

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

ANNUAL FINANCIAL REPORT

**FOR THE YEAR ENDED
SEPTEMBER 30, 2011**

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

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2011

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MUNICIPAL UTILITY SYSTEM**

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

PRINCIPAL OFFICIALS

**YEAR ENDED
SEPTEMBER 30, 2011**

**ELECTED
CITY COUNCIL**

Dennis Hooks – Mayor

Waymon Hamilton – Mayor Pro Tem
Council Member

Jeff Robinson – Council Member

Craig Swancy – Council Member

Heidi Wilder – Council Member

**APPOINTED/DESIGNATED
MUNICIPAL UTILITY BOARD**

Dennis Hooks – Mayor – Chairman

Waymon Hamilton – Designated Council Member

Craig Swancy – Designated Council Member

Ken Davis – Appointed Public Member

James Dickason – Appointed Public Member

Therylene Helm – 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

Ed 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

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INTRODUCTORY SECTION

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MESSAGE FROM THE CITY MANAGER

During the fiscal year ended September 30, 2011, 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 69 in fiscal year 2009-10 to 101 in fiscal year 2010-11, and commercial building permits had 51 recorded in fiscal year 2009-10 compared to 68 during fiscal year 2010-11.

The Electric Department saw a service connection increase of 142 or 1.1%. With that increase, as well as one of the hottest summers in recorded history, annual kWh sales increased 4.4% for fiscal year 2010-11.

The Electric Department continued new infrastructure construction to keep up with and ahead of this growth. During the 2010-11 fiscal year, three residential subdivisions, three commercial subdivisions, and 14 commercial construction projects were completed. 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 East Lake Drive, three-quarters of a mile of distribution feeder was upgraded on Santa Fe Drive, and a mile section of distribution feeder was upgraded on Tin Top Road.

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 does not expire until December 31, 2013, but it is the Board's intent to procure the electric utility's wholesale power supply needs well in advance of the end of the current contract.

The Water Department saw a service connection increase of 117 or 1.1%. That increase as well as a statistically significant drought for the region, annual water sales in gallons was up 26.4% for fiscal year 2010-11. Fiscal year 2011 was also the first year of the three-year phase in rate increases for water and wastewater services.

During fiscal year 2010-11, the Water Department maintenance crews installed 119 new water meters, 11 new water taps, replaced 149 water meters, 73 water services, 49 water main breaks, and 96 fire hydrants. In addition, the Water Department replaced the waterline at 300 N. Elm and installed a waterline at 600 E. Columbia. Several capital water projects began in FY10 were continued in FY11, which included a 20-inch waterline, a 12-inch waterline, a 10-inch sanitary sewer line and a 12-inch sanitary sewer line.

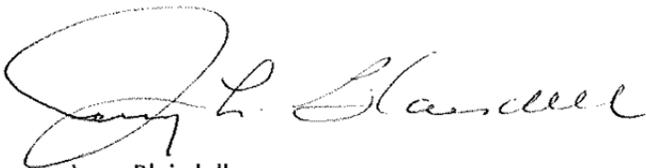
In the wastewater collection system, the wastewater maintenance crews repaired 20 wastewater services, and 46 wastewater main breaks. Crews also jetted 523,015 feet of wastewater lines; inspected 30,658 feet of wastewater line, smoke tested 21,762 feet of wastewater line, responded to 262 stop-ups, 201 grinder pump malfunctions, and 218 call-outs to lift stations and inspected all the grinder pumps operated by the City. The in-house water/wastewater crews replaced over 4,180 feet of sewer mains, 31 sewer taps, and 26 manholes. Some of these projects occurred at 1100 S. Brazos, 1300 S. Sloan, 700 S. Lamar, 700 Ft. Worth and 100 E. Akard.

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.

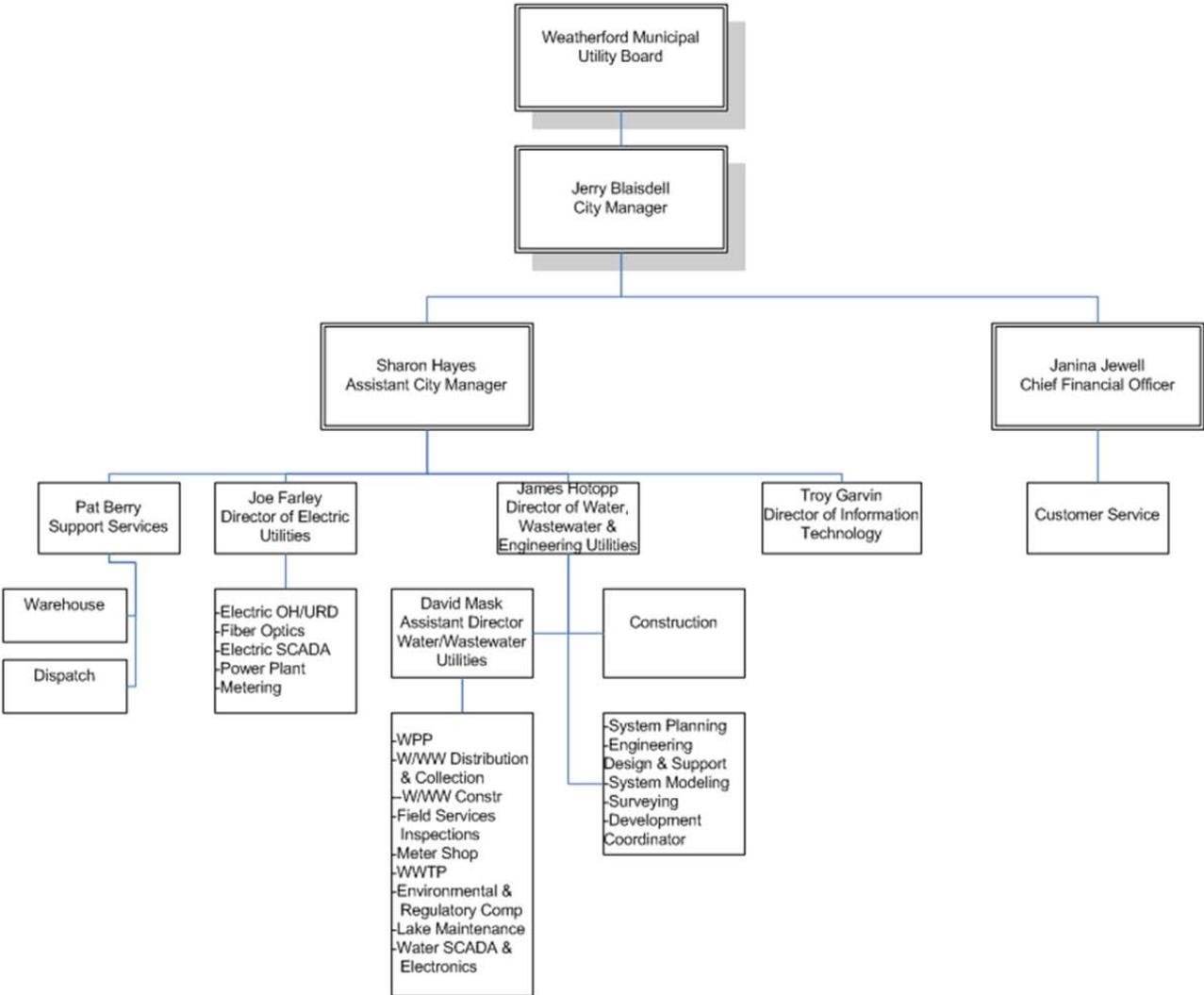
The Board's commitment to policy direction is very much appreciated.

A handwritten signature in black ink, appearing to read "Jerry L. Blaisdell". The signature is fluid and cursive, with a large initial "J" and "B".

Jerry Blaisdell
City Manager

Organizational Chart

Weatherford Municipal Utilities



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

PRINCIPAL OFFICIALS

**YEAR ENDED
SEPTEMBER 30, 2011**

**ELECTED
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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, 2011 and 2010, 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, 2011 and 2010, and the changes in its financial position, or, where applicable, its 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, 2011 and 2010, 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.

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 23, 2012

FINANCIAL STATEMENTS

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

COMPARATIVE STATEMENTS OF NET ASSETS

SEPTEMBER 30, 2011 AND 2010

	2011	2010
ASSETS		
Current assets:		
Unrestricted assets:		
Cash and cash equivalents	\$ 22,049,959	\$ 20,832,583
Investments	535,685	-
Receivables:		
Accounts, net of allowances for uncollectible of \$2,441,297 and \$509,090 for 2011 and 2010, respectively	3,512,112	2,503,438
Earned but unbilled customer accounts	2,360,338	1,904,992
Other	72,557	61,711
Inventory	3,178,485	3,599,645
Prepaid expenses	35,182	49,995
Restricted assets:		
Cash and cash equivalents		
Revenue bond debt service	836,562	793,375
Revenue bond reserve	532,037	4,036,881
Investments - revenue bond reserve	3,512,915	-
Due from other governments	-	65,837
Accrued interest	3,168	-
Total current assets	36,629,000	33,848,457
Noncurrent assets:		
Deferred charges	414,542	475,515
Capital assets:		
Nondepreciable	3,619,323	3,177,151
Depreciable, net of accumulated depreciation	108,390,180	107,927,039
Total noncurrent assets	112,424,045	111,579,705
Total assets	149,053,045	145,428,162

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

	<u>2011</u>	<u>2010</u>
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 2,457,787	\$ 2,423,461
Accrued wages	130,422	115,193
Accrued interest	11,688	131,374
Other accrued liabilities	10,985	30,051
Unearned revenue	2,313,595	2,411,651
Customer deposits	1,102,368	1,021,434
Notes payable	165,163	157,734
Capital lease	45,790	19,794
Revenue bonds	2,514,138	2,396,667
Compensated absences	155,745	160,039
Payable from restricted assets:		
Accrued interest	160,671	169,488
Revenue bonds payable	<u>227,083</u>	<u>218,333</u>
Total current liabilities	<u>9,295,435</u>	<u>9,255,219</u>
Noncurrent liabilities:		
Notes payable	603,768	768,933
Capital lease	26,125	21,300
Revenue bonds	38,357,434	41,124,876
Compensated absences	973,821	955,777
Net pension obligation	462,322	300,125
Net OPEB obligation	<u>495,447</u>	<u>334,047</u>
Total noncurrent liabilities	<u>40,918,917</u>	<u>43,505,058</u>
Total liabilities	<u>50,214,352</u>	<u>52,760,277</u>
NET ASSETS		
Invested in capital assets, net of related debt	70,070,002	66,913,162
Restricted for:		
Debt service	4,496,928	6,417,957
Construction	3,866,615	6,585,491
Unrestricted	<u>20,405,148</u>	<u>12,751,275</u>
Total net assets	<u>\$ 98,838,693</u>	<u>\$ 92,667,885</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, 2011 AND 2010

	2011	2010
OPERATING REVENUES		
Electric sales	\$ 34,541,361	\$ 34,729,534
Electric services	576,896	535,390
Water sales	8,209,795	5,544,945
Water pumping services	-	49,918
Water services	33,795	34,764
Wastewater services	4,740,718	3,692,973
Total operating revenues	48,102,565	44,587,524
OPERATING EXPENSES		
Personnel services	6,130,780	6,086,386
Contractual services	3,527,526	3,141,604
Purchased power	20,985,190	23,245,445
Materials and supplies	2,012,500	1,717,165
Depreciation	4,225,227	4,123,303
Total operating expenses	36,881,223	38,313,903
OPERATING INCOME	11,221,342	6,273,621
NONOPERATING REVENUES (EXPENSES)		
Investment earnings	40,698	60,567
Miscellaneous	46,572	66,912
Rentals	919,027	794,415
Interest and fiscal charges	(2,048,715)	(2,071,641)
Total nonoperating revenues (expenses)	(1,042,418)	(1,149,747)
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	10,178,924	5,123,874
Capital contributions	1,122,523	1,465,257
Transfers in	37,832	83,558
Transfers out	(5,168,471)	(4,838,238)
NET CHANGE IN NET ASSETS	6,170,808	1,834,451
NET ASSETS, BEGINNING	92,667,885	90,833,434
NET ASSETS, ENDING	\$ 98,838,693	\$ 92,667,885

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, 2011 AND 2010**

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 46,610,577	\$ 47,388,780
Cash paid to employees	(5,778,204)	(5,625,428)
Cash paid to suppliers	(26,019,131)	(30,248,608)
Net cash provided by operating activities	14,813,242	11,514,744
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Cash received from rentals	919,027	794,415
Cash received for miscellaneous items	46,572	52,326
Transfers from other funds	37,832	83,558
Transfers to other funds	(5,168,471)	(4,838,238)
Net cash used by noncapital financing activities	(4,165,040)	(3,907,939)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from sale of capital assets	-	29,172
Proceeds from developers for contributions in aid of construction	636,526	743,775
Principal payments on long-term debt	(2,820,398)	(2,688,314)
Acquisition and construction of capital assets	(4,675,205)	(6,860,479)
Interest and fiscal charges on debt	(2,022,336)	(2,026,046)
Net cash used by capital and related financing activities	(8,881,413)	(10,801,892)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	49,479	62,263
Purchase of investments	(4,060,549)	-
Sale of investments	-	2,995,383
Net cash provided (used) by investing activities	(4,011,070)	3,057,646
NET DECREASE IN CASH	(2,244,281)	(137,441)
CASH AND CASH EQUIVALENTS, BEGINNING	25,662,839	25,800,280
CASH AND CASH EQUIVALENTS, ENDING	\$ 23,418,558	\$ 25,662,839
RECONCILIATION OF TOTAL CASH AND CASH EQUIVALENTS		
Current assets - cash and cash equivalents	22,049,959	20,832,583
Restricted assets - cash and cash equivalents	1,368,599	4,830,256
Total cash and cash equivalents	\$ 23,418,558	\$ 25,662,839

