAL BUDGET
(Unaudited)**

Expenditure Classification	Actual 2010-2011	Amended Budget 2011-2012	Actual 2011-2012	Variance Positive (Negative)
Personal Services	\$ 166	\$ -	\$ -	\$ -
Supplies	906	6,000	1,283	4,717
Services	3,108	7,300	3,801	3,499
TOTAL EXPENDITURES	\$ 4,180	\$ 13,300	\$ 5,084	\$ 8,216

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, TEXAS
MUNICIPAL UTILITY SYSTEM
ELECTRIC PRODUCTION
2011-12 ANNUAL BUDGET
(Unaudited)

Account Number	Account Title	Actual 2010-2011	Amended Budget 2011-2012	Actual 2011-2012	Variance Positive (Negative)
<u>Personal Services</u>					
107	Group Medical/Life Insurance	\$ 113	\$ -	\$ -	\$ -
111	Unemployment Tax (TWC)	53	-	-	-
	Total Personal Services	166	-	-	-
<u>Supplies</u>					
204	Computers & Office Equipment	-	250	-	250
217	Janitorial Supplies	28	100	-	100
220	Vehicle Fuel & Oil	-	200	-	200
221	Vehicle Parts & Labor	-	100	-	100
222	Equipment Parts & Labor	-	1,000	-	1,000
223	Equipment Fuel & Oil	-	1,000	-	1,000
224	Fuel for Electric Generation	490	1,000	450	550
228	Safety Equipment	41	100	11	89
229	Miscellaneous	335	500	800	(300)
235	Building & Grounds Maint.	12	750	-	750
247	Pumps & Controls	-	500	-	500
281	Small Tools & Equipment	-	500	22	478
	Total Supplies	906	6,000	1,283	4,717
<u>Services</u>					
306	Other Professional Services	-	-	-	-
308	Telephone/Communication Services	969	1,000	999	1
318	Other Insurance	1,639	3,500	2,035	1,465
319	Utility Services	500	2,500	544	1,956
322	Plant Equipment Maintenance	-	100	-	100
325	Other Repair & Maintenance	-	100	223	(123)
335	Regulatory Permit Fees	-	100	-	100
	Total Services	3,108	7,300	3,801	3,499
TOTAL EXPENDITURES		\$ 4,180	\$ 13,300	\$ 5,084	\$ 8,216

**CITY OF WEATHERFORD, TEXAS
MUNICIPAL UTILITY SYSTEM
ELECTRIC NON-DEPARTMENTAL
2011-2012 ANNUAL BUDGET
(Unaudited)**

Account Number	Account Title	Actual 2010-2011	Amended Budget 2011-2012	Actual 2011-2012	Variance Positive (Negative)
332	Administrative Services Transfer	\$ 238,300	\$ 601,852	\$ 601,852	\$ -
343	Return on Investment Transfer	3,818,264	3,640,714	3,710,814	(70,100)
346	Debt Service Requirements	722,197	786,722	786,720	2
350	OPEB Contribution	64,436	-	69,854	(69,854)
357	Bad Debt Expense	8,011	-	3,282	(3,282)
371	Fiscal Agent/Rating Fees	622	700	622	78
373	Purchased Power	20,985,192	29,455,232	15,092,644	14,362,588
399	Other/Contingency Expenses	(24,120)	649,000	8,902	640,098
TOTAL EXPENDITURES		\$ 25,812,902	\$ 35,134,220	\$ 20,274,690	\$ 14,859,530

CITY OF WEATHERFORD, TEXAS
MUNICIPAL UTILITY SYSTEM
WATER NON-DEPARTMENTAL
2011-2012 ANNUAL BUDGET
(Unaudited)

Account Number	Account Title	Actual 2010-2011	Amended Budget 2011-2012	Actual 2011-2012	Variance Positive (Negative)
332	Administrative Services Transfer	\$ 39,379	\$ 123,383	\$ 123,383	\$ -
343	Return on Investment Transfer	665,083	584,254	624,851	(40,597)
346	Debt Service Requirements	2,827,365	3,213,957	3,213,958	(1)
350	Offsite Water Sales Transfer	19,992	17,225	20,206	(2,981)
352	Loan Interest Expense	9,495	-	16,155	(16,155)
353	OPEB Contribution	53,068	49,132	54,908	(5,776)
357	Bad Debt Expense	3,317	-	1,730	(1,730)
371	Fiscal Agent/Rating Fees	3,630	3,700	3,630	70
382	Loan Requirements	40,009	50,269	111,803	(61,534)
399	Other/Contingency Expenses	-	40,000	24,950	15,050
	TOTAL EXPENDITURES	\$ 3,661,338	\$ 4,081,920	\$ 4,195,574	\$ (113,654)

