

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

ANNUAL FINANCIAL REPORT

**FOR THE YEAR ENDED
SEPTEMBER 30, 2010**

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

ANNUAL FINANCIAL REPORT

YEAR ENDED SEPTEMBER 30, 2010

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

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MUNICIPAL UTILITY SYSTEM**

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

ANNUAL FINANCIAL REPORT

YEAR ENDED SEPTEMBER 30, 2010

UTILITY BOARD

Dennis Hooks – Mayor, Chairman

James Dickason

Waymon Hamilton

Ken Davis

Craig Swancy

Therylene Helm

Heidi Wilder

CITY MANAGER

Jerry Blaisdell

ASSISTANT CITY MANAGER

Robert Hanna

ASSISTANT CITY MANAGER - UTILITIES

Sharon Hayes

DIRECTOR OF UTILITIES - ELECTRIC

Joe Farley

DIRECTOR OF UTILITIES – ENGINEERING, WATER & WASTEWATER

James Hotopp

DIRECTOR OF INFORMATION TECHNOLOGY

Troy Garvin

CHIEF FINANCIAL OFFICER

Janina Jewell

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INTRODUCTORY SECTION

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MESSAGE FROM THE CITY MANAGER

During the fiscal year ended September 30, 2010, 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 decreased from 172 in fiscal year 2008-09 to 69 in fiscal year 2009-10, and commercial building permits had 91 recorded in fiscal year 2008-09 compared to 51 during fiscal year 2009-10.

The Electric Department saw a customer increase of 121 or 1% with an annual kWh sales increase of 7.1% for fiscal year 2009-10.

The Electric Department continued new infrastructure construction to keep up with and ahead of this growth. During the 2009-10 fiscal year, four residential subdivisions, three commercial subdivisions, and 17 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/West Lake Drive, three-quarters of a mile of distribution feeder was upgraded on Santa Fe Drive, and a half-mile section of distribution feeder was upgraded on South Main Street.

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 has 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 an 11.9% decrease in gallons of water sold in fiscal year 2009-10. During fiscal year 2009-10, the water department maintenance crews installed 178 new water meters, 9 new water taps, replaced 185 water meters, 9 water services, 62 water main breaks, and 48 fire hydrants. In addition, the water department replaced the waterline at 2100 I-20 East, installed a waterline at 800 West Lake, installed a waterline at 100 La Colina and installed a waterline at 602 Fort Worth highway. Several capital water projects began in FY10, 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 26 wastewater services, and 22 wastewater main breaks. Crews also jetted 609,850 feet of wastewater lines; inspected 16,749 feet of wastewater line, smoke tested 12,059 feet of wastewater line, responded to 260 stop-

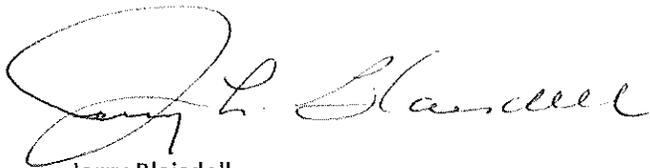
ups, 320 grinder pump malfunctions, and 298 call-outs to lift stations and inspected all the grinder pumps operated by the City. In addition, the wastewater maintenance crews installed a six-inch wastewater line at 602 Fort Worth Highway and installed a two-inch wastewater line at 602 Fort Worth highway. The in-house water/wastewater crews replaced over 10,600 feet of water and sewer mains. Some of these projects occurred at I-20 East, 800 W. Lake, 100 La Colina and BB Fielder Rd.

The Technical Services Department and Utility Administration provided engineering and technical support to other departments and the City. During this fiscal year Technical Services began 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.