(continued)

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

**COMPARATIVE STATEMENTS OF CASH FLOWS
(Continued)
FOR THE YEARS ENDED SEPTEMBER 30, 2011 AND 2010**

	2011	2010
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income	\$ 11,221,342	\$ 6,273,621
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	4,225,227	4,123,303
Decrease (increase) in accounts receivable	(1,019,520)	875,099
Decrease (increase) in earned but unbilled customer accounts	(455,346)	1,978,168
Decrease (increase) in due from other funds	-	36,068
Decrease (increase) in due from other governments	65,837	-
Decrease (increase) in inventory	421,160	270,702
Decrease (increase) in prepaid expenses	14,813	(49,995)
Increase (decrease) in accounts payable	4,275	(1,908,332)
Increase (decrease) in accrued wages payable	15,229	26,204
Increase (decrease) in due to other funds	-	(309,508)
Increase (decrease) in unearned revenue	(98,056)	(59,110)
Increase (decrease) in customer deposits	80,934	7,099
Increase (decrease) in retainage payable	-	(183,329)
Increase (decrease) in compensated absences	13,750	91,554
Increase (decrease) in net pension obligation	162,197	176,084
Increase (decrease) in net OPEB obligation	161,400	167,116
Net cash provided by operating activities	\$ 14,813,242	\$ 11,514,744
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
Capital lease	\$ 78,485	\$ 64,012
Capital contributions from developers	485,997	721,482
Change in fair value of investments	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, 2011

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. Unused vacation leave is carried forward from one year to the next without limit. 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: The Utility System has no formal policy addressing credit risk. However, safety of principal is the primary objective of the Utility System's investment policy. In accordance with this objective, the Utility System limits its investments to those that have been issued one of the top ratings by a nationally recognized credit rating agency. As of September 30, 2011, 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 market value. Accordingly, the fair value of the position in TexStar is the same as the value of the TexStar shares.

The Utility System's investments as of September 30, 2011 and 2010, are shown below.

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	10/01/11	\$ 12,114,062	47.37%	44
TexStar	10/01/11	9,408,247	36.79%	40
U.S. Government Securities:				
Federal Home Loan	09/27/13	535,685	2.10%	728
U. S. Treasury Note	07/31/12	2,007,890	7.85%	305
U. S. Treasury Note	02/29/12	1,505,025	5.89%	152
Total		4,048,600	15.84%	
Total investments		\$ 25,570,909	100.00%	

As of September 30, 2010:

Description	Maturity Date	Fair Value	% of Total	Weighted Average Maturity (Days)
Local Government Investment				
Pools (2a-7 like pools):				
TexPool	10/01/10	\$ 11,700,236	60.82%	34
TexStar	10/01/10	7,537,121	39.18%	46
Total investments		\$ 19,237,357	100.00%	

(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	\$ 5,168,471
Utility System	Solid Waste Fund	<u>37,832</u>
Total Transfers		<u>\$ 5,206,303</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, 2011 and 2010, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Transfers/ Retirements</u>	<u>Ending Balance</u>
September 30, 2011				
Capital assets, not being depreciated:				
Land	\$ 2,223,092	\$ 1,394	\$ -	\$ 2,224,486
Construction in progress	<u>954,059</u>	<u>1,388,660</u>	<u>(947,882)</u>	<u>1,394,837</u>
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	<u>5,756,723</u>	<u>593,100</u>	<u>(44,529)</u>	<u>6,305,294</u>
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	<u>(4,116,191)</u>	<u>(363,354)</u>	<u>44,526</u>	<u>(4,435,019)</u>
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>

(continued)

II. DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital Assets (Continued)

	Beginning Balance	Additions	Transfers/ Retirements	Ending Balance
September 30, 2010				
Capital assets, not being depreciated:				
Land	\$ 2,430,140	\$ -	\$(207,048)	\$ 2,223,092
Construction in progress	6,605,577	492,755	(6,144,273)	954,059
Total assets not being depreciated	<u>9,035,717</u>	<u>492,755</u>	<u>(6,351,321)</u>	<u>3,177,151</u>
Capital assets, being depreciated:				
Buildings and improvements	18,926,187	-	-	18,926,187
Other improvements	123,143,628	3,378,744	9,618,630	136,141,002
Machinery and equipment	5,384,765	492,576	(120,618)	5,756,723
Total capital assets being depreciated	<u>147,454,580</u>	<u>3,871,320</u>	<u>9,498,012</u>	<u>160,823,912</u>
Less accumulated depreciation:				
Buildings and improvements	(7,407,573)	(436,774)	-	(7,844,347)
Other improvements	(37,603,398)	(3,332,937)	-	(40,936,335)
Machinery and equipment	(3,883,220)	(350,600)	117,629	(4,116,191)
Total accumulated depreciation	<u>(48,894,191)</u>	<u>(4,120,311)</u>	<u>117,629</u>	<u>(52,896,873)</u>
Total capital assets being depreciated, net	<u>98,560,389</u>	<u>(248,991)</u>	<u>9,615,641</u>	<u>107,927,039</u>
Municipal Utility capital assets, net	<u>\$ 107,596,106</u>	<u>\$ 243,764</u>	<u>\$ 3,264,320</u>	<u>\$ 111,104,190</u>

D. Long-term Liabilities

Long-term liability activity for the years ended September 30, 2011 and 2010, was as follows:

	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>

(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, 2010					
Bonds payable:					
Revenue bonds	\$ 45,270,000	\$ -	\$ 2,515,000	\$ 42,755,000	\$ 2,615,000
Issuance premium/discount	1,448,886	-	123,304	1,325,582	-
Less: deferred amount on refunding	(449,100)	-	(108,394)	(340,706)	-
Total bonds payable	46,269,786	-	2,529,910	43,739,876	2,615,000
Tax note	600,000	-	90,000	510,000	95,000
State infrastructure loans	477,063	-	60,396	416,667	62,734
Capital lease obligation	-	64,012	22,918	41,094	19,794
OPEB obligation	166,931	258,329	91,213	334,047	-
Pension obligation	124,041	865,300	689,216	300,125	-
Compensated absences	1,024,262	434,575	343,021	1,115,816	160,039
Municipal Utility long-term liabilities	\$ 48,662,083	\$ 1,622,216	\$ 3,826,674	\$ 46,457,625	\$ 2,952,567

The Utility System had capitalized interest expense of \$34,890 and \$129,481, on various construction projects in progress during fiscal year 2011 and 2010, respectively.

Bonds payable at September 30, 2011 and 2010, consist of the following individual issues:

	2011	2010
\$10,085,000 1996 Combined Utility System Refunding Bonds, due in annual installments through September 1, 2011, 3.30% - 5.00%.	\$ -	\$ 535,000
\$21,055,000 2005 Utility System Refunding Bonds, due in annual installments through September 1, 2018, 3.00% - 5.00% .	16,305,000	17,320,000
\$20,000,000 2006 Utility System Improvement Bonds, due in annual installments through September 1, 2026, 4.00% - 5.125%.	19,390,000	19,520,000
\$6,575,000 2008 Utility System Refunding Bonds, due in annual installments through September 1, 2018, 3.46%.	4,445,000	5,380,000
	<u>\$ 40,140,000</u>	<u>\$ 42,755,000</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, 2011, are as follows:

Fiscal Year	Principal	Interest	Total
2012	\$ 2,715,000	\$ 1,912,988	\$ 4,627,988
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
2017-2021	14,110,000	4,743,158	18,853,158
2022-2026	<u>11,120,000</u>	<u>1,667,602</u>	<u>12,787,602</u>
Total	<u>\$ 40,140,000</u>	<u>\$ 14,657,548</u>	<u>\$ 54,797,548</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, 2011 and 2010.

	2011		2010	
	<u>Required</u>	<u>Actual</u>	<u>Required</u>	<u>Actual</u>
Reserve fund	\$ 3,987,280	\$ 4,048,120	\$ 3,987,280	\$ 4,036,881
Bond fund	445,254	836,562	442,822	793,375

(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, 2011 and 2010:

Description and Terms	2011	2010
Bank of America:		
\$690,000 2009 Tax Notes, due in annual installments through March 1, 2015, 3.63%.	\$ 415,000	\$ 510,000
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.	45,320	66,622
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.	265,175	293,099
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.	43,436	56,946
	<u>\$ 768,931</u>	<u>\$ 926,667</u>

The annual debt payment requirements for notes payable as of September 30, 2011, are as follows:

Fiscal Year	Principal	Interest	Total
2012	\$ 165,163	\$ 26,750	\$ 191,913
2013	167,686	20,597	188,283
2014	151,209	14,255	165,464
2015	142,416	8,642	151,058
2016	33,647	5,413	39,060
2017-2019	<u>108,810</u>	<u>8,372</u>	<u>117,182</u>
Total	<u>\$ 768,931</u>	<u>\$ 84,029</u>	<u>\$ 852,960</u>

The Utility System has entered into a lease agreement as lessee for financing the acquisition of computers of various departments. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of their minimum lease payments as of the inception date. The assets acquired through the capital lease were below the Utility System's capitalization threshold; therefore, the items were not capitalized.

(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, 2011, are as follows:

Fiscal Year	<u>Capital Lease</u>
2012	\$ 50,788
2013	<u>27,870</u>
Total minimum lease payments	78,658
Less: amount representing interest	<u>(6,743)</u>
Present value of minimum lease payments	<u>\$ 71,915</u>

III. OTHER INFORMATION

A. Retirement Plan

Plan Description

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

TMRS issues a 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:

	<u>Plan Year 2010</u>	<u>Plan Year 2011</u>
Employee deposit rate	7.0%	7.0%
Matching ratio (city to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service retirement eligibility (expressed as age/years of service)	60/5, 0/20	60/5, 0/20
Updated service credit	100% repeating, transfers	100% repeating, transfers
Annuity increase to retirees	70% of CPI repeating	70% of CPI repeating

(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>2010</u>	<u>2011</u>
Annual required contribution (ARC)	\$ 3,308,509	\$ 3,461,822
Interest on net pension obligation	36,684	85,359
Adjustment to ARC	<u>(29,865)</u>	<u>(70,625)</u>
Annual pension cost	3,315,328	3,476,556
Contributions made	<u>(2,666,331)</u>	<u>(2,857,839)</u>
Change in net pension obligation	648,997	618,717
Net pension obligation, beginning of year	<u>489,122</u>	<u>1,138,119</u>
Net pension obligation, end of year	<u>\$ 1,138,119</u>	<u>\$ 1,756,836</u>
Percentage of APC contributed	80.4%	82.2%

Fiscal Year Ending	Annual Pension Cost (APC)	Annual Contribution Made	Percentage of APC Contributed	Net Pension Obligation (Asset)
09/30/2009	\$ 2,931,096	\$ 2,441,974	83%	\$ 489,122
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

The Utility System's portion of the net pension obligation was \$462,322 and \$300,125 as of September 30, 2011 and 2010, respectively.

(continued)

III. OTHER INFORMATION (Continued)

A. Retirement Plan (Continued)

Contributions (Continued)

The required contribution rates for fiscal year 2011 were determined as part of the December 31, 2008 and 2009, actuarial valuations. Additional information as of the latest actuarial valuation, December 31, 2010, also follows:

Actuarial Liabilities and Funding Progress

Actuarial Valuation Date	12/31/08	12/31/09	12/31/10- Prior to restructuring	12/31/10- restructured
Actuarial cost method	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
Amortization method	Level percentage of payroll	Level percentage of payroll	Level percent of payroll	Level percent of payroll
GASB 25 equivalent single amortization period	29 years; closed period	28.1 years; closed period	27.1 years; closed period	27.2 years; closed period
Amortization period for new gains/losses	30 years	30 years	30 years	30 years
Asset valuation method	Amortized cost	10-year Smoothed market	10-year smoothed market	10-year smoothed market
Actuarial Assumptions:				
Investment rate of return*	7.5%	7.5%	7.5%	7.0%
Projected salary increases*	varies by age and service	varies by age and service	varies by age and service	varies by age and service
*Includes inflation at	3.0%	3.0%	3.0%	3.0%
Cost-of-living adjustments	2.1%	2.1%	2.1%	2.1%

Funded Status and Funding Progress

In June 2011, SB 350 was enacted by the Texas Legislature, resulting in a restructure of the TMRS funds. This legislation provided for the actuarial valuation to be completed, as if restructuring had occurred on December 31, 2010. In addition, the actuarial assumptions were updated for the new fund structure, based on an actuarial experience study that was adopted by the TMRS Board at their May 2011 meeting (the review compared actual to expected experience for the four-year period of January 1, 2006 through December 31, 2009). For a complete description of the combined impact of the legislation and new actuarial assumptions, including the effects on TMRS city rates and funding ratios, please see the December 31, 2010 TMRS Comprehensive Annual Financial Report (CAFR).

(continued)

III. OTHER INFORMATION (Continued)

A. Retirement Plan (Continued)

Funded Status and Funding Progress (Continued)

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)
12/31/08	\$ 32,648,294	\$ 53,115,834	\$ 20,467,540	61.5%	\$ 16,389,033	124.9%
12/31/09	35,653,368	58,401,386	22,748,018	61.0%	17,752,717	128.1%
12/31/10 ¹	37,510,953	60,412,653	22,901,700	62.1%	18,077,202	126.7%
12/31/10 ²	59,110,509	78,326,714	19,216,205	75.5%	18,077,202	106.3%

¹Actuarial valuation performed under the original fund structure.