**CITY OF WEATHERFORD, TEXAS
MUNICIPAL UTILITY SYSTEM
WASTEWATER NON-DEPARTMENTAL
2011-2012 ANNUAL BUDGET
(Unaudited)**

Account Number	Account Title	Actual 2010-2011	Amended Budget 2011-2012	Actual 2011-2012	Variance Positive (Negative)
332	Administrative Services Transfer	\$ 22,176	\$ 70,529	\$ 70,529	\$ -
343	Return on Investment Transfer	365,277	379,235	383,807	(4,572)
346	Debt Service Requirements	1,234,048	740,208	740,208	-
352	Loan Interest Expense	5,211	-	6,991	(6,991)
353	OPEB Contribution	43,895	34,259	44,873	(10,614)
357	Bad Debt Expense	466	-	-	-
371	Fiscal Agent/Rating Fees	748	1,400	748	652
382	Loan Requirements	22,725	28,525	45,713	(17,188)
399	Other/Contingency Expenses	-	40,000	24,950	15,050
	TOTAL EXPENDITURES	\$ 1,694,546	\$ 1,294,156	\$ 1,317,819	\$ (23,663)

**CITY OF WEATHERFORD, TEXAS
MUNICIPAL UTILITY SYSTEM
BUDGET SUMMARY WATER/WASTEWATER
2011-2012 ANNUAL BUDGET
(Unaudited)**

Expenditure Classification	Actual 2010-2011	Amended Budget 2011-2012	Actual 2011-2012	Variance Positive (Negative)
Personal Services	\$ 2,301,846	\$ 2,543,979	\$ 2,167,060	\$ 376,919
Supplies	1,148,055	1,028,237	1,035,613	(7,376)
Services	1,287,137	1,956,222	936,638	1,019,584
Capital Outlay	770,243	1,460,099	1,367,356	92,743
TOTAL EXPENDITURES	\$ 5,507,281	\$ 6,988,537	\$ 5,506,667	\$ 1,481,870

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.

WATER TREATMENT

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 1,571,011 MG in FY 2012.

WATER/WASTEWATER MAINTENANCE

The Water/Wastewater Maintenance division is responsible for the maintenance of 272 miles of water lines, 208 miles of wastewater lines, 1,370 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 10,889 commercial and residential meters.

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.

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 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.

SIB LOAN PROJECTS

The City received a loan from the State Infrastructure Bank through the Texas Department of Transportation to reconstruct and/or relocate existing water and sanitary sewer facilities to accommodate the reconstruction of State Highway 171/Farm to Market Road 51, from approximately 800 feet north of intersection of FM 1884 (Bethel Road) and SH 171/FM 51 to Interstate 20.

CITY OF WEATHERFORD, TEXAS
MUNICIPAL UTILITY SYSTEM
WATER/WASTEWATER ADMINISTRATION
2011-2012 ANNUAL BUDGET
(Unaudited)

Account Number	Account Title	Actual 2010-2011	Amended Budget 2011-2012	Actual 2011-2012	Variance Positive (Negative)
<u>Personal Services</u>					
101	Salaries & Wages	\$ 382,833	\$ 381,926	\$ 374,319	\$ 7,607
102	Overtime	7,577	4,500	5,037	(537)
103	Education/Certification Pay	249	240	222	18
104	Salary Package	-	26,848	-	26,848
107	Group Medical/Life Insurance	42,149	40,635	39,336	1,299
108	FICA	28,200	28,679	26,824	1,855
109	Retirement (TMRS)	77,602	62,552	65,764	(3,212)
110	Workers Compensation	7,050	7,432	7,071	361
111	Unemployment Tax (TWC)	693	1,890	1,868	22
112	Longevity	2,972	3,224	3,280	(56)
	Total Personal Services	549,325	557,926	523,721	34,205
<u>Supplies</u>					
202	General Office Supplies	316	1,000	1,031	(31)
215	Food & Beverage	48	450	47	403
219	Uniforms & Protective Clothing	1,862	2,471	1,455	1,016
220	Vehicle Fuel & Oil	11,769	10,562	11,683	(1,121)
221	Vehicle Parts & Labor	3,891	6,200	5,694	506
228	Safety Equipment	1,105	1,200	1,387	(187)
229	Miscellaneous	522	700	731	(31)
270	SCADA Parts	391	1,300	171	1,129
281	Small Tools & Equipment	755	3,600	2,784	816
	Total Supplies	20,659	27,483	24,983	2,500
<u>Services</u>					
303	Legal Services	25,000	-	-	-
304	Employee Physicals	-	50	70	(20)
305	Seminar & Training Fees	2,442	4,000	3,691	309
306	Other Professional Services	-	10,000	1,860	8,140
308	Telephone/Communication Services	2,689	4,000	3,984	16
309	Postage	626	1,000	774	226
311	Travel Expense	812	2,844	3,410	(566)
314	Printing & Reproduction	-	200	-	200
318	Insurance	400	600	1,738	(1,138)
321	Radio & Comm. Equip. Maint.	-	1,085	1,085	-
330	Membership Dues/Subscriptions	398	500	103	397
370	SCADA Maintenance	1,305	2,500	2,742	(242)
	Total Services	33,672	26,779	19,457	7,322