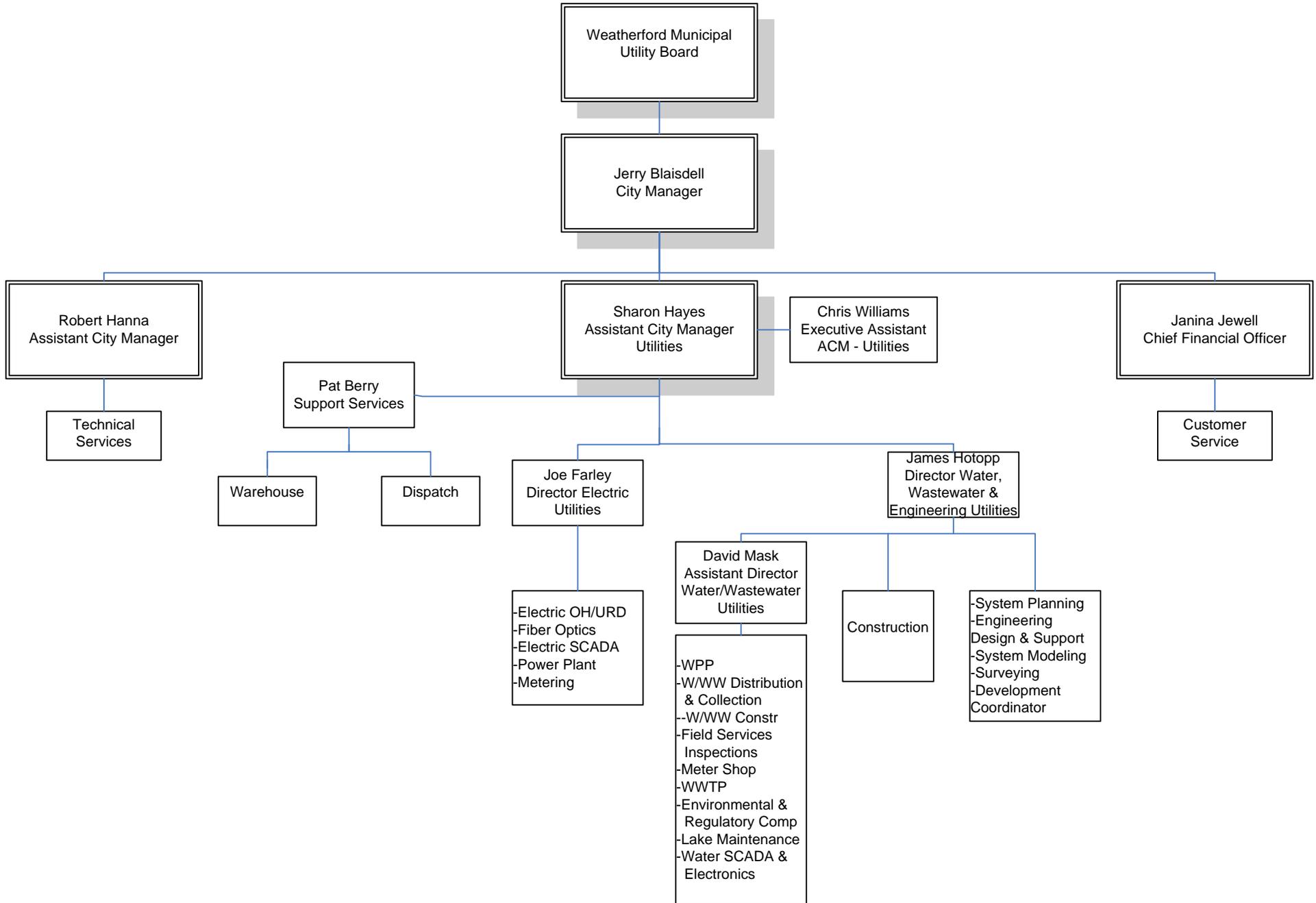
The Board's commitment to policy direction is very much appreciated.

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, 2010**

**ELECTED
CITY COUNCIL**

Dennis Hooks - Mayor

Waymon Hamilton – Mayor Pro Tem
Council Member

Jerry Clinton – Council Member

Craig Swancy – Council Member

**APPOINTED/DESIGNATED
MUNICIPAL UTILITY BOARD**

Dennis Hooks – Mayor

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

Heidi Wilder – Appointed Public Member

SENIOR STAFF

Jerry Blaisdell – City Manager

Robert Hanna – Assistant City Manager

Sharon Hayes – Assistant City Manager – Utilities

Janina Jewell – Chief Financial Officer

ADVISORY/CONSULTATION

Laura Simonds – 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

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, 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 did not audit the financial statements of the Municipal Utility System Enterprise Fund of the City of Weatherford, Texas, as of and for the year ended September 30, 2009. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the fiscal year-end 2009, is based on the report of the other auditors.

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, 2010 and 2009, 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, based on our audit and the report of other auditors, 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, 2010 and 2009, and the changes in its 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 22, 2011

FINANCIAL STATEMENTS

**CITY OF WEATHERFORD, TEXAS
MUNICIPAL UTILITY SYSTEM
COMPARATIVE STATEMENTS OF NET ASSETS
SEPTEMBER 30, 2010 AND 2009**

	2010	2009
ASSETS		
Current assets:		
Unrestricted assets:		
Cash and cash equivalents	\$ 13,690,359	\$ 12,698,696
Receivables:		
Accounts, net of allowances for uncollectible of \$509,090 and \$340,537 for 2010 and 2009, respectively	2,503,438	3,286,460
Earned but unbilled customer accounts	131,420	2,109,588
Other	61,711	153,788
Due from other funds	-	28,724
Inventory	3,599,645	3,870,347
Prepaid expenses	49,995	-
Restricted assets:		
Cash and cash equivalents		
Revenue bond debt service account	793,375	774,825
Revenue bond reserve account	4,036,881	1,024,652
Amounts held for future construction account	3,916,321	8,468,436
Water impact fee account	2,038,085	1,808,689
Wastewater impact fee account	1,187,818	1,024,982
Investments		
Revenue bond reserve account	-	2,995,383
Due from other funds	-	7,344
Due from government agencies	65,837	65,837
Accrued interest	-	1,696
Total current assets	32,074,885	38,319,447
Noncurrent assets:		
Deferred charges	475,515	542,678
Capital assets:		
Nondepreciable	3,177,151	9,035,717
Depreciable, net of accumulated depreciation	107,927,039	98,560,389
Total noncurrent assets	111,579,705	108,138,784
Total assets	143,654,590	146,458,231