²Actuarial valuation performed under the new fund structure.

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, 2010, 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 fulltime service with the City. On March 1, 2007, the City changed this policy to only pay the medical premiums for those retirees who attain age 55 with 20 years of continuous service before retirement and meet the requirements under TMRS. On September 23, 2008, eligibility was further limited to those employees that were hired regular, fulltime before October 1, 2008.

(continued)

III. OTHER INFORMATION (Continued)

B. Other Postemployment Benefits (Continued)

Retiree Health Plan (Continued)

Plan Description (Continued)

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

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

The City 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, 2011 and 2010, are as follows:

(continued)

III. OTHER INFORMATION (Continued)

B. Other Postemployment Benefits (Continued)

Retiree Health Plan (Continued)

Funding Policy (Continued)

	<u>2011</u>	<u>2010</u>
Annual required contribution	\$ 896,389	\$ 947,697
Interest on OPEB obligation	56,054	27,778
Adjustment to ARC	<u>(51,934)</u>	<u>(25,736)</u>
Annual OPEB cost (expense) end of year	900,509	949,739
Net estimated employer contributions	<u>(295,480)</u>	<u>(321,382)</u>
Increase in net OPEB obligation	605,029	628,357
Net OPEB obligation - as of beginning of the year	<u>1,245,655</u>	<u>617,298</u>
Net OPEB obligation - as of end of the year	<u>\$ 1,850,684</u>	<u>\$ 1,245,655</u>

The Utility System's portion of the net OPEB obligation was \$495,447 and \$334,047 as of September 30, 2011 and 2010, 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>
09/30/09	\$ 920,094	\$ 302,796	32.9%	\$ 617,298
09/30/10	949,739	321,382	33.8%	1,245,655
09/30/11	900,509	295,480	32.8%	1,850,684

Funded Status and Funding Progress

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

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

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
12/31/08	\$ -	\$ 10,339,130	\$ 10,339,130	- %	\$ 16,311,246	63.39%
12/31/10	-	10,420,335	10,420,335	- %	15,499,288	67.23%

(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. A schedule of funding progress presents multi-trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. The 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	9:5 initial and declining 4.5% ultimate after 10 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. The required schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, provides multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Supplemental Death Benefits Plan for Retirees

Plan Description

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

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

Contributions

The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to pre-fund retiree term life insurance during employees' entire careers. Contributions are made on a monthly basis on the covered payroll of employee members of the City.

(continued)

III. OTHER INFORMATION (Continued)

B. Other Postemployment Benefits (Continued)

Supplemental Death Benefits Plan for Retirees (Continued)

Plan Description (Continued)

City of Weatherford Schedule of Contribution Rates

<u>Plan/ Calendar Year</u>	<u>Annual Required Contribution (ARC)</u>	<u>Actual Contribution</u>	<u>Percentage of ARC Contributed</u>
2009	0.03%	0.03%	100.0%
2010	0.04%	0.04%	100.0%
2011	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	2,500
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	1,000

*Actual cash value

**Blanket limit

There have been no reductions in coverage from the coverage in the previous two years, and there have been no settlements that exceeded coverage in the current or past four fiscal years. On October 1, 2011, the Utility System's insurance deductibles increased significantly from prior years.

E. Contingencies

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

F. 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.

In November 2007, the City signed a five-year agreement with AEP Energy Partners, Inc. (AEP) beginning January 1, 2008. Under terms of the contract, the Utility System agreed to purchase the full requirements for its retail customer base. The contract assumes normal retail growth and, subject to the agreement of both parties, can be amended to include requirements in excess of normal growth. During the Winter/Spring of 2008, energy congestion charges exceeded expectations of this contract so the Utility System and AEP negotiated a new contract. This contract, which removed the energy congestion charges from a 40% cost generation in the west zone, is now based on natural gas rates and generation. This was signed May 16, 2008, with an effective date of May 16, 2008.

(continued)

III. OTHER INFORMATION (Continued)

F. Commitments (Continued)

In an effort to protect the Utility System from price changes for the purchase of power the Utility System fixed certain rates included in the purchase price of the AEP contract. As of September 30, 2011, the rates were fixed for 50% of power purchased in the months of December 2011, January 2012 and February 2012. This normal purchase contract is reported at historical prices when an exchange occurs.

During the year ended September 30, 2011 and 2010, the total KWHs purchased, total cost, and cost per KWH were as follows:

<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>
<u>2010</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>384,427,776</u>	<u>\$ 23,229,243</u>	<u>\$ 0.0604</u>

On October 28, 2010, the Board approved a contract with Williams Paint and Sandblasting in the amount of \$233,695 for recoating of the Trident Filtration Tanks at the Water Purification Plant. This project is being funded with utility funds. As of September 30, 2011, work completed and billed totaled \$109,848.

G. Subsequent Events

On December 15, 2011, the Utility System entered into a TXDOT State Infrastructure Bank (SIB) Loan Agreement for \$650,000 with a 2.45% interest rate. This debt will provide funding for utility relocation improvements.

On November 15, 2011, the Utility System entered into a capital lease with Suntrust Equipment Finance & Leasing Corp. for \$1,581,419 with a 2.58% interest rate. This lease was entered into for the purchase of equipment.

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CAPITAL ASSETS

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

SCHEDULES OF CAPITAL ASSETS

SEPTEMBER 30, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
Land	\$ 2,224,486	\$ 2,223,092
Buildings and improvements	18,936,156	18,926,187
Other improvements	140,226,304	136,141,002
Machinery and equipment	6,305,294	5,756,723
Construction in progress	<u>1,394,837</u>	<u>954,059</u>
	169,087,077	164,001,063
Less accumulated depreciation	<u>(57,077,574)</u>	<u>(52,896,873)</u>
Totals	<u>\$ 112,009,503</u>	<u>\$ 111,104,190</u>

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

SCHEDULE OF CAPITAL ASSETS BY FUNCTION AND ACTIVITY

SEPTEMBER 30, 2011

<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	\$ 5,184,497	\$ 326,764	\$ 2,777,292	\$ 1,052,970	\$ 1,027,471	\$ -
Water production	25,638,061	1,055,502	12,534,984	11,455,950	591,625	-
Water distribution	52,406,117	662,302	55,619	50,244,007	564,315	879,874
Wastewater	36,391,697	136,810	3,231,643	30,872,321	1,635,960	514,963
Electric production	1,192,893	11,334	336,618	13,203	831,738	-
Electric distribution	<u>48,273,812</u>	<u>31,774</u>	<u>-</u>	<u>46,587,853</u>	<u>1,654,185</u>	<u>-</u>
Total capital assets	<u>\$ 169,087,077</u>	<u>\$ 2,224,486</u>	<u>\$ 18,936,156</u>	<u>\$ 140,226,304</u>	<u>\$ 6,305,294</u>	<u>\$ 1,394,837</u>

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

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

FOR THE YEAR ENDED SEPTEMBER 30, 2011

<u>Function and Activity</u>	<u>Balance 09/30/10</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 09/30/11</u>
Administration	\$ 5,127,104	\$ 136,808	\$(79,415)	\$ 5,184,497
Water production	25,364,291	285,630	(11,860)	25,638,061
Water distribution	51,072,661	1,333,456	-	52,406,117
Wastewater	35,201,826	1,209,490	(19,619)	36,391,697
Electric production	1,192,893	-	-	1,192,893
Electric distribution	<u>46,042,288</u>	<u>2,284,408</u>	<u>(52,884)</u>	<u>48,273,812</u>
Total capital assets	<u>\$ 164,001,063</u>	<u>\$ 5,249,792</u>	<u>\$(163,778)</u>	<u>\$ 169,087,077</u>

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STATISTICAL SECTION

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

PLEDGED REVENUE COVERAGE

**SEPTEMBER 30, 2011
(UNAUDITED)**

Fiscal Year	Utility System Revenue Bonds					Coverage
	Gross Revenues (1)	Less: Operating Expenses (2)	Net Available Revenue	Debt Service		
				Principal	Interest	
2001/02	\$ 29,730,212	\$ 20,509,421	\$ 9,220,791	\$ 1,725,000	\$ 2,049,184	2.44%
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%

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>
2002	273,997,234	750,677	68,419
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

* 39.4% Increase since 2002 (KWHR)
 ** 39.4% Increase since 2002 (KWHR)
 *** 41.3% Increase since 2002 (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>
2002	978,640	2,681	6,700
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

- * 40.4% Increase since 2002
- ** 40.4% Increase since 2002
- *** 35.4% Decrease since 2002

19,900 pop. - 134.720 gals per day per person (2002)
25,250 pop. - 149.03 gals per day per person (2011)

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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>
2002	744,423	2,040	4,092
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

* 4.6% Decrease since 2002

** 4.6% Decrease since 2002

*** 34.2% Decrease since 2002

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, 2011
(UNAUDITED)**

Date of incorporation	January 2, 1858
Form of government	Council/Manager
Number of full-time employees (excluding police and fire):	244
Area in square miles	26.76
Facilities and Services	
Miles of streets	225.32
Number of street lights	1,695
Culture and Recreation:	
Public libraries	1
Total library holdings	102,847
Community centers	2
Parks	10
Park acreage	354
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	17
Number of calls answered	4,575
Police Protection:	
Number of stations	1
Number of police personnel and officers	79
Number of patrol units	22
Number of law violations:	
Arrests	1,104
Violations other than parking	6,628
Parking violations	71

(continued)

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

**MISCELLANEOUS STATISTICS
(Continued)
SEPTEMBER 30, 2011
(UNAUDITED)**

Facilities and Services - continued

Sanitary Sewer System:

Miles of sanitary sewers	207.20
Number of treatment plants	1
Number of service connections	9,881
Daily average treatment in gallons	2,133,000
Permitted daily capacity of treatment plant in gallons	4,500,000

Water System:

Miles of water mains	271.70
Number of service connections	10,721
Number of fire hydrants	1,355
Daily average consumption in gallons	4,730,000
Maximum daily capacity of plant in gallons	14,000,000
Total water storage capacity	7,600,000
Annual water sales in gallons	1,417,482,000

Electric Distribution System:

Miles of distribution lines	326
Number of service connections	13,560
Total system peak demand (kw)	96,681
Annual kilowatt-hour sales (kwh)	381,826,440

Other Community Facilities:

Education:

Number of elementary schools	7
Number of elementary school instructors	268
Number of secondary schools	4
Number of secondary school instructors	218
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, 2011
(UNAUDITED)**

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

Residential	\$6.17 customer charge \$.0481 per KWH May - October \$.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)	\$28.17 customer charge \$3.43 per KW demand \$.0322 per KWH
Large General Service - 2 (Demand 200 - 1000 KVA)	\$48.17 customer charge \$2.96 per KVA demand \$.0297 per KWH \$.0297 per KWH (if primary metered)
Large General Service - 3 (Demand 1000 KVA or more)	\$79.83 customer charge \$6.62 per KVA demand \$.0194 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, 2011
(UNAUDITED)**

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

RESIDENTIAL WATER CUSTOMER

Customer Charge (minimum)	\$9.87
Per Cu. Ft. (0-1,000)	\$0.0294
Per Cu. Ft. (1,001-3,500)	\$0.0366
Per Cu. Ft. (3,501-5,000)	\$0.0461
Per Cu. Ft. (all over 5,000)	\$0.0565

RURAL WATER CUSTOMER - Westridge/Southcrest Subdivisions

Customer Charge (minimum)	\$9.87
Residential:	
Per Cu. Ft. (0-1,000)	\$0.0534
Per Cu. Ft. (1,001-3,500)	\$0.0606
Per Cu. Ft. (3,501-5,000)	\$0.0701
Per Cu. Ft. (all over 5,000)	\$0.0850
Commercial	\$0.0557

COMMERCIAL RATES

Customer Charge (minimum)	\$12.43
Per Cu. Ft.	\$0.0317

OFFSITE COMMERCIAL/INDUSTRIAL

Fire Hydrant Meters	
Customer Charge (minimum) - FH 2 inch	\$41.60
Customer Charge (minimum) - FH 3 inch	\$81.18
Per Cu. Ft. (all)	\$0.0617

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
MUNICIPAL UTILITY SYSTEM
September 30, 2011**

**MAJOR CAPITAL PROJECTS SUMMARY
FOR THE PERIOD 10/01/10 - 9/30/11
(Unaudited)**

	PROJECT BUDGET	BALANCE 9/30/2010	FISCAL YEAR 2010-2011	BALANCE 9/30/2011
<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	-	1,782,717.38	4,322.53	1,787,039.91
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	-	456,754.94	34,890.12	491,645.06
Capitalized Interest - 2009 Tax Notes	-	40,104.77	-	40,104.77
TOTAL REVENUES	\$ 22,117,188.00	\$ 25,119,397.84	\$ 39,212.65	\$ 25,158,610.49
<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	5,801,751.55	805,895.18	6,607,646.73
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	64,435.55
SH 51 12" Water Line	-	-	60,332.71	60,332.71
Lift Station #6 Improvements	150,000.00	70,670.25	206,150.98	276,821.23
Lift Station #8 Relocation	600,000.00	696,533.18	352,358.16	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	\$ 21,350,324.36	\$ 1,489,172.58	\$ 22,839,496.94
ENDING BALANCE	\$ -	\$ 3,769,073.48	\$ (1,449,959.93)	\$ 2,319,113.55

**CITY OF WEATHERFORD
MUNICIPAL UTILITY SYSTEM
September 30, 2011**

**RAILROAD SUBSTATION CONSTRUCTION
(Unaudited)**

	BALANCE 9/30/2010	FISCAL YEAR 2010-2011	BALANCE 9/30/2011
<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
MUNICIPAL UTILITY SYSTEM
September 30, 2011**