WATER/WASTEWATER ADMINISTRATION
(Cont.)

Account Number	Account Title	Actual 2009-2010	Amended Budget 2010-2011	Actual 2010-2011	Variance Positive (Negative)
<u>Capital Outlay</u>					
410	Motor Vehicles	\$ -	\$ -	\$ 24,264	(\$24,264)
	Total Capital Outlay	-	-	24,264	(24,264)
	TOTAL EXPENDITURES	\$ 603,656	\$ 612,188	\$ 592,425	\$ 19,763

CITY OF WEATHERFORD, TEXAS
MUNICIPAL UTILITY SYSTEM
WATER TREATMENT
2011-2012 ANNUAL BUDGET
(Unaudited)

Account Number	Account Title	Actual 2010-2011	Amended Budget 2011-2012	Actual 2011-2012	Variance Positive (Negative)
<u>Personal Services</u>					
101	Salaries & Wages	\$ 241,413	\$ 253,577	\$ 219,358	\$ 34,219
102	Overtime	22,097	20,000	19,100	900
104	Salary Package	-	5,815	-	5,815
107	Group Medical/Life Insurance	32,864	34,830	31,224	3,606
108	FICA	18,731	20,015	16,805	3,210
109	Retirement (TMRS)	50,384	42,698	41,239	1,459
110	Workers Compensation	7,896	5,099	4,851	248
111	Unemployment Tax (TWC)	406	1,792	1,462	330
112	Longevity	932	1,068	1,008	60
	Total Personal Services	374,723	384,894	335,047	49,847
<u>Supplies</u>					
202	General Office Supplies	757	1,050	933	117
203	Furniture & Fixtures	-	47	47	-
204	Computers & Office Equipment	31	-	-	-
212	Chemicals	536,630	385,953	362,728	23,225
215	Food & Meals	480	1,200	1,231	(31)
217	Janitorial Supplies	1,590	2,000	1,200	800
218	Medical & Laboratory Supplies	34,737	38,000	31,326	6,674
219	Uniforms & Protective Clothing	1,949	1,800	1,752	48
220	Vehicle Fuel & Oil	2,085	1,978	6,724	(4,746)
221	Vehicle Parts & Labor	1,199	3,000	1,164	1,836
222	Equipment Parts & Labor	53,205	62,599	68,621	(6,022)
223	Equipment Fuel & Oil	815	750	-	750
228	Safety Equipment	1,187	3,000	1,582	1,418
229	Miscellaneous	1,007	700	757	(57)
235	Building & Grounds Maint.	3,546	2,500	2,851	(351)
241	Benbrook Pipeline Supplies	-	1,000	-	1,000
247	Pumps & Controls	3,514	3,500	7,690	(4,190)
270	SCADA Parts	876	2,000	-	2,000
281	Small Tools & Equipment	3,491	4,000	1,828	2,172
	Total Supplies	647,099	515,077	490,434	24,643
<u>Services</u>					
302	Architect & Engineer	10,544	5,000	1,411	3,589
304	Employee Physicals	225	110	130	(20)
305	Seminar & Training Fees	85	4,350	1,846	2,504
306	Other Professional Services	7,288	18,500	17,964	536
308	Telephone	3,403	3,000	4,670	(1,670)
309	Postage	1,184	4,100	3,865	235

WATER TREATMENT
(Cont.)