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

	<u>2010</u>	<u>2009</u>
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 2,342,313	\$ 3,813,370
Accrued wages payable	106,584	88,989
Accrued interest payable	11,242	9,638
Other accrued liabilities	30,051	-
Due to other funds	-	309,508
Unearned revenue	638,079	697,189
Customer deposits	1,021,434	1,014,335
Notes payable	157,734	60,397
Capital lease payable	19,794	-
Revenue bonds payable	2,396,667	2,395,417
Compensated absences	160,039	142,394
Payable from restricted assets:		
Accounts payable	81,148	548,474
Accrued wages payable	8,609	-
Retainage payable	120,132	303,461
Accrued interest payable	169,488	177,750
Revenue bonds payable	218,333	209,583
Total current liabilities	<u>7,481,647</u>	<u>9,770,505</u>
Noncurrent liabilities:		
Notes payable	768,933	416,666
Capital lease payable	21,300	-
Revenue bonds payable	41,124,876	44,264,786
Compensated absences	955,777	881,868
Net pension obligation	300,125	124,041
Net OPEB obligation	334,047	166,931
Total noncurrent liabilities	<u>43,505,058</u>	<u>45,854,292</u>
Total liabilities	<u>50,986,705</u>	<u>55,624,797</u>
NET ASSETS		
Invested in capital assets, net of related debt	66,913,162	68,220,950
Restricted for:		
Debt service	6,417,957	4,794,860
Construction	6,585,491	2,833,671
Unrestricted	12,751,275	14,983,953
Total net assets	<u>\$ 92,667,885</u>	<u>\$ 90,833,434</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, 2010 AND 2009

	2010	2009
OPERATING REVENUES		
Electric sales	\$ 34,729,534	\$ 43,689,262
Electric services	535,390	375,046
Water sales	5,544,945	6,157,665
Water pumping services	49,918	935,899
Water services	34,764	10,826
Wastewater services	3,692,973	3,914,995
Total operating revenues	44,587,524	55,083,693
OPERATING EXPENSES		
Personnel services	6,086,386	6,026,523
Contractual services	3,141,604	4,143,353
Purchased power	23,245,445	32,575,974
Materials and supplies	1,717,165	1,479,574
Depreciation	4,123,303	3,852,770
Total operating expenses	38,313,903	48,078,194
OPERATING INCOME	6,273,621	7,005,499
NONOPERATING REVENUES (EXPENSES)		
Net decrease in fair value of investments	-	(8,207)
Investment earnings	60,567	225,687
Lease/purchase agreement	-	37,180
Miscellaneous	66,912	219,145
Rentals	794,415	773,896
Interest and fiscal charges	(2,071,641)	(2,021,604)
Total nonoperating revenues (expenses)	(1,149,747)	(773,903)
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	5,123,874	6,231,596
Capital contributions	1,465,257	2,172,855
Transfers in	83,558	1,000,000
Transfers out	(4,838,238)	(5,108,346)
NET CHANGE IN NET ASSETS	1,834,451	4,296,105
NET ASSETS, BEGINNING	90,833,434	86,537,329
NET ASSETS, ENDING	\$ 92,667,885	\$ 90,833,434

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, 2010 AND 2009**

	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 47,388,780	\$ 57,322,676
Cash paid to employees	(5,625,428)	(5,553,701)
Cash paid to suppliers	(30,248,608)	(38,439,250)
Net cash provided by operating activities	11,514,744	13,329,725
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Cash received from rentals	794,415	773,896
Cash received for miscellaneous items	52,326	493,085
Transfers from other funds	83,558	1,000,000
Transfers to other funds	(4,838,238)	(5,108,346)
Net cash used by noncapital financing activities	(3,907,939)	(2,841,365)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from sale of capital assets	29,172	15,000
Proceeds from debt issuance	-	690,000
Proceeds from developers for contributions in aid of construction	743,775	352,451
Proceeds from TxDOT loan	-	390,000
Principal payments on long-term debt	(2,688,314)	(2,509,617)
Acquisition and construction of capital assets	(6,860,479)	(9,417,636)
Interest and fiscal charges on debt	(2,026,046)	(2,265,790)
Net cash used by capital and related financing activities	(10,801,892)	(12,745,592)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	62,263	251,775
Sale of investments	2,995,383	4,540,000
Reserve repurchase agreement/money market purchased	-	(2,000,000)
Reserve certificate of deposit purchased	-	(4,000,602)
Net cash provided (used) by investing activities	3,057,646	(1,208,827)
NET DECREASE IN CASH	(137,441)	(3,466,059)
CASH AND CASH EQUIVALENTS, BEGINNING	25,800,280	29,266,339
CASH AND CASH EQUIVALENTS, ENDING	\$ 25,662,839	\$ 25,800,280
RECONCILIATION OF TOTAL CASH AND CASH EQUIVALENTS		
Current assets - cash and cash equivalents	13,690,359	12,698,696
Restricted assets - cash and cash equivalents	11,972,480	13,101,584
Total cash and cash equivalents	\$ 25,662,839	\$ 25,800,280

(continued)

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

**COMPARATIVE STATEMENTS OF CASH FLOWS
(Continued)
FOR THE YEARS ENDED SEPTEMBER 30, 2010 AND 2009**

	2010	2009
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income	\$ 6,273,621	\$ 7,005,499
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	4,123,303	3,785,565
Amortization	-	67,205
Decrease (increase) in accounts receivable	875,099	1,562,085
Decrease (increase) in earned but unbilled customer accounts	1,978,168	-
Decrease (increase) in due from other funds	36,068	(23,324)
Decrease (increase) in other assets	-	162,139
Decrease (increase) in inventory	270,702	333,008
Decrease (increase) in prepaid expenses	(49,995)	-
Increase (decrease) in accounts payable	(1,908,332)	(126,831)
Increase (decrease) in accrued wages payable	26,204	56,352
Increase (decrease) in due to other funds	(309,508)	74,780
Increase (decrease) in unearned revenue	(59,110)	7,622
Increase (decrease) in customer deposits	7,099	9,155
Increase (decrease) in retainage payable	(183,329)	-
Increase (decrease) in compensated absences	91,554	125,498
Increase (decrease) in net pension obligation	176,084	124,041
Increase (decrease) in net OPEB obligation	167,116	166,931
Net cash provided by operating activities	\$ 11,514,744	\$ 13,329,725
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
Capital lease	\$ 64,012	\$ -
Capital contributions from developers	721,482	1,568,644
Change in fair value of investments	-	(4,616)

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

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

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2010

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Weatherford (the “City”) was chartered April 23, 1918. The City operates as a Home Rule City, under a Council-Manager form of government and provides the following services as authorized by its charter: public safety (police and fire), highways and streets, water, electric and sewer utilities, sanitation, health and social services, parks and recreation, public improvements, planning and zoning and general administrative services.