**WATER PURIFICATION PLANT EXPANSION
(Unaudited)**

	BALANCE 9/30/2010	FISCAL YEAR 2010-2011	BALANCE 9/30/2011
<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
MUNICIPAL UTILITY SYSTEM
September 30, 2011**

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

	BALANCE 9/30/2010	FISCAL YEAR 2010-2011	BALANCE 9/30/2011
<u>PROJECT EXPENDITURES</u>			
ENGINEERING SERVICES	\$ 550,576.10	\$ -	\$ 550,576.10
LAND	81,100.00	-	81,100.00
LAND EASEMENTS/ROW'S	119,889.44	-	119,889.44
CONSTRUCTION	3,098,277.54	-	3,098,277.54
MISC. & CONTINGENCY	126,561.65	-	126,561.65
CAPITALIZED INTEREST	120,279.45	-	120,279.45
<i>TOTAL EXPENDITURES</i>	\$ 4,096,684.18	\$ -	\$ 4,096,684.18

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

**CITY OF WEATHERFORD
MUNICIPAL UTILITY SYSTEM
September 30, 2011**

**PARALLEL TREATED WATER LINE
(Unaudited)**

	BALANCE 9/30/2010	FISCAL YEAR 2010-2011	BALANCE 9/30/2011
<u>PROJECT EXPENDITURES</u>			
ENGINEERING SERVICES	\$ 1,124,830.00	\$ 28,825.00	\$ 1,153,655.00
LAND EASEMENTS/RIGHT-OF-WAYS	484,059.00	-	484,059.00
CONSTRUCTION	4,003,115.65	753,328.26	4,756,443.91
MISC. & CONTINGENCY	2,762.07	4,586.61	7,348.68
CAPITALIZED INTEREST	186,984.83	19,155.31	206,140.14
<i>TOTAL EXPENDITURES</i>	\$ 5,801,751.55	\$ 805,895.18	\$ 6,607,646.73

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
MUNICIPAL UTILITY SYSTEM
September 30, 2011**

**WESTERN LOOP WATER LINE
(Unaudited)**

	BALANCE 9/30/2010	FISCAL YEAR 2010-2011	BALANCE 9/30/2011
<u>PROJECT EXPENDITURES</u>			
ENGINEERING SERVICES	\$ -	\$ 13,093.16	\$ 13,093.16
MISC. & CONSTRUCTION	-	30,230.86	\$ 30,230.86
CAPITALIZED LABOR	-	19,579.96	\$ 19,579.96
CAPITALIZED INTEREST	-	1,531.57	\$ 1,531.57
<i>TOTAL EXPENDITURES</i>	\$ -	\$ 64,435.55	\$ 64,435.55

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
MUNICIPAL UTILITY SYSTEM
September 30, 2011**

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

	BALANCE 9/30/2010	FISCAL YEAR 2010-2011	BALANCE 9/30/2011
<u>PROJECT EXPENDITURES</u>			
ENGINEERING SERVICES	\$ -	\$ -	\$ -
MISC. & CONSTRUCTION	-	58,547.43	\$ 58,547.43
CAPITALIZED LABOR	-	351.23	\$ 351.23
CAPITALIZED INTEREST	-	1,434.05	\$ 1,434.05
<i>TOTAL EXPENDITURES</i>	\$ -	\$ 60,332.71	\$ 60,332.71

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
MUNICIPAL UTILITY SYSTEM
September 30, 2011**

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

	BALANCE 9/30/2010	FISCAL YEAR 2010-2011	BALANCE 9/30/2011
<u>PROJECT EXPENDITURES</u>			
ENGINEERING SERVICES	\$ 149,100.00	\$ -	\$ 149,100.00
CONSTRUCTION	1,298,590.27	-	1,298,590.27
MISC. & CONTINGENCY	18,459.50	-	18,459.50
CAPITALIZED INTEREST	51,058.56	-	51,058.56
<i>TOTAL EXPENDITURES</i>	\$ 1,517,208.33	\$ -	\$ 1,517,208.33

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

**CITY OF WEATHERFORD
MUNICIPAL UTILITY SYSTEM
September 30, 2011**

**VIADUCT RELOCATION
(Unaudited)**

	BALANCE 9/30/2010	FISCAL YEAR 2010-2011	BALANCE 9/30/2011
<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
MUNICIPAL UTILITY SYSTEM
September 30, 2011**

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

	BALANCE 9/30/2010	FISCAL YEAR 2010-2011	BALANCE 9/30/2011
<u>PROJECT EXPENDITURES</u>			
ENGINEERING SERVICES	-	845.00	845.00
MISC. & CONSTRUCTION	55,456.61	127,767.16	183,223.77
SALARIES	-	41,954.33	41,954.33
CAPITALIZED LABOR	12,804.83	30,800.82	43,605.65
CAPITALIZED INTEREST	2,408.81	4,783.67	7,192.48
<i>TOTAL EXPENDITURES</i>	\$ 70,670.25	\$ 206,150.98	\$ 276,821.23

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 August 2012.

**CITY OF WEATHERFORD
MUNICIPAL UTILITY SYSTEM
September 30, 2011**

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

	BALANCE 9/30/2010	FISCAL YEAR 2010-2011	BALANCE 9/30/2011
<u>PROJECT EXPENDITURES</u>			
MISC. & CONSTRUCTION	557,269.52	215,880.61	773,150.13
SALARIES	63,155.44	64,498.66	127,654.10
CAPITALIZED LABOR	61,689.16	63,993.37	125,682.53
CAPITALIZED INTEREST	14,419.06	7,985.52	22,404.58
<i>TOTAL EXPENDITURES</i>	\$ 696,533.18	\$ 352,358.16	\$ 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.

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BUDGET SECTION

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City of Weatherford
MUNICIPAL UTILITY SYSTEM
TRANSFER CALCULATION REPORT
YEAR ENDED SEPTEMBER 30, 2011
(Unaudited)

RETURN ON INVESTMENT TRANSFER CALCULATION

As Adopted by City Council June 22, 2004

	<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	317,654,200	381,826,440	\$0.0056	\$1,778,864	\$2,138,228
2010-11 Water (1,000 Gal.) Sales	1,132,072	1,417,482	\$0.2469	279,509	349,976
2010-11 Wastewater (1,000 Gal.) Treated	759,640	778,677	\$0.2716	206,318	211,489
				<u>\$2,264,691</u>	<u>\$2,699,693</u>

GROSS RECEIPTS CHARGE CALCULATION

As Adopted by City Council June 22, 2004

	<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	317,654,200	381,826,440	\$0.0044	\$1,397,678	\$1,680,036
2010-11 Water (1,000 Gal.) Sales	1,132,072	1,417,482	\$0.2223	251,660	315,106
2010-11 Wastewater (1,000 Gal.) Treated	759,640	778,677	\$0.1975	150,029	153,789
				<u>\$1,799,366</u>	<u>\$2,148,931</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	\$671,336	45.0%	\$302,101			
Human Resources	313,992	50.0%	156,996	ELECTRIC	79.00%	\$238,301
Finance Administration	213,069	50.0%	106,535			
Accounting/Purchasing	243,647	50.0%	121,824	WATER	13.13%	39,379
Audit Services	52,000	50.0%	26,000			
Fleet Services	166,277	30.0%	49,883	WASTEWATER	7.39%	22,170
City Attorney	136,610	50.0%	68,305			
Economic Development	215,400	50.0%	107,700			299,850
City Hall (3,628sf)	(65,304)	100.0%	(65,304)			
Technical Services	(1,108,368)	50.0%	(554,184)			
	<u>\$838,659</u>		<u>\$319,856</u>			

SUMMARY - ALL TRANSFERS

	<u>ACTUAL 2009-2010</u>	<u>BUDGET 2010-2011</u>	<u>ACTUAL 2010-2011</u>	<u>ACTUAL INCREASE/ (DECREASE)</u>
Gross Receipts Fee	\$1,976,841	\$1,799,366	\$2,148,931	\$172,090
Administrative Services	378,895	319,856	299,850	(79,045)
Return on Investment	2,502,988	2,264,691	2,699,693	196,705
Total Transfers	<u>\$4,858,724</u>	<u>\$4,383,913</u>	<u>\$5,148,474</u>	<u>\$289,750</u>
TRANSFERS AS % OF REVENUES	10.58%	9.28%	10.64%	0.05%

City of Weatherford
MUNICIPAL UTILITY SYSTEM
SUMMARY BUDGET REPORT
YEAR ENDED SEPTEMBER 30, 2011
(Unaudited)

	<i>Actual</i> 2009-2010	<i>Amended</i> <i>Budget</i> 2010-2011	<i>Actual</i> 2010-2011	<i>Variance</i> <i>Positive</i> <i>(Negative)</i>
REVENUES				
<i>ELECTRIC</i>				
<i>Sales of Power</i>	34,738,159	33,504,735	33,961,739	457,004
<i>Interest & Other</i>	1,057,755	820,889	814,692	(6,197)
	<u>35,795,914</u>	<u>34,325,624</u>	<u>34,776,431</u>	<u>450,807</u>
<i>WATER</i>				
<i>Wholesale Water Sales</i>	50,453	100,000	158,023	58,023
<i>Retail Water Sales</i>	5,496,639	7,512,971	7,915,626	402,655
<i>Raw Water Sales</i>	2,500	2,500	2,500	-
<i>TRWD Pumping Pass-Through</i>	49,918	-	-	-
<i>Lake Lot Leases</i>	699,697	799,165	799,165	-
<i>Interest & Other</i>	122,505	91,436	90,717	(719)
	<u>6,421,712</u>	<u>8,506,072</u>	<u>8,966,031</u>	<u>459,959</u>
<i>WASTEWATER</i>				
<i>Wastewater Service Fees</i>	3,660,072	4,351,559	4,628,775	277,216
<i>Tap & Pro-Rata Fees</i>	2,540	1,270	1,270	-
<i>Pre-Treatment Fees</i>	25,740	29,476	29,639	163
<i>Wastewater Maintenance Fees</i>	-	750	1,084	334
<i>Interest & Other</i>	12,659	2,300	2,242	(58)
	<u>3,701,011</u>	<u>4,385,355</u>	<u>4,663,010</u>	<u>277,655</u>
<i>Total Revenues</i>	<u>45,918,637</u>	<u>47,217,051</u>	<u>48,405,472</u>	<u>1,188,421</u>
EXPENDITURES				
<i>ELECTRIC</i>				
<i>Administration</i>	580,852	540,074	526,266	13,808
<i>Customer Service</i>	723,514	772,974	729,464	43,510
<i>Utility Service Center</i>	224,815	270,092	247,521	22,571
<i>Technical Services</i>	963,353	1,262,514	1,203,095	59,419
<i>Distribution</i>	4,857,766	5,174,631	5,181,626	(6,995)
<i>Generation</i>	6,972	9,105	4,180	4,925
<i>Purchased Power</i>	23,245,445	20,738,490	20,985,192	(246,702)
<i>Other/Contingency</i>	3,342	-	(24,120)	24,120
<i>Debt Service</i>	692,974	722,192	722,197	(5)
<i>Fiscal Agent/Rating Fees</i>	700	700	622	78
<i>OPEB Contribution</i>	83,725	83,725	64,436	19,289
<i>Bad Debt Expense</i>	8,625	-	8,011	(8,011)
<i>Transfer-Admin. Services</i>	309,819	238,300	238,300	-
<i>Transfer-R.O.I.</i>	3,547,033	3,620,168	3,818,264	(198,096)
	<u>35,248,935</u>	<u>33,432,965</u>	<u>33,705,054</u>	<u>(272,089)</u>

**SUMMARY BUDGET REPORT
(Cont.)**

	<i>Actual</i> 2009-2010	<i>Amended</i> <i>Budget</i> 2010-2011	<i>Actual</i> 2010-2011	<i>Variance</i> <i>Positive</i> <i>(Negative)</i>
EXPENDITURES (Cont.)				
WATER				
<i>Administration</i>	590,923	621,444	603,656	17,788
<i>Customer Services</i>	310,078	331,274	312,628	18,646
<i>Treatment Plant</i>	1,484,274	2,071,133	1,853,520	217,613
<i>Distribution Maintenance</i>	1,088,356	937,272	945,866	(8,594)
<i>Distribution Construction</i>	149,036	255,912	134,569	121,343
<i>Engineering</i>	149,165	303,262	207,795	95,467
<i>Lake & Utility Maintenance</i>	217,867	224,347	206,138	18,209
<i>Debt Service</i>	2,820,937	2,827,370	2,827,365	5
<i>Fiscal Agent/Rating Fees</i>	2,950	3,630	3,630	-
<i>OPEB Contribution</i>	49,132	49,132	53,068	(3,936)
<i>Loan Requirements</i>	49,533	50,269	49,504	765
<i>Transfer-Admin. Services</i>	44,578	39,379	39,379	-
<i>Transfer-R.O.I.</i>	514,070	616,884	665,083	(48,199)
<i>Transfer-Street Maintenance</i>	19,834	18,056	19,992	(1,936)
<i>Bad Debt Expense</i>	4,641	-	3,317	(3,317)
	<u>7,495,374</u>	<u>8,349,364</u>	<u>7,925,510</u>	<u>423,854</u>
WASTEWATER				
<i>Collection Maintenance</i>	888,866	948,569	915,628	32,941
<i>Collection Construction</i>	447,269	479,612	440,868	38,744
<i>Engineering</i>	149,166	303,262	207,796	95,466
<i>Treatment</i>	787,339	920,898	834,473	86,425
<i>Transfer-Admin. Services</i>	24,497	22,176	22,176	-
<i>Debt Service</i>	1,238,484	1,234,049	1,234,048	1
<i>Fiscal Agent/Rating Fees</i>	1,350	1,350	748	602
<i>OPEB Contribution</i>	34,259	34,259	43,895	(9,636)
<i>Loan Requirements</i>	19,075	28,394	27,936	458
<i>Transfer-R.O.I.</i>	378,409	348,137	365,277	(17,140)
<i>Bad Debt Expense</i>	290	-	466	(466)
	<u>3,969,004</u>	<u>4,320,706</u>	<u>4,093,311</u>	<u>227,395</u>
Total Expenditures	<u>46,713,313</u>	<u>46,103,035</u>	<u>45,723,875</u>	<u>379,160</u>
 <i>Revenues Over (Under) Expenditures</i>	 <u>(794,676)</u>	 <u>1,114,016</u>	 <u>2,681,597</u>	 <u>1,567,581</u>