Account Number	Account Title	Actual 2010-2011	Amended Budget 2011-2012	Actual 2011-2012	Variance Positive (Negative)
<u>Services (Cont.)</u>					
311	Travel Expense	\$ -	\$ 200	\$ -	\$ 200
312	Legal Advertising	-	500	-	500
314	Printing	-	-	30	(30)
318	Insurance	21,839	26,000	25,831	169
319	Utilities	309,373	375,419	210,312	165,107
320	Repair & Maint Buildings & Structures	4,756	3,000	2,699	301
321	Repair & Maint of Radio & Comm Equip	-	600	436	164
322	Plant Equipment Maintenance	51,317	189,200	31,112	158,088
324	Office Equipment Maintenance	-	2,000	-	2,000
327	Equipment Rental	2,664	3,000	2,801	199
330	Membership Dues/Subscriptions	716	400	-	400
333	Pump Maintenance	23,930	18,192	185	18,007
334	Regulatory Testing/Monitoring	24,861	46,000	19,946	26,054
335	Regulatory Permit Fees	27,422	30,500	28,556	1,944
354	Benbrook Pipeline Services	136,586	66,000	70,881	(4,881)
370	SCADA Maintenance	4,826	5,000	4,470	530
375	Purchased Water - Benbrook	197,583	238,939	(91,242)	330,181
	Total Services	828,602	1,040,010	335,903	704,107
<u>Capital Outlay</u>					
414	Plant Equipment	28,367	39,108	54,287	(15,179)
420	Other Equipment	53,356	105,750	104,620	1,130
426	Other Improvements	109,848	5,000	5,000	-
443	Pumps	9,108	9,200	9,108	92
451	Specialized Equipment	-	3,125	3,125	-
	Total Capital Outlay	200,679	162,183	176,140	(13,957)
TOTAL EXPENDITURES		\$ 2,051,103	\$ 2,102,164	\$ 1,337,524	\$ 764,640

CITY OF WEATHERFORD, TEXAS
MUNICIPAL UTILITY SYSTEM
WATER/WASTEWATER MAINTENANCE
2011-2012 ANNUAL BUDGET
(Unaudited)

Account Number	Account Title	Actual 2010-2011	Amended Budget 2011-2012	Actual 2011-2012	Variance Positive (Negative)
<u>Personal Services</u>					
101	Salaries & Wages	\$ 529,168	\$ 601,542	\$ 513,813	\$ 87,729
102	Overtime	69,219	100,000	70,414	29,586
104	Salary Package	-	22,294	-	22,294
107	Group Medical/Life Insurance	96,972	104,490	96,637	7,853
108	FICA	47,124	53,595	46,531	7,064
109	Retirement (TMRS)	123,392	114,983	110,809	4,174
110	Workers Compensation	31,576	22,353	21,268	1,085
111	Unemployment Tax (TWC)	1,526	4,934	4,386	548
112	Longevity	3,956	4,068	4,476	(408)
	Total Personal Services	902,933	1,028,259	868,334	159,925
<u>Supplies</u>					
202	General Office Supplies	605	400	484	(84)
205	Radio & Communication Equipment	-	1,370	-	1,370
212	Chemicals	16,219	12,000	9,900	2,100
215	Food & Beverage	209	600	150	450
218	Medical & Laboratory Supplies	5,719	11,500	15,295	(3,795)
219	Uniforms & Protective Clothing	3,955	5,300	4,663	637
220	Vehicle Fuel & Oil	69,999	70,600	74,099	(3,499)
221	Vehicle Parts & Labor	74,007	73,750	72,020	1,730
222	Equipment Parts & Labor	-	-	-	-
228	Safety Equipment	8,731	7,000	8,315	(1,315)
229	Miscellaneous	5,269	4,000	4,523	(523)
233	Street & Road Materials	9,056	10,500	6,102	4,398
234	Traffic & Street Signs	1,311	2,500	2,406	94
235	Building & Grounds Maint.	2,203	3,000	2,629	371
241	Benbrook Pipeline Supplies	-	-	218	(218)
242	Water Mains	47,619	45,000	47,748	(2,748)
243	Water Services	13,931	17,000	13,717	3,283
244	Meters	15,796	15,000	10,561	4,439
245	Sanitary Sewers	53,022	25,000	53,991	(28,991)
247	Pump & Controls	47,374	45,000	55,079	(10,079)
260	Valves & Hydrants	18,721	20,000	18,502	1,498
270	SCADA Parts	6,991	6,000	15,500	(9,500)
281	Small Tools & Equipment	15,932	15,000	18,590	(3,590)
	Total Supplies	416,669	390,520	434,492	(43,972)
<u>Services</u>					
304	Employee Physicals	335	100	250	(150)
305	Seminar & Training Fees	2,019	7,700	5,146	2,554
306	Other Professional Services	9,665	13,500	11,602	1,898
308	Telephone/Communications	2,911	5,280	2,800	2,480
309	Postage	306	750	294	456

WATER/WASTEWATER MAINTENANCE
(Cont.)