The accounting policies of the City conform to generally accepted accounting principles (GAAP) applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

These financial statements present only the Municipal Utility System, a separate fund of the City of Weatherford. They are not intended to present the financial position, results of operations or cash flows of the City of Weatherford, 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, fund equity, 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.

(continued)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus.

Enterprise Funds are 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. Enterprise Fund 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.

Enterprise Funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned and their expenses are recognized when they are incurred. Unbilled receivables for electric and water utility service are recorded at year-end.

D. 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 City calculates capitalized interest by applying the interest rate of the debt to the weighted average construction expenditures.

(continued)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Cash, Cash Equivalents and Investments

Cash equivalents include investments in the Texas Local Governments Investment Pool and Texas Short-term Asset Reserve Program. 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. The City’s investments as of September 30, 2010 and 2009, are shown below.

<u>2010</u>	<u>Carrying Amount</u>	<u>Fair Value</u>
Texas Local Government Investment Pool	\$ 11,700,236	\$ 11,700,236
Texas Short-term Asset Reserve Program	<u>7,537,121</u>	<u>7,537,121</u>
	<u>\$ 19,237,357</u>	<u>\$ 19,237,357</u>
<u>2009</u>	<u>Carrying Amount</u>	<u>Fair Value</u>
Texas Local Government Investment Pool	\$ 7,679,843	\$ 7,679,843
Texas Short-term Asset Reserve Program	10,116,157	10,116,157
Money Market	2,001,838	2,001,838
Certificates of deposit	<u>994,149</u>	<u>994,149</u>
	<u>\$ 20,791,987</u>	<u>\$ 20,791,987</u>

Cash Flows Presentation

For purposes of the statement of cash flows, the City 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.

F. Inventory

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

(continued)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. 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. At September 30, 2010 and 2009, the City's estimated liability for compensated absences in the Municipal Electric, Water and Wastewater Funds for the Municipal Utility System was \$1,115,816 and \$1,024,262, respectively.

H. Short-term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between the Municipal Utility System and other funds of the City for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the statement of net assets.

I. Fund Equity

Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for specific future use.

J. Concentration of Credit Risk

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

K. Deferred Charges

The deferred debt issuance cost will be amortized over the life of the related debt.

L. Reclassifications

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

II. CAPITAL ASSETS

Capital asset activity for the years ended September 30, 2010 and 2009, was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
September 30, 2010				
Capital assets, not being depreciated:				
Land	\$ 2,430,140	\$ -	\$(207,048)	\$ 2,223,092
Construction in progress	<u>6,605,577</u>	<u>492,755</u>	<u>(6,144,273)</u>	<u>954,059</u>
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	<u>5,384,765</u>	<u>492,576</u>	<u>(120,618)</u>	<u>5,756,723</u>
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	<u>(3,883,220)</u>	<u>(350,600)</u>	<u>117,629</u>	<u>(4,116,191)</u>
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>
September 30, 2009				
Capital assets, not being depreciated:				
Land	\$ 1,678,549	\$ 751,591	\$ -	\$ 2,430,140
Construction in progress	<u>2,194,993</u>	<u>5,588,621</u>	<u>(1,178,037)</u>	<u>6,605,577</u>
Total assets not being depreciated	<u>3,873,542</u>	<u>6,340,212</u>	<u>(1,178,037)</u>	<u>9,035,717</u>
Capital assets, being depreciated:				
Buildings and improvements	18,908,207	17,980	-	18,926,187
Other improvements	117,179,887	5,963,741	-	123,143,628
Machinery and equipment	<u>5,051,862</u>	<u>584,150</u>	<u>(251,247)</u>	<u>5,384,765</u>
Total capital assets being depreciated	<u>141,139,956</u>	<u>6,565,871</u>	<u>(251,247)</u>	<u>147,454,580</u>
Less accumulated depreciation:				
Buildings and improvements	(6,971,699)	(435,874)	-	(7,407,573)
Other improvements	(34,554,036)	(3,049,362)	-	(37,603,398)
Machinery and equipment	<u>(3,834,138)</u>	<u>(300,329)</u>	<u>251,247</u>	<u>(3,883,220)</u>
Total accumulated depreciation	<u>(45,359,873)</u>	<u>(3,785,565)</u>	<u>251,247</u>	<u>(48,894,191)</u>
Total capital assets being depreciated, net	<u>95,780,083</u>	<u>2,780,306</u>	<u>-</u>	<u>98,560,389</u>
Municipal Utility capital assets, net	<u>\$ 99,653,625</u>	<u>\$ 9,120,518</u>	<u>\$(1,178,037)</u>	<u>\$ 107,596,106</u>

III. LONG-TERM LIABILITY

Long-term liability activity for the years ended September 30, 2010 and 2009, was as follows:

	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	<u>\$ 48,662,083</u>	<u>\$ 1,622,216</u>	<u>\$ 3,826,674</u>	<u>\$ 46,457,625</u>	<u>\$ 2,952,567</u>
September 30, 2009					
Bonds payable:					
Revenue bonds	\$ 47,670,000	\$ -	\$ 2,400,000	\$ 45,270,000	\$ 2,515,000
Issuance premium/discount	1,572,190	-	123,304	1,448,886	-
Less: deferred amount on refunding	(557,352)	-	(108,252)	(449,100)	-
Total bonds payable	48,684,838	-	2,415,052	46,269,786	2,515,000
Tax note	-	690,000	90,000	600,000	90,000
State infrastructure loans	106,680	390,000	19,617	477,063	60,397
OPEB obligation	-	248,425	81,494	166,931	-
Pension obligation	-	732,774	608,733	124,041	-
Compensated absences	898,764	470,129	344,631	1,024,262	142,394
Municipal Utility long-term liabilities	<u>\$ 49,690,282</u>	<u>\$ 2,531,328</u>	<u>\$ 3,559,527</u>	<u>\$ 48,662,083</u>	<u>\$ 2,807,791</u>

(continued)

III. LONG-TERM LIABILITY (Continued)

Bonds payable at September 30, 2010 and 2009, consist of the following individual issues:

	<u>2010</u>	<u>2009</u>
\$10,085,000 1996 Combined Utility System Refunding Bonds, due in annual installments through September 1, 2011, 3.30% - 5.00%.	\$ 535,000	\$ 1,040,000
\$21,055,000 2005 Utility System Refunding Bonds, due in annual installments through September 1, 2018, 3.00% - 5.00% .	17,320,000	18,300,000
\$20,000,000 2006 Utility System Improvement Bonds, due in annual installments through September 1, 2026, 4.00% - 5.125%.	19,520,000	19,645,000
\$6,575,000 2008 Utility System Refunding Bonds, due in annual installments through September 1, 2018, 3.46%.	<u>5,380,000</u>	<u>6,285,000</u>
	<u>\$ 42,755,000</u>	<u>\$ 45,270,000</u>

The annual requirements to amortize the long-term debt as of September 30, 2010, are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 2,615,000	\$ 2,015,352	\$ 4,630,352
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
2016-2020	14,855,000	5,429,004	20,284,004
2021-2025	11,350,000	2,237,815	13,587,815
2026-2030	<u>2,280,000</u>	<u>116,850</u>	<u>2,396,850</u>
Total	<u>\$ 42,755,000</u>	<u>\$ 16,672,900</u>	<u>\$ 59,427,900</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 City is in compliance with these financial requirements.

(continued)

III. LONG-TERM LIABILITY (Continued)

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, 2010 and 2009.

	2010		2009	
	<u>Required</u>	<u>Actual</u>	<u>Required</u>	<u>Actual</u>
Reserve fund	\$ 3,987,280	\$ 4,036,881	\$ 3,987,280	\$ 4,021,731
Bond fund	442,822	793,375	439,833	774,395

In addition to the above, there are certain restricted asset accounts pertaining to funds set aside by the Municipal Utility Board for future construction and meter deposits.

The following is a summary of notes payable as of September 30, 2010 and 2009:

<u>Description and Terms</u>	<u>2010</u>	<u>2009</u>
Bank of America \$690,000 2009 Tax Notes, due in annual installments through March 1, 2015, 3.63%.	\$ 510,000	\$ 600,000
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.	66,622	87,063
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.	293,099	320,000
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.	<u>56,946</u>	<u>70,000</u>
	<u>\$ 926,667</u>	<u>\$ 1,077,063</u>

(continued)

III. LONG-TERM LIABILITY (Continued)

The annual requirements to amortize the long-term debt as of September 30, 2010, are as follows:

Fiscal Year	Principal	Interest	Total
2011	\$ 157,734	\$ 32,718	\$ 190,452
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
2016-2019	<u>142,459</u>	<u>13,786</u>	<u>156,245</u>
Total	<u>\$ 926,667</u>	<u>\$ 116,748</u>	<u>\$ 1,043,415</u>

IV. EMPLOYEE'S RETIREMENT SYSTEM

A. 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 status governing TMRS. A summary of plan provisions for the City were as follows:

	<u>Plan Year 2009</u>	<u>Plan Year 2010</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)

IV. EMPLOYEE'S RETIREMENT SYSTEM (Continued)

B. Contributions

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>2009</u>	<u>2010</u>
Annual required contribution (ARC)	\$ 2,931,096	\$ 3,308,509
Interest on net pension obligation	-	36,684
Adjustment to ARC	-	<u>(29,865)</u>
Annual pension cost	2,931,096	3,315,328
Contributions made	<u>(2,441,974)</u>	<u>(2,666,331)</u>
Change in net pension obligation	489,122	648,997
Net pension obligation, beginning of year	-	<u>489,122</u>
Net pension obligation, end of year	<u>\$ 489,122</u>	<u>\$ 1,138,119</u>
Percentage of APC contributed	83.3%	80.4%

Fiscal Year Ending	Annual Pension Cost (APC)	Annual Contribution Made	Percentage of APC Contributed	Net Pension Obligation (Asset)
09/30/2008	\$ 2,334,704	\$ 2,334,704	100%	\$ -
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

The Municipal Utility Fund's portion of the net pension obligation was \$300,125 and \$124,041 as of September 30, 2010 and 2009, respectively.