City of Weatherford
MUNICIPAL UTILITY SYSTEM
UTILITY SYSTEM REVENUES
YEAR ENDED SEPTEMBER 30, 2011
(Unaudited)

	Actual 2009-2010	Amended Budget 2010-2011	Actual 2010-2011	Variance Positive (Negative)
Electric				
415-Sale of Electricity	34,738,159	33,504,735	33,961,739	457,004
508-NSF Check Charge	9,540	10,980	12,840	1,860
601-Interest - Non-Restricted	25,710	20,000	19,615	(385)
602-Net Change in Fair Value - Investments	-	-	(1,881)	(1,881)
604-Sale of Fixed Assets	-	2,758	2,758	-
612-Sale of Salvage	11,651	6,357	7,004	647
623-Sale of Real Estate	1,000	-	-	-
632-Pole Rental - CATV	86,598	110,620	111,100	480
644-Late Payment Fees	184,792	158,000	174,949	16,949
645-Temp. Connect & Reconnect Fees	91,460	87,000	82,730	(4,270)
646-Service Connection Fees	89,615	81,000	81,715	715
647 Service Transfer Fees	13,085	11,000	9,985	(1,015)
651-Miscellaneous	146,898	206,692	214,677	7,985
808-Contributions-Aid of Construction	346,955	100,000	72,718	(27,282)
822-Transfer From General Fund	26,067	-	-	-
833-Transfer From Solid Waste	24,384	26,482	26,482	-
Total Electric	35,795,914	34,325,624	34,776,431	450,807
Water				
404-Inspection Service Fee	-	11,069	11,069	-
416-Wholesale Water Sales	50,453	100,000	158,023	58,023
417-Retail Water Sales	5,496,639	7,512,971	7,915,626	402,655
418-Raw Water Sales	2,500	2,500	2,500	-
426-TRWD Pumping Pass-Through	49,918	-	-	-
467-Water Taps	2,932	3,567	3,567	-
469-Water Main Pro-Rata Fees	6,345	22,375	26,370	3,995
604-Sale of Fixed Assets	1,935	3,480	3,480	-
612-Sale of Salvage	-	166	610	444
625-Lake Lot Leases	699,697	799,165	799,165	-
627-Lake Lot Transfers	9,150	5,900	5,350	(550)
629-Lake Concession Rental	8,120	9,740	8,762	(978)
633-Water Tower License Fee	16,375	16,375	16,375	-
641-Cash Shortage/Overage	(68)	-	(74)	(74)
651-Miscellaneous	25,487	7,414	3,858	(3,556)
810-Proceeds From Lease/Purchase Agreement	26,869	-	-	-
822-Transfer From General Fund	14,910	-	-	-
833-Transfer From Solid Waste	10,450	11,350	11,350	-
Total Water	6,421,712	8,506,072	8,966,031	459,959
Wastewater				
419-Wastewater Service Fees	3,536,137	4,233,309	4,488,317	255,008
420-Pre-Treatment Fees	25,740	29,476	29,639	163
463-Sewer Tap Fees	2,540	1,270	1,270	-
464-Non-system Wastewater Maint. Fees	-	750	1,084	334
466-Non-system Wastewater Service Fees	123,935	118,250	140,458	22,208
651-Miscellaneous	4,912	2,300	2,242	(58)
822-Transfer From General Fund	7,747	-	-	-
Total Wastewater	3,701,011	4,385,355	4,663,010	277,655
TOTAL UTILITY SYSTEMS FUND	45,918,637	47,217,051	48,405,472	1,188,421

**CITY OF WEATHERFORD
MUNICIPAL UTILITY SYSTEM
BUDGET SUMMARY UTILITY ADMINISTRATION
2010-2011 ANNUAL BUDGET
(Unaudited)**

Expenditure Classification	Actual 2009-2010	Amended Budget 2010-2011	Actual 2010-2011	Variance Positive (Negative)
Personal Services	391,332	428,902	419,284	9,618
Supplies	12,724	11,600	10,825	775
Services	161,338	97,972	96,157	1,815
Capital Outlay	15,458	1,600	-	1,600
TOTAL EXPENDITURES	580,852	540,074	526,266	13,808

UTILITY ADMINISTRATION

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

City of Weatherford
MUNICIPAL UTILITY SYSTEM
UTILITY ADMINISTRATION
2010-2011 ANNUAL BUDGET
(Unaudited)

Account Number	Account Title	Actual 2009-2010	Amended Budget 2010-2011	Actual 2010-2011	Variance Positive (Negative)
<u>Personal Services</u>					
101	Salaries & Wages	277,296	314,047	293,864	20,183
102	Overtime	1,421	600	319	281
107	Group Medical/Life Insurance	32,747	34,619	34,475	144
108	FICA	19,709	22,527	21,930	597
109	Retirement (TMRS)	56,257	51,020	63,179	(12,159)
110	Workers Compensation	242	991	990	1
111	Unemployment Tax (TWC)	945	374	403	(29)
112	Longevity	2,715	4,724	4,124	600
	Total Personal Services	391,332	428,902	419,284	9,618
<u>Supplies</u>					
202	General Office Supplies	5,879	5,000	5,907	(907)
215	Food & Beverage	2,187	2,000	3,530	(1,530)
219	Uniforms & Protective Clothing	226	600	183	417
220	Vehicle Fuel & Oil	818	1,000	268	732
221	Vehicle Parts & Labor	1,849	1,000	633	367
228	Safety Equipment	353	500	163	337
229	Miscellaneous	1,161	1,000	56	944
281	Small Tools & Equipment	251	500	85	415
	Total Supplies	12,724	11,600	10,825	775
<u>Services</u>					
301	Auditing & Accounting	13,000	9,000	9,000	-
302	Architect & Engineer	33,091	1,000	1,000	-
303	Legal Services	6,860	7,500	11,873	(4,373)
304	Medical Services	-	60	60	-
305	Seminar & Training Fees	780	3,185	1,908	1,277
306	Other Professional Services	44,307	8,400	9,439	(1,039)
308	Telephone	4,472	4,000	4,678	(678)
309	Postage	374	1,000	511	489
310	Auto/Housing Allowance	3,150	3,150	5,400	(2,250)
311	Travel Expense	558	1,200	485	715
313	Other Advertising	425	500	250	250
314	Printing & Binding	362	1,500	1,431	69
318	Insurance	11,243	14,505	10,175	4,330
326	Office Copy Equipment Rental	7,225	4,800	3,567	1,233

UTILITY ADMINISTRATION
(Cont.)

Account Number	Account Title	Actual 2009-2010	Amended Budget 2010-2011	Actual 2010-2011	Variance Positive (Negative)
<u>Services (Cont.)</u>					
328	Other Rental	832	1,200	915	285
330	Membership Dues/Subscriptions	32,559	34,000	32,543	1,457
336	Utility Board	2,100	2,100	2,050	50
361	Awards	-	872	872	-
	Total Services	161,338	97,972	96,157	1,815
<u>Capital Outlay</u>					
403	Buildings	-	1,600	-	1,600
413	Office Equipment	15,458	-	-	-
	Total Capital Outlay	15,458	1,600	-	1,600
	TOTAL EXPENDITURES	580,852	540,074	526,266	13,808

**CITY OF WEATHERFORD
MUNICIPAL UTILITY SYSTEM
BUDGET SUMMARY CUSTOMER SERVICES
2010-2011 ANNUAL BUDGET
(Unaudited)**

Expenditure Classification	Actual 2009-2010	Amended Budget 2010-2011	Actual 2010-2011	Variance Positive (Negative)
Personal Services	626,269	652,214	660,186	(7,972)
Supplies	30,631	40,166	38,057	2,109
Services	376,692	409,568	341,549	68,019
Capital Outlay	-	2,300	2,300	-
TOTAL EXPENDITURES	1,033,592	1,104,248	1,042,092	62,156

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 14,600 accounts each month. Of the utility accounts billed, approximately 1,450 each month require some degree of collection action.

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

City of Weatherford
MUNICIPAL UTILITY SYSTEM
CUSTOMER SERVICES
2010-2011 ANNUAL BUDGET
(Unaudited)

Account Number	Account Title	Actual 2009-2010	Amended Budget 2010-2011	Actual 2010-2011	Variance Positive (Negative)
<u>Personal Services</u>					
101	Salaries & Wages	430,683	460,983	454,797	6,186
102	Overtime	680	2,000	2,009	(9)
107	Group Medical/Life Insurance	74,202	73,074	74,145	(1,071)
108	FICA	31,634	34,549	34,086	463
109	Retirement (TMRS)	82,368	75,081	89,085	(14,004)
110	Workers Compensation	1,165	1,500	1,478	22
111	Unemployment Tax (TWC)	2,337	1,407	966	441
112	Longevity	3,200	3,620	3,620	-
	Total Personal Services	626,269	652,214	660,186	(7,972)
<u>Supplies</u>					
202	General Office Supplies	7,342	6,985	7,412	(427)
204	Computer & Office Equipment	-	1,015	1,015	-
219	Uniforms & Protective Clothing	1,417	3,500	2,934	566
220	Vehicle Fuel & Oil	10,786	13,536	13,676	(140)
221	Vehicle Parts & Labor	8,239	11,400	9,201	2,199
229	Miscellaneous	163	700	854	(154)
281	Small Tools & Equipment	2,684	3,030	2,965	65
	Total Supplies	30,631	40,166	38,057	2,109
<u>Services</u>					
304	Medical Services	130	280	240	40
305	Seminars & Training Fees	-	300	171	129
306	Other Professional Services	280,252	299,695	245,145	54,550
308	Telephone/Communication Services	4,440	5,270	4,191	1,079
309	Postage	86,940	97,485	85,477	12,008
311	Travel Expense	15	200	-	200
318	Insurance	4,008	5,388	5,387	1
324	Office Equipment Maintenance	907	950	938	12
	Total Services	376,692	409,568	341,549	68,019
<u>Capital Outlay</u>					
410	Motor Vehicles	-	2,300	2,300	-
	Total Capital Outlay	-	2,300	2,300	-
	TOTAL EXPENDITURES	1,033,592	1,104,248	1,042,092	62,156

**CITY OF WEATHERFORD
MUNICIPAL UTILITY SYSTEM
BUDGET SUMMARY UTILITY SERVICE CENTER
2010-2011 ANNUAL BUDGET
(Unaudited)**

Expenditure Classification	Actual 2009-2010	Amended Budget 2010-2011	Actual 2010-2011	Variance Positive (Negative)
Personal Services	146,713	117,658	113,790	3,868
Supplies	11,756	74,550	63,273	11,277
Services	66,346	67,884	60,489	7,395
Capital Outlay	-	10,000	9,969	31
TOTAL EXPENDITURES	224,815	270,092	247,521	22,571

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
MUNICIPAL UTILITY SYSTEM
UTILITY SERVICE CENTER
2010-11 ANNUAL BUDGET
(Unaudited)

Account Number	Account Title	Actual 2009-2010	Amended Budget 2010-2011	Actual 2010-2011	Variance Positive (Negative)
<u>Personal Services</u>					
101	Salaries & Wages	96,721	71,566	71,129	437
102	Overtime	1,754	8,000	4,720	3,280
107	Group Medical/Life Insurance	14,261	16,840	15,143	1,697
108	FICA	6,292	5,739	5,297	442
109	Retirement (TMRS)	21,101	12,290	14,485	(2,195)
110	Workers Compensation	4,536	1,985	1,984	1
111	Unemployment Tax (TWC)	567	350	144	206
112	Longevity	1,481	888	888	-
	Total Personal Services	146,713	117,658	113,790	3,868
<u>Supplies</u>					
202	General Office Supplies	417	500	390	110
215	Food & Meals	3,987	4,000	4,532	(532)
217	Janitorial Supplies	22	50	6	44
219	Uniforms & Protective Clothing	128	500	39	461
222	Equipment Parts & Labor	1,965	3,000	3,039	(39)
223	Equipment Fuel & Oil	384	400	380	20
228	Safety Equipment	-	600	600	-
229	Miscellaneous	584	500	41	459
235	Building & Grounds Maint.	2,769	3,000	647	2,353
281	Small Tools & Equipment	1,500	62,000	53,599	8,401
	Total Supplies	11,756	74,550	63,273	11,277
<u>Services</u>					
306	Other Professional Services	-	-	13	(13)
308	Telephone/Communication Services	1,168	1,600	1,067	533
318	Insurance	5,185	4,784	4,784	-
319	Utilities	51,254	50,000	43,816	6,184
320	Building & Structures Maint.	1,987	5,000	4,318	682
325	Other Maintenance	617	1,000	545	455
331	Laundry & Sanitation	6,135	4,500	5,946	(1,446)
372	Material Scrapped	-	1,000	-	1,000
	Total Services	66,346	67,884	60,489	7,395
<u>Capital Outlay</u>					
403	Buildings	-	10,000	9,969	31
	Total Capital Outlay	-	10,000	9,969	31
TOTAL EXPENDITURES		224,815	270,092	247,521	22,571

**CITY OF WEATHERFORD
MUNICIPAL UTILITY SYSTEM
BUDGET SUMMARY TECHNICAL SERVICES
2010-2011 ANNUAL BUDGET
(Unaudited)**

Expenditure Classification	Actual 2009-2010	Amended Budget 2010-2011	Actual 2010-2011	Variance Positive (Negative)
Personal Services	579,041	607,531	591,218	16,313
Supplies	124,635	138,255	143,756	(5,501)
Services	259,677	446,830	405,065	41,765
Capital Outlay	-	69,898	63,056	6,842
TOTAL EXPENDITURES	963,353	1,262,514	1,203,095	59,419

TECHNICAL SERVICES

The Technical Services Division is responsible for ensuring the efficient operations of the City's computers and voice/data networking systems. The Wide Area Network (WAN), Geographical Information System, and HelpDesk/Desktop Support are managed under Technical Services. Technical Services is under the direction of the Director of Information Technology and reports directly to the Assistant City Manager. Maintenance of the WAN involves networking hardware and software troubleshooting, networking equipment upgrades, contract negotiations, fiber optic coordination, data management, and network administration duties. GIS employees coordinate and manage functions of mapping services to all users including database integrity and data validation. The GIS system is used by internal employees and outside consultants to make decisions and recommendations regarding the City's public infrastructure improvements and changes. HelpDesk/Desktop Support performs PC hardware and software troubleshooting, incident management for all city staff, HelpDesk problem resolution for approximately 516 computers, thin clients, IP telephones, printers/copiers, and mobile devices throughout the City. Additional functions of this group include business application support and systems analysis.