Account Number	Account Title	Actual 2010-2011	Amended Budget 2011-2012	Actual 2011-2012	Variance Positive (Negative)
<u>Services (Cont.)</u>					
311	Travel Expense	\$ 257	\$ 400	\$ -	\$ 400
318	Insurance	11,373	18,000	33,460	(15,460)
319	Utilities	257,555	294,000	240,713	53,287
321	Radio & Comm. Equip. Maint.	188	500	500	-
322	Plant Equipment Maintenance	2,200	10,000	6,815	3,185
327	Equipment Rental	5,250	6,000	11,589	(5,589)
330	Membership Dues/Subscriptions	1,029	1,500	555	945
333	Pump Maintenance	7,200	20,000	12,635	7,365
335	Regulatory Permit Fees	1,325	2,000	601	1,399
354	Benbrook Pipeline Services	(132)	-	-	-
370	SCADA Maintenance	3,853	5,000	4,718	282
372	Material Scrapped	-	-	-	-
	Total Services	305,334	384,730	331,678	53,052
<u>Capital Outlay</u>					
410	Motor Vehicle	55,852	90,000	89,274	726
420	Other Equipment	5,588	9,200	9,167	33
421	Water Mains	12,895	20,000	14,346	5,654
422	Water Services	11,875	10,000	10,229	(229)
423	New Water Meters	72,743	66,000	111,169	(45,169)
424	Sanitary Sewer Mains	7,310	20,000	25,338	(5,338)
425	Sanitary Sewer Services	6,562	5,000	3,858	1,142
443	Pumps	39,944	10,950	48,335	(37,385)
445	Valves & Hydrants	23,789	16,616	16,516	100
	Total Capital Outlay	236,558	247,766	328,232	(80,466)
TOTAL EXPENDITURES		\$ 1,861,494	\$ 2,051,275	\$ 1,962,736	\$ 88,539

CITY OF WEATHERFORD, TEXAS
MUNICIPAL UTILITY SYSTEM
WATER/WASTEWATER CONSTRUCTION
2011-2012 ANNUAL BUDGET
(Unaudited)

Account Number	Account Title	Actual 2010-2011	Amended Budget 2011-2012	Actual 2011-2012	Variance Positive (Negative)
<u>Personal Services</u>					
101	Salaries & Wages	\$ 81,854	\$ 162,477	\$ 44,311	\$ 118,166
102	Overtime	4,789	12,000	10,833	1,167
104	Salary Package	-	2,595	-	2,595
107	Group Medical/Life Insurance	28,811	29,025	27,930	1,095
108	FICA	11,810	12,827	11,803	1,024
109	Retirement (TMRS)	31,803	27,976	28,365	(389)
110	Workers Compensation	9,813	6,865	6,167	698
111	Unemployment Tax (TWC)	360	1,350	1,408	(58)
112	Longevity	1,072	1,196	928	268
	Total Personal Services	170,312	256,311	131,745	124,566
<u>Supplies</u>					
202	General Office Supplies	30	700	241	459
212	Chemicals	-	700	43	657
215	Food & Meals	-	100	-	100
219	Uniforms & Protective Clothing	1,513	1,500	1,212	288
220	Vehicle Fuel & Oil	17,551	26,127	25,860	267
221	Vehicle Parts & Labor	28,757	40,000	31,669	8,331
228	Safety Equipment	2,200	4,000	5,420	(1,420)
229	Miscellaneous	967	2,000	1,610	390
234	Traffic & Street Signs	1,535	1,500	1,521	(21)
235	Building & Grounds Maint.	-	500	47	453
245	Sanitary Sewers	225	-	2,748	(2,748)
281	Small Tools & Equipment	7,789	11,100	11,337	(237)
	Total Supplies	60,567	88,227	81,708	6,519
<u>Services</u>					
304	Employee Physicals	250	100	75	25
305	Seminar & Training Fees	(213)	1,000	20	980
306	Other Professional Services	6,151	36,750	31,161	5,589
308	Telephone/Communications	366	860	365	495
311	Travel Expense	-	100	-	100
318	Insurance	113	3,000	975	2,025
319	Utility Services	1,183	1,200	1,284	(84)
320	Repair & Maintenance Buildings/Structures	1,700	-	-	-
327	Equipment Rental	2,002	15,000	4,498	10,502
330	Membership Dues/Subscriptions	-	500	-	500
	Total Services	11,552	58,510	38,378	20,132

WATER/WASTEWATER CONSTRUCTION
(Cont.)