(continued)

IV. EMPLOYEE'S RETIREMENT SYSTEM (Continued)

B. Contributions (Continued)

The required contribution rates for fiscal year 2010 were determined as part of the December 31, 2007 and 2008, actuarial valuations. Additional information as of the latest actuarial valuation, December 31, 2009, also follows:

Actuarial Liabilities and Funding Progress

Actuarial Valuation Date	12/31/07	12/31/08	12/31/09
Actuarial cost method	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
Amortization method	Level percentage of payroll	Level percentage of payroll	Level percentage of payroll
GASB 25 equivalent single amortization period	30 years; closed period	29 years; closed period	28 years; closed period
Amortization period for new gains/losses	30 years	30 years	30 years
Asset valuation method	Amortized cost	Amortized cost	10-year Smoothed market
Actuarial Assumptions:			
Investment rate of return*	7.0%	7.5%	7.5%
Projected salary increases*	varies by age and service	varies by age and service	varies by age and service
*Includes inflation at Cost-of-living adjustments	3.0% 2.1%	3.0% 2.1%	3.0% 2.1%

The schedule of funding progress presents multi-year trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liability of benefits. The funded status as of December 31, 2009, is the most recent actuarial valuation.

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)
12/31/07	32,463,128	52,144,117	19,680,989	62.3%	15,408,514	127.7%
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%	17,587,671	129.3%

V. OTHER POST EMPLOYMENT BENEFITS (OPEB)

A. 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.

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 of Weatherford 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 of Weatherford 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.

(continued)

V. OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)

A. Retiree Health Plan (Continued)

Funding Policy (Continued)

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, 2010 and 2009, are as follows:

	<u>2010</u>	<u>2009</u>
Annual required contribution	\$ 947,697	\$ 920,094
Interest on OPEB obligation	27,778	-
Adjustment to ARC	<u>(25,736)</u>	<u>-</u>
Annual OPEB cost (expense) end of year	949,739	920,094
Net estimated employer contributions	<u>(321,382)</u>	<u>(302,796)</u>
Increase in net OPEB obligation	628,357	617,298
Net OPEB obligation - as of beginning of the year	<u>617,298</u>	<u>-</u>
Net OPEB obligation - as of end of year	<u>\$ 1,245,655</u>	<u>\$ 617,298</u>

The Municipal Utility Fund's portion of the net OPEB obligation was \$166,931 and \$334,047 as of September 30, 2010 and 2009, respectively.

Funding Status and Funding Progress

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>
12/31/07	N/A	N/A	N/A	N/A
12/31/08	\$ 920,094	\$ 302,796	32.9%	\$ 617,298
12/31/09	949,739	321,382	33.8%	1,245,655

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	- %	\$ 6,311,246	163.82%

(continued)

V. OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)

A. Retiree Health Plan (Continued)

Actuarial Methods and Assumptions

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 2008 actuarial valuation is the most recent and only actuarial valuation available; therefore, a schedule of funding progress with multi-trend information is not provided.

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	12/31/08
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)

V. OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)

A. 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.

B. 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)

V. OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)

B. Supplemental Death Benefits Plan for Retirees (Continued)

Contributions

Contributions are made on a monthly basis on the covered payroll of employee members of the City.

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>
2008	0.05%	0.05%	100.0%
2009	0.03%	0.03%	100.0%
2010	0.04%	0.04%	100.0%

VI. RISK MANAGEMENT

The City 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 City's participation in the Texas Municipal League Intergovernmental Risk Pool (TMLIRP) for Intergovernmental Employee Benefits Pool (TMLIEBP) for employee health insurance. These are self-sustaining risk pools operated on a statewide basis for the benefit of several hundred Texas cities and other public entities. The City pays annual premiums to the TMLIRP, which retains risk of loss up to \$3,000,000 and obtains independent coverage for losses in excess of that amount. Monthly premiums are paid to the TMLIEBP, which retains risk of loss up to \$500,000 per individual and obtains independent coverage for losses in excess of that amount.

The City 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

(continued)

VI. RISK MANAGEMENT (Continued)

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, 2010, the City's insurance deductibles increased significantly from prior years.

VII. CONTINGENCIES

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

VIII. OTHER LONG-TERM COMMITMENTS

The City owns and operates its own electric distribution system and purchases all of its power from a wholesale supplier with the exception of small amounts generated by City-owned gas/diesel-fired generators during emergencies.

In 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 City 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 City 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.

In an effort to stabilize rates, the City has begun to lock in gas rates for extended periods of time. On September 30, 2010, no rates had been locked in further out than the upcoming fiscal year.

During the year ended September 30, 2010 and 2009, the total KWHs purchased, total cost, and cost per KWH were as follows:

<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>
<u>2009</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>357,185,312</u>	<u>\$ 32,574,914</u>	<u>\$ 0.0912</u>

IX. CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

On August 27, 2009, the City Council approved a contract with W. R. Hodgson in the amount of \$1,209,294.70 to construct 20" water transmission main segment A-2. This project was funded with utility revenue bond funds and became operational in September, 2010, but is not closed out due to the project being turned over to the bonding company. As of September 30, 2010, work completed and billed totaled \$1,201,315.

No other major construction or significant commitments of a general nature were outstanding as of September 30, 2010.

X. SUBSEQUENT EVENTS

On December 30, 2010, the City issued \$25,130,000 of a General Obligation Refunding Bond, Series 2010. This debt will provide funding for the partial refunding of the 2007 Tax and Utility System Revenue, Certificate of Obligations Series.

On January 1, 2011, the City issued \$8,345,000 of Tax and Utility System Revenue Certificates of Obligation, Series 2011. This debt will provide for funding for the construction and improvements of the City's roads, streets, and highways.