City of Weatherford
MUNICIPAL UTILITY SYSTEM
TECHNICAL SERVICES
2010-2011 ANNUAL BUDGET
(Unaudited)

Account Number	Account Title	Actual 2009-2010	Amended Budget 2010-2011	Actual 2010-2011	Variance Positive (Negative)
<u>Personal Services</u>					
101	Salaries & Wages	421,855	441,960	425,309	16,651
102	Overtime	1,628	14,551	2,998	11,553
107	Group Medical/Life Insurance	39,787	40,408	40,408	-
108	FICA	30,212	33,387	31,306	2,081
109	Retirement (TMRS)	79,109	71,136	85,274	(14,138)
110	Workers Compensation	1,702	2,285	2,284	1
111	Unemployment Tax (TWC)	1,368	900	735	165
112	Longevity	3,380	2,904	2,904	-
	Total Personal Services	579,041	607,531	591,218	16,313
<u>Supplies</u>					
202	General Office Supplies	9,895	11,400	6,780	4,620
204	Computers & Office Equipment	104,809	107,735	120,995	(13,260)
205	Radio & Communication Equipment	3,354	740	70	670
215	Food & Beverage	-	380	118	262
220	Vehicle Fuel & Oil	736	2,500	724	1,776
221	Vehicle Parts & Labor	717	1,000	1,892	(892)
228	Safety Equipment	100	400	132	268
229	Miscellaneous	238	5,000	4,937	63
281	Small Tools & Equipment	4,786	9,100	8,108	992
	Total Supplies	124,635	138,255	143,756	(5,501)
<u>Services</u>					
304	Medical Services	30	60	60	-
305	Seminar & Training Fees	12,494	21,200	16,941	4,259
306	Other Professional Services	37,709	50,532	46,705	3,827
308	Telephone/Communication Services	5,806	7,200	6,311	889
309	Postage	271	714	195	519
310	Auto Allowance	-	4,800	4,800	-
311	Travel Expense	289	2,000	3,866	(1,866)
318	Insurance	1,407	1,052	1,052	-
321	Radio & Comm. Equip. Maint.	-	650	-	650
324	Office Equipment Maint.	192,823	287,798	261,404	26,394
325	Other Maintenance Service	5,741	10,000	8,367	1,633
326	Office & Copy Equipment Rental	-	57,200	51,549	5,651
330	Membership Dues/Subscriptions	325	500	691	(191)
352	Interest Expense	2,782	3,124	3,124	-
	Total Services	259,677	446,830	405,065	41,765
<u>Capital Outlay</u>					
413	Office Equipment	-	59,157	52,315	6,842
451	Specialized Equipment	-	10,741	10,741	-
	Total Capital Outlay	-	69,898	63,056	6,842
TOTAL EXPENDITURES		963,353	1,262,514	1,203,095	59,419

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**CITY OF WEATHERFORD
MUNICIPAL UTILITY SYSTEM
BUDGET SUMMARY ELECTRIC DISTRIBUTION
2010-2011 ANNUAL BUDGET
(Unaudited)**

Expenditure Classification	Actual 2009-2010	Amended Budget 2010-2011	Actual 2010-2011	Variance Positive (Negative)
Personal Services	1,433,606	1,973,606	1,429,229	544,377
Supplies	461,731	410,113	496,811	(86,698)
Services	1,010,865	1,143,310	992,358	150,952
Capital Outlay	1,951,564	1,647,602	2,263,228	(615,626)
TOTAL EXPENDITURES	4,857,766	5,174,631	5,181,626	(6,995)

ELECTRIC DISTRIBUTION

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

City of Weatherford
MUNICIPAL UTILITY SYSTEM
ELECTRIC DISTRIBUTION
2010-2011 ANNUAL BUDGET
(Unaudited)

Account Number	Account Title	Actual 2009-2010	Amended Budget 2010-2011	Actual 2010-2011	Variance Positive (Negative)
<u>Personal Services</u>					
101	Salaries & Wages	834,868	1,363,066	802,308	560,758
102	Overtime	77,786	100,000	78,592	21,408
103	Education/Certification	308	-	-	-
107	Group Medical/Life Insurance	143,302	146,883	144,821	2,062
108	FICA	96,238	107,879	101,432	6,447
109	Retirement (TMRS)	255,640	231,446	278,245	(46,799)
110	Workers Compensation	10,335	10,428	10,428	-
111	Unemployment Tax (TWC)	4,473	2,500	1,999	501
112	Longevity	10,656	11,404	11,404	-
	Total Personal Services	1,433,606	1,973,606	1,429,229	544,377
<u>Supplies</u>					
202	General Office Supplies	1,568	1,500	1,320	180
204	Computer & Office Equipment	4,890	-	30	(30)
205	Radio & Communication Equipment	70	100	100	-
215	Food & Beverage	436	500	258	242
217	Janitorial Supplies	-	-	33	(33)
219	Uniforms & Protective Clothing	16,613	25,000	15,242	9,758
220	Vehicle Fuel & Oil	41,970	50,000	55,054	(5,054)
221	Vehicle Parts & Labor	81,250	50,000	58,624	(8,624)
228	Safety Equipment	14,006	10,000	8,622	1,378
229	Miscellaneous	21,855	20,000	20,570	(570)
233	Street & Road Materials	48	-	-	-
235	Building Maintenance Supplies	-	13	13	-
244	Meters	1,249	2,000	1,812	188
249	Overhead Electric Lines	69,648	75,000	103,468	(28,468)
250	Underground Electric Lines	108,239	75,000	119,175	(44,175)
251	Transformers	650	2,000	1,184	816
252	Overhead Electric Service	7,727	4,000	6,337	(2,337)
253	Underground Electric Service	6,137	5,000	4,973	27
254	Line Equipment & Controls	-	5,000	7,902	(2,902)
255	Substation Repair/Maint. Supplies	17,689	41,000	37,588	3,412
257	Street & Public Lights	31,060	10,000	19,753	(9,753)
259	MV Security Lights	5,231	3,000	3,276	(276)
261	Tree Trimming	339	1,000	642	358
270	SCADA Parts	5,839	5,000	2,771	2,229
281	Small Tools & Equipment	25,217	25,000	28,064	(3,064)
	Total Supplies	461,731	410,113	496,811	(86,698)

ELECTRIC DISTRIBUTION
(Cont.)

Account Number	Account Title	Actual 2009-2010	Amended Budget 2010-2011	Actual 2010-2011	Variance Positive (Negative)
<u>Services</u>					
302	Engineering Services	24,473	30,000	26,552	3,448
303	Legal Services	-	-	2,678	(2,678)
304	Employee Physicals	420	500	225	275
305	Seminar & Training Fees	17,390	21,000	20,353	647
306	Other Professional Services	318,548	210,000	199,481	10,519
308	Telephone	12,071	11,500	8,542	2,958
309	Postage	593	750	1,008	(258)
310	Auto Allowance	-	4,800	4,800	-
311	Travel Expense	9,077	7,000	9,269	(2,269)
316	Tree Trimming	-	220,000	137,978	82,022
318	Insurance	11,061	13,160	8,671	4,489
319	Utilities	326	-	-	-
321	Radio & Comm. Equip. Maint.	1,547	1,100	2,963	(1,863)
325	Other Maintenance	6,962	4,000	8,423	(4,423)
327	Equipment Rental	8,414	29,000	21,248	7,752
330	Membership Dues/Subscriptions	3,170	3,000	2,730	270
331	Laundry & Sanitation	875	1,000	925	75
334	Regulatory Testing/Monitoring	8,009	9,500	9,638	(138)
362	Meter Maintenance	731	1,000	-	1,000
363	Transformers	146,555	96,000	87,895	8,105
364	O/H Electrical Line Repair	187,571	225,000	198,836	26,164
365	U/G Electrical Line Repair	200,000	250,000	240,143	9,857
370	SCADA Maintenance	14,731	5,000	-	5,000
372	Material Scrapped	38,341	-	-	-
Total Services		1,010,865	1,143,310	992,358	150,952
<u>Capital Outlay</u>					
402	Land Easement/Right-of-Ways	-	10,000	1,395	8,605
410	Motor Vehicles	-	116,500	-	116,500
415	Heavy Construction Equip.	-	33,400	33,400	-
423	New Electric Meters	77,763	57,500	50,876	6,624
427	Street & Public Lights	42,907	70,000	109,048	(39,048)
432	Overhead Electric Line	613,913	630,000	767,602	(137,602)
433	Underground Electric Line	652,712	380,000	601,575	(221,575)
434	Transformers	298,924	169,000	398,505	(229,505)
435	Overhead Electric Services	13,205	10,000	4,665	5,335
436	Underground Electric Services	142,272	71,000	114,662	(43,662)
437	Line Equipment & Controls	45,202	45,202	48,224	(3,022)
439	Fiber Optic System	44,119	50,000	131,202	(81,202)
441	Rent Lights	20,547	5,000	2,074	2,926
Total Capital Outlay		1,951,564	1,647,602	2,263,228	(615,626)
TOTAL EXPENDITURES		4,857,766	5,174,631	5,181,626	(6,995)

**CITY OF WEATHERFORD
MUNICIPAL UTILITY SYSTEM
BUDGET SUMMARY ELECTRIC PRODUCTION
2010-11 ANNUAL BUDGET
(Unaudited)**

Expenditure Classification	Actual 2009-2010	Amended Budget 2010-2011	Actual 2010-2011	Variance Positive (Negative)
Personal Services	363	166	166	-
Supplies	2,076	4,000	906	3,094
Services	4,533	4,939	3,108	1,831
TOTAL EXPENDITURES	6,972	9,105	4,180	4,925

ELECTRIC PRODUCTION

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

City of Weatherford
MUNICIPAL UTILITY SYSTEM
ELECTRIC PRODUCTION
2010-11 ANNUAL BUDGET
(Unaudited)

Account Number	Account Title	Actual 2009-2010	Amended Budget 2010-2011	Actual 2010-2011	Variance Positive (Negative)
<u>Personal Services</u>					
107	Group Medical/Life Insurance	363	113	113	-
111	Unemployment Tax (TWC)	-	53	53	-
	Total Personal Services	363	166	166	-
<u>Supplies</u>					
204	Computers & Office Equipment	-	250	-	250
217	Janitorial Supplies	-	100	28	72
220	Vehicle Fuel & Oil	-	200	-	200
221	Vehicle Parts & Labor	41	100	-	100
222	Equipment Parts & Labor	460	500	-	500
223	Equipment Fuel & Oil	-	500	-	500
224	Fuel for Electric Generation	531	500	490	10
228	Safety Equipment	387	100	41	59
229	Miscellaneous	426	500	335	165
235	Building & Grounds Maint.	231	500	12	488
247	Pumps & Controls	-	250	-	250
281	Small Tools & Equipment	-	500	-	500
	Total Supplies	2,076	4,000	906	3,094
<u>Services</u>					
306	Other Professional Services	830	-	-	-
308	Telephone/Communication Services	1,048	1,000	969	31
318	Other Insurance	1,427	1,639	1,639	-
319	Utility Services	1,206	2,000	500	1,500
322	Plant Equipment Maintenance	-	100	-	100
325	Other Repair & Maintenance	22	100	-	100
335	Regulatory Permit Fees	-	100	-	100
	Total Services	4,533	4,939	3,108	1,831
TOTAL EXPENDITURES		6,972	9,105	4,180	4,925

City of Weatherford
MUNICIPAL UTILITY SYSTEM
ELECTRIC NON-DEPARTMENTAL
2010-2011 ANNUAL BUDGET
(Unaudited)

Account Number	Account Title	Actual 2009-2010	Amended Budget 2010-2011	Actual 2010-2011	Variance Positive (Negative)
332	Administrative Services Transfer	309,819	238,300	238,300	-
343	Return on Investment Transfer	3,547,033	3,620,168	3,818,264	(198,096)
346	Debt Service Requirements	692,974	722,192	722,197	(5)
350	OPEB Contribution	83,725	83,725	64,436	19,289
357	Bad Debt Expense	8,625	-	8,011	(8,011)
371	Fiscal Agent/Rating Fees	700	700	622	78
373	Purchased Power	23,245,445	20,738,490	20,985,192	(246,702)
399	Other/Contingency Expenses	3,342	-	(24,120)	24,120
TOTAL EXPENDITURES		27,891,663	25,403,575	25,812,902	(409,327)

**CITY OF WEATHERFORD
MUNICIPAL UTILITY SYSTEM
BUDGET SUMMARY WATER/WASTEWATER
2010-2011 ANNUAL BUDGET
(Unaudited)**

Expenditure Classification	Actual 2009-2010	Amended Budget 2010-2011	Actual 2010-2011	Variance Positive (Negative)
Personal Services	2,279,120	2,415,200	2,301,846	113,354
Supplies	920,421	912,162	1,148,055	(235,893)
Services	872,407	1,741,160	1,089,554	651,606
Capital Outlay	875,107	851,944	770,243	81,701
TOTAL EXPENDITURES	4,947,055	5,920,466	5,309,698	610,768

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 1,710,496 MG in FY 2011.