Account Number	Account Title	Actual 2010-2011	Amended Budget 2011-2012	Actual 2011-2012	Variance Positive (Negative)
<u>Capital Outlay</u>					
410	Motor Vehicle	\$ 110,382	\$ -	\$ -	\$ -
420	Other Equipment	-	14,100	14,100	-
421	Water Mains	13,353	62,050	53,262	8,788
424	Sanitary Sewer Mains	209,271	313,000	250,198	62,802
445	Valves & Hydrants	-	11,000	290	10,710
	Total Capital Outlay	333,006	400,150	317,850	82,300
	TOTAL EXPENDITURES	\$ 575,437	\$ 803,198	\$ 569,681	\$ 233,517

CITY OF WEATHERFORD, TEXAS
MUNICIPAL UTILITY SYSTEM
ENGINEERING
2011-2012 ANNUAL BUDGET
(Unaudited)

Account Number	Account Title	Actual 2010-2011	Amended Budget 2011-2012	Actual 2011-2012	Variance Positive (Negative)
<u>Personal Services</u>					
101	Salaries & Wages	\$ 223,700	\$ 238,467	\$ 228,939	\$ 9,528
102	Overtime	-	600	-	600
104	Salary Package	-	2,333	-	2,333
107	Group Medical/Life Insurance	17,433	17,415	17,547	(132)
108	FICA	16,565	17,562	16,800	762
109	Retirement (TMRS)	45,844	38,309	43,128	(4,819)
110	Workers Compensation	487	593	564	29
111	Unemployment Tax (TWC)	216	810	783	27
112	Longevity	308	500	452	48
	Total Personal Services	304,553	316,589	308,213	8,376
<u>Supplies</u>					
202	General Office Supplies	30	-	61	(61)
219	Uniforms & Protective Clothing	314	330	393	(63)
220	Vehicle Fuel & Oil	1,180	1,800	897	903
221	Vehicle Parts & Labor	999	2,500	978	1,522
228	Safety Equipment	128	300	350	(50)
229	Miscellaneous	143	500	19	481
281	Small Tools & Equipment	267	1,500	1,298	202
	Total Supplies	3,061	6,930	3,996	2,934
<u>Services</u>					
302	Architect & Engineering	97,754	265,900	176,492	89,408
303	Legal Services	-	30,000	12,690	17,310
305	Seminar & Training Fees	2,175	2,100	223	1,877
306	Other Professional Services	1,030	37,100	13,933	23,167
308	Telephone/Communications	1,205	2,100	1,567	533
310	Auto Allowance	4,800	4,800	4,800	-
311	Travel Expenses	74	2,000	46	1,954
318	Insurance	619	650	651	(1)
330	Dues/Memberships	320	500	820	(320)
	Total Services	107,977	345,150	211,222	133,928
TOTAL EXPENDITURES		\$ 415,591	\$ 668,669	\$ 523,431	\$ 145,238

CITY OF WEATHERFORD, TEXAS
MUNICIPAL UTILITY SYSTEM
SIB LOAN PROJECTS
2011-2012 ANNUAL BUDGET
(Unaudited)

Account Number	Account Title	Actual 2010-2011	Amended Budget 2011-2012	Actual 2011-2012	Variance Positive (Negative)
<u>Services</u>					
382	Principal	\$ -	\$ 101,043	\$ -	\$ 101,043
	Total Services	-	101,043	-	101,043
<u>Capital Outlay</u>					
402	Land Easements/Right of Ways	-	-	1,838	(1,838)
421	Water Mains	-	494,000	390,129	103,871
424	Sanitary Sewer Mains	-	156,000	128,903	27,097
	Total Capital Outlay	-	650,000	520,870	129,130
	TOTAL EXPENDITURES	\$ -	\$ 751,043	\$ 520,870	\$ 230,173

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**CITY OF WEATHERFORD, TEXAS
MUNICIPAL UTILITY SYSTEM
BUDGET SUMMARY LAKE & UTILITY MAINTENANCE
2011-2012 ANNUAL BUDGET
(Unaudited)**