WATER/WASTEWATER MAINTENANCE

The Water/Wastewater Maintenance division is responsible for the maintenance of 271.7 miles of water lines, 207.2 miles of wastewater lines, 1,355 fire hydrants, 23 lift stations, 10 water sites, 1 well system, and over 400 grinder pumps. This department includes a pump and motor maintenance crew which is responsible for the preventative maintenance and repairs of the lift stations, raw water pump station, distribution pump stations, and the water and wastewater treatment plants. Also included is a water meter shop which is responsible for the installation, repair, and testing of 11,577 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.

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City of Weatherford
MUNICIPAL UTILITY SYSTEM
WATER/WASTEWATER ADMINISTRATION
2010-2011 ANNUAL BUDGET
(Unaudited)

Account Number	Account Title	Actual 2009-2010	Amended Budget 2010-2011	Actual 2010-2011	Variance Positive (Negative)
<u>Personal Services</u>					
101	Salaries & Wages	394,608	399,871	382,833	17,038
102	Overtime	3,339	6,000	7,577	(1,577)
103	Education/Certification Pay	221	240	249	(9)
107	Group Medical/Life Insurance	40,229	42,135	42,149	(14)
108	FICA	27,987	29,247	28,200	1,047
109	Retirement (TMRS)	74,257	64,967	77,602	(12,635)
110	Workers Compensation	5,986	7,051	7,050	1
111	Unemployment Tax (TWC)	1,323	762	693	69
112	Longevity	3,328	2,972	2,972	-
	Total Personal Services	551,278	553,245	549,325	3,920
<u>Supplies</u>					
202	General Office Supplies	229	250	316	(66)
204	Computers & Office Equipment	124	-	-	-
215	Food & Beverage	28	400	48	352
219	Uniforms & Protective Clothing	1,511	2,100	1,862	238
220	Vehicle Fuel & Oil	9,269	9,000	11,769	(2,769)
221	Vehicle Parts & Labor	4,140	3,500	3,891	(391)
228	Safety Equipment	312	1,300	1,105	195
229	Miscellaneous	669	506	522	(16)
270	SCADA Parts	1,082	1,500	391	1,109
281	Small Tools & Equipment	897	3,600	755	2,845
	Total Supplies	18,261	22,156	20,659	1,497
<u>Services</u>					
303	Legal Services	-	25,000	25,000	-
304	Employee Physicals	75	50	-	50
305	Seminar & Training Fees	2,490	5,000	2,442	2,558
306	Other Professional Services	10,000	5,000	-	5,000
308	Telephone/Communication Services	4,025	4,000	2,689	1,311
309	Postage	3,142	1,000	626	374
311	Travel Expense	770	2,000	812	1,188
314	Printing & Reproduction	-	200	-	200
318	Insurance	567	393	400	(7)
321	Radio & Comm. Equip. Maint.	-	400	-	400
330	Membership Dues/Subscriptions	65	500	398	102
370	SCADA Maintenance	250	2,500	1,305	1,195
	Total Services	21,384	46,043	33,672	12,371
	TOTAL EXPENDITURES	590,923	621,444	603,656	17,788

City of Weatherford
MUNICIPAL UTILITY SYSTEM
WATER TREATMENT
2010-2011 ANNUAL BUDGET
(Unaudited)

Account Number	Account Title	Actual 2009-2010	Amended Budget 2010-2011	Actual 2010-2011	Variance Positive (Negative)
<u>Personal Services</u>					
101	Salaries & Wages	233,298	252,865	241,413	11,452
102	Overtime	20,826	20,000	22,097	(2,097)
107	Group Medical/Life Insurance	32,112	32,744	32,864	(120)
108	FICA	17,869	19,160	18,731	429
109	Retirement (TMRS)	46,897	42,291	50,384	(8,093)
110	Workers Compensation	7,835	7,900	7,896	4
111	Unemployment Tax (TWC)	1,220	458	406	52
112	Longevity	688	900	932	(32)
	Total Personal Services	360,745	376,318	374,723	1,595
<u>Supplies</u>					
202	General Office Supplies	839	850	757	93
204	Computers & Office Equipment	-	-	31	(31)
212	Chemicals	337,590	334,644	536,630	(201,986)
215	Food & Meals	474	1,000	480	520
217	Janitorial Supplies	2,130	2,000	1,590	410
218	Medical & Laboratory Supplies	28,799	37,500	34,737	2,763
219	Uniforms & Protective Clothing	1,132	1,949	1,949	-
220	Vehicle Fuel & Oil	1,576	1,809	2,085	(276)
221	Vehicle Parts & Labor	530	3,000	1,199	1,801
222	Equipment Parts & Labor	44,470	49,600	53,205	(3,605)
223	Equipment Fuel & Oil	786	815	815	-
228	Safety Equipment	11,684	3,000	1,187	1,813
229	Miscellaneous	180	700	1,007	(307)
235	Building & Grounds Maint.	1,244	2,500	3,546	(1,046)
241	Benbrook Pipeline Supplies	-	1,000	-	1,000
247	Pumps & Controls	13,465	10,000	3,514	6,486
270	SCADA Parts	1,468	2,000	876	1,124
281	Small Tools & Equipment	3,323	4,000	3,491	509
	Total Supplies	449,690	456,367	647,099	(190,732)
<u>Services</u>					
302	Architect & Engineer	-	10,544	10,544	-
304	Employee Physicals	110	150	225	(75)
305	Seminar & Training Fees	2,820	3,000	85	2,915
306	Other Professional Services	10,687	9,000	7,288	1,712
308	Telephone	3,355	3,000	3,403	(403)
309	Postage	3,142	4,100	1,184	2,916
311	Travel Expense	175	200	-	200
312	Legal Advertising	2,220	-	-	-

**WATER TREATMENT
(Cont.)**

Account Number	Account Title	Actual 2009-2010	Amended Budget 2010-2011	Actual 2010-2011	Variance Positive (Negative)
<u>Services (Cont.)</u>					
314	Printing	2,956	-	-	-
318	Insurance	16,983	21,840	21,839	1
319	Utilities	276,228	400,000	309,373	90,627
320	Repair & Maint Buildings & Structures	1,301	3,526	4,756	(1,230)
321	Repair & Maint of Radio & Comm Equip	-	600	-	600
322	Plant Equipment Maintenance	64,818	112,825	51,317	61,508
324	Office Equipment Maintenance	-	2,000	-	2,000
327	Equipment Rental	90	3,000	2,664	336
330	Membership Dues/Subscriptions	-	555	716	(161)
333	Pump Maintenance	9,603	40,000	23,930	16,070
334	Regulatory Testing/Monitoring	19,807	46,000	24,861	21,139
335	Regulatory Permit Fees	29,337	30,500	27,422	3,078
354	Benbrook Pipeline Services	53,804	55,000	136,586	(81,586)
370	SCADA Maintenance	1,062	5,000	4,826	174
375	Purchased Water - Benbrook	(180,737)	244,585	-	244,585
399	Other/Contingency	104,450	-	-	-
	Total Services	422,211	995,425	631,019	364,406
<u>Capital Outlay</u>					
414	Plant Equipment	6,389	29,000	28,367	633
420	Other Equipment	10,269	104,175	53,356	50,819
426	Other Improvements	234,970	109,848	109,848	-
443	Pumps	-	-	9,108	(9,108)
	Total Capital Outlay	251,628	243,023	200,679	42,344
	TOTAL EXPENDITURES	1,484,274	2,071,133	1,853,520	217,613

City of Weatherford
MUNICIPAL UTILITY SYSTEM
WATER/WASTEWATER MAINTENANCE
2010-2011 ANNUAL BUDGET
(Unaudited)

Account Number	Account Title	Actual 2009-2010	Amended Budget 2010-2011	Actual 2010-2011	Variance Positive (Negative)
<u>Personal Services</u>					
101	Salaries & Wages	507,788	569,455	529,168	40,287
102	Overtime	80,636	74,000	69,219	4,781
107	Group Medical/Life Insurance	87,131	97,352	96,972	380
108	FICA	46,986	49,403	47,124	2,279
109	Retirement (TMRS)	119,340	105,820	123,392	(17,572)
110	Workers Compensation	31,299	31,576	31,576	-
111	Unemployment Tax (TWC)	3,139	2,250	1,526	724
112	Longevity	4,772	3,956	3,956	-
	Total Personal Services	881,091	933,812	902,933	30,879
<u>Supplies</u>					
202	General Office Supplies	241	375	605	(230)
212	Chemicals	12,582	16,000	16,219	(219)
215	Food & Beverage	84	600	209	391
218	Medical & Laboratory Supplies	2,587	4,000	5,719	(1,719)
219	Uniforms & Protective Clothing	5,822	5,000	3,955	1,045
220	Vehicle Fuel & Oil	49,588	54,910	69,999	(15,089)
221	Vehicle Parts & Labor	70,641	60,000	74,007	(14,007)
222	Equipment Parts & Labor	1,286	700	-	700
228	Safety Equipment	5,143	8,000	8,731	(731)
229	Miscellaneous	4,920	4,000	5,269	(1,269)
233	Street & Road Materials	10,752	10,000	9,056	944
234	Traffic & Street Signs	3,229	2,000	1,311	689
235	Building & Grounds Maint.	837	2,500	2,203	297
242	Water Mains	59,563	45,000	47,619	(2,619)
243	Water Services	20,581	17,000	13,931	3,069
244	Meters	14,820	15,000	15,796	(796)
245	Sanitary Sewers	28,264	35,000	53,022	(18,022)
247	Pump & Controls	52,733	45,000	47,374	(2,374)
260	Valves & Hydrants	22,434	16,000	18,721	(2,721)
270	SCADA Parts	3,597	5,000	6,991	(1,991)
281	Small Tools & Equipment	16,310	15,000	15,932	(932)
	Total Supplies	386,014	361,085	416,669	(55,584)
<u>Services</u>					
304	Employee Physicals	680	500	335	165
305	Seminar & Training Fees	6,990	7,200	2,019	5,181
306	Other Professional Services	12,442	10,000	9,665	335
308	Telephone/Communications	3,773	5,000	2,911	2,089
309	Postage	200	500	306	194
311	Travel Expense	299	250	257	(7)
318	Insurance	19,713	16,373	11,373	5,000

WATER/WASTEWATER MAINTENANCE
(Cont.)

Account Number	Account Title	Actual 2009-2010	Amended Budget 2010-2011	Actual 2010-2011	Variance Positive (Negative)
<u>Services (Cont.)</u>					
319	Utilities	295,435	300,000	257,555	42,445
321	Radio & Comm. Equip. Maint.	163	500	188	312
322	Plant Equipment Maintenance	3,539	7,000	2,200	4,800
327	Equipment Rental	3,145	6,000	5,250	750
330	Membership Dues/Subscriptions	1,221	1,000	1,029	(29)
333	Pump Maintenance	5,257	20,000	7,200	12,800
335	Regulatory Permit Fees	1,375	2,000	1,325	675
354	Benbrook Pipeline Services	-	-	(132)	132
370	SCADA Maintenance	-	4,000	3,853	147
372	Material Scrapped	45,803	-	-	-
	Total Services	400,035	380,323	305,334	74,989
<u>Capital Outlay</u>					
410	Motor Vehicle	-	67,015	55,852	11,163
420	Other Equipment	-	6,000	5,588	412
421	Water Mains	142,449	17,000	12,895	4,105
422	Water Services	14,085	9,200	11,875	(2,675)
423	New Water Meters	41,566	35,846	72,743	(36,897)
424	Sanitary Sewer Mains	65,693	15,000	7,310	7,690
425	Sanitary Sewer Services	10,033	4,000	6,562	(2,562)
443	Pumps	12,920	39,944	39,944	-
445	Valves & Hydrants	23,336	16,616	23,789	(7,173)
	Total Capital Outlay	310,082	210,621	236,558	(25,937)
TOTAL EXPENDITURES		1,977,222	1,885,841	1,861,494	24,347

City of Weatherford
MUNICIPAL UTILITY SYSTEM
WATER/WASTEWATER CONSTRUCTION
2010-2011 ANNUAL BUDGET
(Unaudited)