Expenditure Classification	Actual 2010-2011	Amended Budget 2011-2012	Actual 2011-2012	Variance Positive (Negative)
Personal Services	\$ 152,474	\$ 151,111	\$ 134,768	\$ 16,343
Supplies	31,886	64,580	44,053	20,527
Services	21,778	20,600	15,783	4,817
Capital Outlay	-	19,509	71,646	(52,137)
TOTAL EXPENDITURES	\$ 206,138	\$ 255,800	\$ 266,250	(\$10,450)

UTILITY SYSTEM PROPERTY MAINTENANCE

Utility System Property Maintenance is responsible for the care and upkeep of Lake Weatherford and includes maintaining the grounds of utility owned facilities. This department is under the supervision of the Assistant Director of Water and Wastewater.

CITY OF WEATHERFORD, TEXAS
MUNICIPAL UTILITY SYSTEM
LAKE & UTILITY MAINTENANCE
2011-2012 ANNUAL BUDGET
(Unaudited)

Account Number	Account Title	Actual 2010-2011	Amended Budget 2011-2012	Actual 2011-2012	Variance Positive (Negative)
<u>Personal Services</u>					
101	Salaries & Wages	\$ 102,087	\$ 98,704	\$ 87,520	\$ 11,184
102	Overtime	-	300	230	70
107	Group Medical/Life Insurance	21,127	23,220	22,100	1,120
108	FICA	7,402	8,633	6,552	2,081
109	Retirement (TMRS)	17,832	15,854	14,802	1,052
110	Workers Compensation	2,137	1,844	1,754	90
111	Unemployment Tax (TWC)	773	1,344	690	654
112	Longevity	1,116	1,212	1,120	92
	Total Personal Services	152,474	151,111	134,768	16,343
<u>Supplies</u>					
202	General Office Supplies	203	350	77	273
211	Agricultural & Botanical	18	3,000	1,707	1,293
212	Chemicals	1,387	-	-	-
215	Meals	-	150	9	141
216	Refuse Bags	1,159	2,000	205	1,795
217	Janitorial Supplies	52	800	921	(121)
219	Uniforms & Protective Clothing	1,290	900	933	(33)
220	Vehicle Fuel & Oil	12,000	14,000	12,456	1,544
221	Vehicle Parts & Labor	10,198	13,000	11,285	1,715
222	Equipment Parts & Labor	-	8,000	-	8,000
228	Safety Equipment	549	1,000	694	306
229	Miscellaneous	1,257	9,000	5,144	3,856
233	Street Repair Materials	132	1,000	-	1,000
234	Traffic & Street Signs	689	500	622	(122)
235	Building & Grounds Maint.	502	4,000	3,992	8
281	Small Tools & Equipment	2,450	6,880	6,008	872
	Total Supplies	31,886	64,580	44,053	20,527
<u>Services</u>					
304	Medical Services	780	300	-	300
305	Seminar & Training Fees	-	800	300	500
308	Telephone	510	800	953	(153)
309	Postage	1	-	11	(11)

LAKE & UTILITY MAINTENANCE
(Cont.)

Account Number	Account Title	Actual 2009-2010	Amended Budget 2010-2011	Actual 2010-2011	Variance Positive (Negative)
<u>Services (Cont.)</u>					
318	Insurance	\$ 1,223	\$ 1,400	\$ 1,084	\$ 316
319	Utilities	5,024	7,200	3,366	3,834
320	Building /Structures Repair/Maint	3,000	-	101	(101)
325	Other Repair/Maint. Service	368	1,500	1,198	302
327	Machinery & Equip. Rental	1,635	1,600	1,815	(215)
330	Dues/Memberships	-	-	62	(62)
331	Laundry & Sanitation	9,237	7,000	6,893	107
	Total Services	21,778	20,600	15,783	4,817
<u>Capital Outlay</u>					
420	Other Equipment	-	-	7,766	(7,766)
426	Other Improvements	-	19,509	71,646	(52,137)
	Total Capital Outlay	-	19,509	71,646	(52,137)
	TOTAL EXPENDITURES	\$ 206,138	\$ 255,800	\$ 266,250	(\$10,450)

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**CITY OF WEATHERFORD, TEXAS
MUNICIPAL UTILITY SYSTEM
BUDGET SUMMARY WASTEWATER TREATMENT PLANT
2011-2012 ANNUAL BUDGET
(Unaudited)**

Expenditure Classification	Actual 2010-2011	Amended Budget 2011-2012	Actual 2011-2012	Variance Positive (Negative)
Personal Services	\$ 301,185	\$ 295,472	\$ 300,057	\$ 4,585)
Supplies	129,523	121,393	134,631	(13,238)
Services	347,129	539,869	359,191	180,678
Capital Outlay	56,636	19,725	20,140	(415)
TOTAL EXPENDITURES	\$ 834,473	\$ 976,459	\$ 814,019	\$ 162,440

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 818 MG in the FY 2012.

CITY OF WEATHERFORD, TEXAS
MUNICIPAL UTILITY SYSTEM
WASTEWATER TREATMENT PLANT
2011-2012 ANNUAL BUDGET
(Unaudited)

Account Number	Account Title	Actual 2010-2011	Amended Budget 2011-2012	Actual 2011-2012	Variance Positive (Negative)
<u>Personal Services</u>					
101	Salaries & Wages	\$ 202,187	\$ 196,121	\$ 201,896	\$ 5,775)
102	Overtime	7,619	10,000	9,716	284
103	Education/Certification Pay	459	240	222	18
104	Salary Package	-	4,684	-	4,684
107	Group Medical/Life Insurance	28,823	29,025	28,855	170
108	FICA	16,051	15,774	16,233	(459)
109	Retirement (TMRS)	41,537	33,445	37,307	(3,862)
110	Workers Compensation	2,573	2,845	2,707	138
111	Unemployment Tax (TWC)	360	1,522	1,305	217
112	Longevity	1,576	1,816	1,816	-
	Total Personal Services	301,185	295,472	300,057	(4,585)
<u>Supplies</u>					
202	General Office Supplies	148	250	464	(214)
212	Chemicals	27,759	32,779	34,339	(1,560)
215	Food & Beverage	58	200	64	136
217	Janitorial Supplies	183	725	579	146
218	Medical & Laboratory Supplies	16,482	10,781	14,597	(3,816)
219	Uniforms & Protective Clothing	1,356	1,500	1,567	(67)
220	Vehicle Fuel & Oil	6,741	7,020	7,489	(469)
221	Vehicle Parts & Labor	5,914	5,332	7,570	(2,238)
222	Equipment Parts & Labor	46,886	29,000	34,793	(5,793)
223	Equipment Fuel & Oil	1,986	5,107	4,570	537
228	Safety Equipment	1,407	1,704	753	951
229	Miscellaneous	641	313	523	(210)
233	Street Repair Materials	75	-	-	-
235	Building & Grounds Maint.	5,472	-	-	-
247	Pumps & Controls	13,337	20,900	22,145	(1,245)
270	SCADA Parts	-	1,716	1,716	-
281	Small Tools & Equipment	1,078	4,066	3,462	604
	Total Supplies	129,523	121,393	134,631	(13,238)
<u>Services</u>					
302	Architect & Engineering Services	-	65,000	8,694	56,306
303	Legal Services	-	10,000	-	10,000
304	Medical Services	-	50	-	50

**WASTEWATER TREATMENT PLANT
(Cont.)**

Account Number	Account Title	Actual 2010-2011	Amended Budget 2011-2012	Actual 2011-2012	Variance Positive (Negative)
<u>Services (Cont.)</u>					
305	Seminar & Training Fees	\$ 178	\$ 3,625	\$ 750	\$ 2,875
308	Telephone	1,815	1,500	2,052	(552)
309	Postage	8	500	59	441
311	Travel Expense	-	300	50	250
312	Legal Advertising	965	5,000	-	5,000
318	Insurance	5,833	8,800	7,207	1,593
319	Utilities	202,153	296,368	178,958	117,410
320	Building Maintenance	300	4,000	3,647	353
322	Plant Equipment Maintenance	27,200	42,211	61,907	(19,696)
330	Membership Dues/Subscriptions	1,311	2,500	1,811	689
331	Laundry & Sanitation	38,256	37,389	37,202	187
334	Regulatory Testing/Monitoring	29,803	34,626	32,436	2,190
335	Regulatory Permit Fees	36,702	25,000	23,221	1,779
370	SCADA Maintenance	2,605	3,000	1,197	1,803
	Total Services	347,129	539,869	359,191	180,678
<u>Capital Outlay</u>					
414	Plant Equipment	56,636	19,725	20,140	(415)
	Total Capital Outlay	56,636	19,725	20,140	(415)
	TOTAL EXPENDITURES	\$ 834,473	\$ 976,459	\$ 814,019	\$ 162,440

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