Account Number	Account Title	Actual 2009-2010	Amended Budget 2010-2011	Actual 2010-2011	Variance Positive (Negative)
<u>Personal Services</u>					
101	Salaries & Wages	91,996	159,548	81,854	77,694
102	Overtime	12,432	8,000	4,789	3,211
107	Group Medical/Life Insurance	31,603	29,055	28,811	244
108	FICA	12,193	12,272	11,810	462
109	Retirement (TMRS)	35,372	27,138	31,803	(4,665)
110	Workers Compensation	9,738	9,820	9,813	7
111	Unemployment Tax (TWC)	1,001	980	360	620
112	Longevity	460	928	1,072	(144)
	Total Personal Services	194,795	247,741	170,312	77,429
<u>Supplies</u>					
202	General Office Supplies	-	120	30	90
212	Chemicals	59	-	-	-
219	Uniforms & Protective Clothing	1,873	1,513	1,513	-
220	Vehicle Fuel & Oil	14,657	18,000	17,551	449
221	Vehicle Parts & Labor	32,461	30,000	28,757	1,243
228	Safety Equipment	4,056	4,000	2,200	1,800
229	Miscellaneous	2,165	2,000	967	1,033
234	Traffic & Street Signs	1,185	1,500	1,535	(35)
235	Building & Grounds Maint.	909	500	-	500
245	Sanitary Sewers	-	-	225	(225)
281	Small Tools & Equipment	7,982	9,000	7,789	1,211
	Total Supplies	65,347	66,633	60,567	6,066
<u>Services</u>					
304	Employee Physicals	70	70	250	(180)
305	Seminar & Training Fees	1,425	1,480	(213)	1,693
306	Other Professional Services	3,963	10,000	6,151	3,849
308	Telephone/Communications	437	800	366	434
318	Insurance	1,313	600	113	487
319	Utility Services	642	1,200	1,183	17
320	Repair & Maintenance Buildings/Structures	-	1,700	1,700	-
327	Equipment Rental	14,916	7,000	2,002	4,998
	Total Services	22,766	22,850	11,552	11,298

**WATER/WASTEWATER CONSTRUCTION
(Cont.)**

Account Number	Account Title	Actual 2009-2010	Amended Budget 2010-2011	Actual 2010-2011	Variance Positive (Negative)
<u>Capital Outlay</u>					
410	Motor Vehicle	-	111,000	110,382	618
420	Other Equipment	124,012	-	-	-
421	Water Mains	7,582	87,300	13,353	73,947
424	Sanitary Sewer Mains	181,803	200,000	209,271	(9,271)
	Total Capital Outlay	313,397	398,300	333,006	65,294
	TOTAL EXPENDITURES	596,305	735,524	575,437	160,087

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City of Weatherford
MUNICIPAL UTILITY SYSTEM
ENGINEERING
2010-2011 ANNUAL BUDGET
(Unaudited)

Account Number	Account Title	Actual 2009-2010	Amended Budget 2010-2011	Actual 2010-2011	Variance Positive (Negative)
<u>Personal Services</u>					
101	Salaries & Wages	220,735	229,887	223,700	6,187
102	Overtime	-	600	-	600
107	Group Medical/Life Insurance	12,928	17,433	17,433	-
108	FICA	15,448	17,200	16,565	635
109	Retirement (TMRS)	40,938	37,450	45,844	(8,394)
110	Workers Compensation	431	490	487	3
111	Unemployment Tax (TWC)	567	716	216	500
112	Longevity	164	308	308	-
	Total Personal Services	291,211	304,084	304,553	(469)
<u>Supplies</u>					
202	General Office Supplies	7	7	30	(23)
219	Uniforms & Protective Clothing	71	314	314	-
220	Vehicle Fuel & Oil	310	1,800	1,180	620
221	Vehicle Parts & Labor	37	2,000	999	1,001
228	Safety Equipment	230	300	128	172
229	Miscellaneous	224	500	143	357
281	Small Tools & Equipment	230	1,000	267	733
	Total Supplies	1,109	5,921	3,061	2,860
<u>Services</u>					
302	Architect & Engineering	-	265,000	97,754	167,246
305	Seminar & Training Fees	390	2,100	2,175	(75)
306	Other Professional Services	14	20,000	1,030	18,970
308	Telephone/Communications	1,292	1,500	1,205	295
310	Auto Allowance	2,800	4,800	4,800	-
311	Travel Expenses	879	2,000	74	1,926
318	Insurance	276	619	619	-
330	Dues/Memberships	360	500	320	180
	Total Services	6,011	296,519	107,977	188,542
TOTAL EXPENDITURES		298,331	606,524	415,591	190,933

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**CITY OF WEATHERFORD
MUNICIPAL UTILITY SYSTEM
BUDGET SUMMARY LAKE & UTILITY MAINTENANCE
2010-2011 ANNUAL BUDGET
(Unaudited)**

Expenditure Classification	Actual 2009-2010	Amended Budget 2010-2011	Actual 2010-2011	Variance Positive (Negative)
Personal Services	172,278	164,494	152,474	12,020
Supplies	28,086	37,890	31,886	6,004
Services	17,503	21,963	21,778	185
TOTAL EXPENDITURES	217,867	224,347	206,138	18,209

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
MUNICIPAL UTILITY SYSTEM
LAKE & UTILITY MAINTENANCE
2010-2011 ANNUAL BUDGET
(Unaudited)

Account Number	Account Title	Actual 2009-2010	Amended Budget 2010-2011	Actual 2010-2011	Variance Positive (Negative)
<u>Personal Services</u>					
101	Salaries & Wages	116,893	112,433	102,087	10,346
102	Overtime	102	1,000	-	1,000
107	Group Medical/Life Insurance	24,376	22,751	21,127	1,624
108	FICA	8,136	8,188	7,402	786
109	Retirement (TMRS)	18,088	15,717	17,832	(2,115)
110	Workers Compensation	2,630	2,137	2,137	-
111	Unemployment Tax (TWC)	1,125	1,200	773	427
112	Longevity	928	1,068	1,116	(48)
	Total Personal Services	172,278	164,494	152,474	12,020
<u>Supplies</u>					
202	General Office Supplies	305	200	203	(3)
211	Agricultural & Botanical	(379)	3,000	18	2,982
212	Chemicals	117	-	1,387	(1,387)
215	Meals	-	150	-	150
216	Refuse Bags	1,349	1,850	1,159	691
217	Janitorial Supplies	151	150	52	98
219	Uniforms & Protective Clothing	1,171	1,290	1,290	-
220	Vehicle Fuel & Oil	11,700	14,000	12,000	2,000
221	Vehicle Parts & Labor	7,055	9,000	10,198	(1,198)
228	Safety Equipment	346	1,000	549	451
229	Miscellaneous	910	1,000	1,257	(257)
233	Street Repair Materials	233	1,000	132	868
234	Traffic & Street Signs	-	500	689	(189)
235	Building & Grounds Maint.	3,673	1,000	502	498
281	Small Tools & Equipment	1,455	3,750	2,450	1,300
	Total Supplies	28,086	37,890	31,886	6,004
<u>Services</u>					
304	Medical Services	460	675	780	(105)
305	Seminar & Training Fees	100	-	-	-
308	Telephone	683	800	510	290
309	Postage	1	-	1	(1)

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	2,160	1,398	1,223	175
319	Utilities	5,595	6,000	5,024	976
321	Radio & Comm. Equip. Maint.	-	3,000	3,000	-
325	Other Repair/Maint. Service	-	1,545	368	1,177
327	Machinery & Equip. Rental	1,725	1,545	1,635	(90)
331	Laundry & Sanitation	6,779	7,000	9,237	(2,237)
	Total Services	17,503	21,963	21,778	185
	TOTAL EXPENDITURES	217,867	224,347	206,138	18,209

City of Weatherford
MUNICIPAL UTILITY SYSTEM
WATER NON-DEPARTMENTAL
2010-2011 ANNUAL BUDGET
(Unaudited)

Account Number	Account Title	Actual 2009-2010	Amended Budget 2010-2011	Actual 2010-2011	Variance Positive (Negative)
332	Administrative Services Transfer	44,578	39,379	39,379	-
343	Return on Investment Transfer	514,070	616,884	665,083	(48,199)
346	Debt Service Requirements	2,820,937	2,827,370	2,827,365	5
350	Offsite Water Sales Transfer	19,834	18,056	19,992	(1,936)
352	Loan Interest Expense	11,068	10,260	9,495	765
353	OPEB Contribution	49,132	49,132	53,068	(3,936)
357	Bad Debt Expense	4,641	-	3,317	(3,317)
371	Fiscal Agent/Rating Fees	2,950	3,630	3,630	-
382	Loan Requirements	38,465	40,009	40,009	-
	TOTAL EXPENDITURES	3,505,675	3,604,720	3,661,338	(56,618)

**CITY OF WEATHERFORD
MUNICIPAL UTILITY SYSTEM
BUDGET SUMMARY WASTEWATER TREATMENT PLANT
2010-2011 ANNUAL BUDGET
(Unaudited)**

Expenditure Classification	Actual 2009-2010	Amended Budget 2010-2011	Actual 2010-2011	Variance Positive (Negative)
Personal Services	290,548	303,436	301,185	2,251
Supplies	125,105	129,329	129,523	(194)
Services	371,686	418,133	347,129	71,004
Capital Outlay	-	70,000	56,636	13,364
TOTAL EXPENDITURES	787,339	920,898	834,473	86,425

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 758 MG in the FY 2011.

City of Weatherford
MUNICIPAL UTILITY SYSTEM
WASTEWATER TREATMENT PLANT
2010-2011 ANNUAL BUDGET
(Unaudited)

Account Number	Account Title	Actual 2009-2010	Amended Budget 2010-2011	Actual 2010-2011	Variance Positive (Negative)
<u>Personal Services</u>					
101	Salaries & Wages	193,735	208,699	202,187	6,512
102	Overtime	10,566	10,000	7,619	2,381
103	Education/Certification Pay	222	240	459	(219)
107	Group Medical/Life Insurance	27,321	28,823	28,823	-
108	FICA	15,467	16,633	16,051	582
109	Retirement (TMRS)	38,467	33,751	41,537	(7,786)
110	Workers Compensation	2,489	2,573	2,573	-
111	Unemployment Tax (TWC)	945	1,141	360	781
112	Longevity	1,336	1,576	1,576	-
	Total Personal Services	290,548	303,436	301,185	2,251
<u>Supplies</u>					
202	General Office Supplies	145	180	148	32
212	Chemicals	37,464	40,000	27,759	12,241
215	Food & Beverage	142	100	58	42
217	Janitorial Supplies	800	725	183	542
218	Medical & Laboratory Supplies	12,903	10,106	16,482	(6,376)
219	Uniforms & Protective Clothing	1,410	1,723	1,356	367
220	Vehicle Fuel & Oil	5,418	7,020	6,741	279
221	Vehicle Parts & Labor	8,632	7,000	5,914	1,086
222	Equipment Parts & Labor	36,854	35,000	46,886	(11,886)
223	Equipment Fuel & Oil	3,546	3,500	1,986	1,514
228	Safety Equipment	743	900	1,407	(507)
229	Miscellaneous	683	500	641	(141)
233	Street Repair Materials	-	75	75	-
235	Building & Grounds Maint.	836	3,500	5,472	(1,972)
247	Pumps & Controls	14,618	15,000	13,337	1,663
270	SCADA Parts	-	2,500	-	2,500
281	Small Tools & Equipment	911	1,500	1,078	422
	Total Supplies	125,105	129,329	129,523	(194)
<u>Services</u>					
305	Seminar & Training Fees	1,465	2,250	178	2,072
308	Telephone	1,874	1,500	1,815	(315)
309	Postage	70	250	8	242

**WASTEWATER TREATMENT PLANT
(Cont.)**

Account Number	Account Title	Actual 2009-2010	Amended Budget 2010-2011	Actual 2010-2011	Variance Positive (Negative)
<u>Services (Cont.)</u>					
312	Legal Advertising	-	2,000	965	1,035
318	Insurance	6,181	5,833	5,833	-
319	Utilities	235,232	250,000	202,153	47,847
320	Building Maintenance	3,483	7,000	300	6,700
322	Plant Equipment Maintenance	24,896	25,000	27,200	(2,200)
330	Membership Dues/Subscriptions	1,311	2,000	1,311	689
331	Laundry & Sanitation	43,331	41,300	38,256	3,044
334	Regulatory Testing/Monitoring	32,117	27,000	29,803	(2,803)
335	Regulatory Permit Fees	21,720	51,000	36,702	14,298
370	SCADA Maintenance	6	3,000	2,605	395
	Total Services	371,686	418,133	347,129	71,004
<u>Capital Outlay</u>					
414	Plant Equipment	-	70,000	56,636	13,364
	Total Capital Outlay	-	70,000	56,636	13,364
TOTAL EXPENDITURES		787,339	920,898	834,473	86,425

City of Weatherford
MUNICIPAL UTILITY SYSTEM
WASTEWATER NON-DEPARTMENTAL
2010-2011 ANNUAL BUDGET
(Unaudited)

Account Number	Account Title	Actual 2009-2010	Amended Budget 2010-2011	Actual 2010-2011	Variance Positive (Negative)
332	Administrative Services Transfer	24,497	22,176	22,176	-
343	Return on Investment Transfer	378,409	348,137	365,277	(17,140)
346	Debt Service Requirements	1,238,484	1,234,049	1,234,048	1
352	Loan Interest Expense	6,021	5,669	5,211	458
353	OPEB Contribution	34,259	34,259	43,895	(9,636)
357	Bad Debt Expense	290	-	466	(466)
371	Fiscal Agent/Rating Fees	1,350	1,350	748	602
382	Loan Requirements	13,054	22,725	22,725	-
	TOTAL EXPENDITURES	1,696,364	1,668,365	1,694,546	(26,181)