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CAPITAL ASSETS

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

SCHEDULES OF CAPITAL ASSETS

SEPTEMBER 30, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
Land	\$ 2,223,092	\$ 2,430,140
Buildings and improvements	18,926,187	18,926,187
Other improvements	136,141,002	123,143,628
Machinery and equipment	5,756,723	5,384,765
Construction in progress	<u>954,059</u>	<u>6,605,577</u>
	164,001,063	156,490,297
Less accumulated depreciation	<u>(52,896,873)</u>	<u>(48,894,191)</u>
Totals	<u>\$ 111,104,190</u>	<u>\$ 107,596,106</u>

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

SCHEDULE OF CAPITAL ASSETS BY FUNCTION AND ACTIVITY

SEPTEMBER 30, 2010

<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	\$ 5,127,104	\$ 326,764	\$ 2,767,323	\$ 1,052,970	\$ 980,047	\$ -
Water production	25,364,291	1,055,502	12,534,984	11,346,102	427,703	-
Water distribution	51,072,661	662,303	55,619	49,788,922	551,200	14,617
Wastewater	35,201,826	136,810	3,231,643	29,532,159	1,361,772	939,442
Electric production	1,192,893	11,334	336,618	13,203	831,738	-
Electric distribution	<u>46,042,288</u>	<u>30,379</u>	<u>-</u>	<u>44,407,646</u>	<u>1,604,263</u>	<u>-</u>
Total capital assets	<u>\$ 164,001,063</u>	<u>\$ 2,223,092</u>	<u>\$ 18,926,187</u>	<u>\$ 136,141,002</u>	<u>\$ 5,756,723</u>	<u>\$ 954,059</u>

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

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

FOR THE YEAR ENDED SEPTEMBER 30, 2010

<u>Function and Activity</u>	<u>Balance 09/30/09</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 09/30/10</u>
Administration	\$ 5,122,202	\$ 15,458	\$(10,556)	\$ 5,127,104
Water production	25,062,404	326,544	(24,657)	25,364,291
Water distribution	47,976,393	3,473,034	(376,766)	51,072,661
Wastewater	33,045,681	2,259,319	(103,174)	35,201,826
Electric production	1,192,893	-	-	1,192,893
Electric distribution	<u>44,090,724</u>	<u>1,951,564</u>	<u>-</u>	<u>46,042,288</u>
Total capital assets	<u>\$ 156,490,297</u>	<u>\$ 8,025,919</u>	<u>\$(515,153)</u>	<u>\$ 164,001,063</u>

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STATISTICAL SECTION

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

PLEDGED REVENUE COVERAGE

**LAST TEN FISCAL YEARS
(UNAUDITED)**

Fiscal Year	Utility System Revenue Bonds					
	Gross Revenues (1)	Less: Operating Expenses (2)	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2000/01	\$ 34,262,541	\$ 25,770,164	\$ 8,492,377	\$ 1,640,000	\$ 2,130,049	2.25%
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	2,605,000	2,121,884	2.21%

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>
2001	279,482,773	765,706	64,300
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

- * 30.8% Increase since 2001 (KWHR)
- ** 30.8% Increase since 2001 (KWHR)
- *** 40.4% Increase since 2001 (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>
2001	1,010,513	2,769	7,478
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

* 9.6% Increase since 2001
 ** 9.5% Increase since 2001
 *** -2.2% Decrease since 2001

19,381 pop. - 142.87 gals per day per person (2001)
 27,050 pop. - 112.13 gals per day per person (2010)

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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>
2001	868,524	2,380	5,545
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

* -5.0% Decrease since 2001

** -5.0% Decrease since 2001

*** -21.4% Decrease since 2001

19,381 pop. - 122.80 gals per day per person (2001)

27,050 pop. - 83.59 gals per day per person (2010)

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

MISCELLANEOUS STATISTICS

**SEPTEMBER 30, 2010
(UNAUDITED)**

Date of incorporation	January 2, 1858
Form of government	Council/Manager
Number of full-time employees (excluding police and fire):	248
Area in square miles	26.65
Facilities and Services	
Miles of streets	211.50
Number of street lights	1,692
Culture and Recreation:	
Public libraries	1
Total library holdings	98,241
Community centers	2
Parks	10
Park acreage	300
Swimming pools	1
Tennis courts	3
Soccer fields	8
Softball and baseball fields	13
Multi-purpose fields and courts	9
Fire Protection:	
Number of stations	4
Number of paid fire personnel and officers	51
Number of trucks	17
Number of calls answered	3,985
Police Protection:	
Number of stations	1
Number of police personnel and officers	76
Number of patrol units	22
Number of law violations:	
Arrests	1,591
Violations other than parking	6,855
Parking violations	88

(continued)

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

**MISCELLANEOUS STATISTICS
(Continued)
SEPTEMBER 30, 2010
(UNAUDITED)**

Facilities and Services - continued

Sanitary Sewer System:

Miles of sanitary sewers	195
Number of treatment plants	1
Number of service connections	9,769
Daily average treatment in gallons	2,261,000
Permitted daily capacity of treatment plant in gallons	4,500,000

Water System:

Miles of water mains	254
Number of service connections	10,604
Number of fire hydrants	1,320
Daily average consumption in gallons	3,072,000
Maximum daily capacity of plant in gallons	14,000,000
Total water storage capacity	7,600,000
Annual water sales in gallons	1,121,197,000

Electric Distribution System:

Miles of distribution lines	316
Number of service connections	13,418
Total system peak demand (kw)	90,289
Annual kilowatt-hour sales (kwh)	365,673,529

Other Community Facilities:

Education:

Number of elementary schools	7
Number of elementary school instructors	283
Number of secondary schools	4
Number of secondary school instructors	228
Number of community colleges	1

Hospitals:

Number of hospitals	1
Number of patient beds	97

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

SERVICE RATE SCHEDULES

**AS OF SEPTEMBER 30, 2010
(UNAUDITED)**

ELECTRIC RATES - EFFECTIVE OCTOBER 1, 2002 - ORDINANCE 2002-35)

Residential	\$4.25 customer charge \$.0750 per KWH May - October \$.0690 per KWH November - April
Small General Service (Demand does not exceed 20)	\$16.00 customer charge plus \$.0765 per KWH
Large General Service - 1 (Demand 20 - 200)	\$21.00 customer charge \$3.25 per KW demand \$.0605 per KWH
Large General Service - 2 (Demand 200 - 1000 KVA)	\$22.25 customer charge \$2.55 per KVA demand \$.0565 per KWH \$.0545 per KWH (if primary metered)
Large General Service - 3 (Demand 1000 KVA or more)	\$22.25 customer charge \$8.10 per KVA demand in excess of 10 KVA \$.0860 per KWH for first 2500 KWH \$.0520 per KWH for next 3500 KWH** \$.0260 per KWH for all additional KWH

**Add 215 KWH per KVA of demand in excess of 10 KVA

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.

Church/School	\$16.00 customer charge \$2.25 per KW demand \$.0645 per KWH
Municipal	\$12.25 customer charge \$.0665 per KWH
MV Lighting	\$10.00 customer charge

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 \$0.0400.

(continued)

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

SERVICE RATE SCHEDULES

**AS OF SEPTEMBER 30, 2010
(UNAUDITED)**

WATER RATES

RESIDENTIAL WATER CUSTOMER - (Effective October 1, 2006 - Ordinance 220-2006-37)

Customer Charge (minimum)	\$8.55
Per Cu. Ft. (0-1,000)	\$0.0265
Per Cu. Ft. (1,001-3,500)	\$0.0330
Per Cu. Ft. (3,501-5,000)	\$0.0415
Per Cu. Ft. (all over 5,000)	\$0.0500

**RURAL WATER CUSTOMER - Westridge/Southcrest Subdivisions
(Effective October 1, 2009 - Ordinance 452-2009-33)**

Customer Charge (minimum)	\$8.55
Per Cu. Ft. (0-1,000)	\$0.0445
Per Cu. Ft. (1,001-3,500)	\$0.0510
Per Cu. Ft. (3,501-5,000)	\$0.0595
Per Cu. Ft. (all over 5,000)	\$0.0680

COMMERCIAL RATES (Effective October 1, 2006 - Ordinance 220-2006-37)

Customer Charge (minimum)	\$12.40
Per Cu. Ft.	\$0.0300

OFFSITE COMMERCIAL/INDUSTRIAL - (Effective April 1, 2007 - Ordinance 242-2007-08)

Fire Hydrant Meters	
Customer Charge	\$15.75
Per Cu. Ft. (all)	\$0.0600

WASTEWATER RATES (Effective October 1, 2006 - Ordinance 221-2006-38)

RESIDENTIAL RATES

Customer Charge (minimum)	\$12.35
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	\$0.0360

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, 2010**

**MAJOR CAPITAL PROJECTS SUMMARY
FOR THE PERIOD 10/01/05 - 9/30/10
(Unaudited)**

	PROJECT BUDGET	BALANCE 9/30/2009	FISCAL YEAR 2009-2010	BALANCE 9/30/2010
<u>REVENUES</u>				
2009 Tax Notes				
Sales of Bonds	\$ 690,000	\$ 690,000	\$ -	\$ 690,000
Bond Issuance Costs	(23,000)	(23,000)	-	(23,000)
2006 Revenue Bond Funds				
Sale of Bonds	20,000,000	20,000,000	-	20,000,000
Original Issue Premium		835,310	-	835,310
Bond Issuance Costs	-	(357,319)	-	(357,319)
Change in Fair Value of Investments	-	(723)	-	(723)
Interest Earnings	-	1,772,201	10,517	1,782,718
EPA Grant Funds (Elevat. Storage Tank)	-	240,600	-	240,600
Prior Funding Sources				
Utility Revenues	523,342	523,342	-	523,342
1999 Revenue Bond Funds	905,894	905,894	-	905,894
Capitalized Interest - 1999 Bonds	20,952	25,716	-	25,716
Capitalized Interest - 2006 Bonds	-	327,274	129,481	456,755
Capitalized Interest - 2009 Tax Notes	-	40,105	-	40,105
TOTAL REVENUES	\$ 22,117,188	\$ 24,979,400	\$ 139,998	\$ 25,119,398
<u>PROJECT EXPENDITURES</u>				
Railroad Substation	\$ 1,567,000	\$ 1,178,008	\$ -	\$ 1,178,008
Water Purification Plant Expansion	6,045,000	6,173,465	-	6,173,465
Elevated Water Tank & Lines	2,797,250	4,063,100	33,584	4,096,684
Parallel Treated Water Line	9,035,000	3,144,692	2,656,060	5,800,752
Parallel Sewer Line-S Main to WWTP	1,700,000	1,041,655	475,554	1,517,209
Viaduct Relocation	109,238	-	139,849	139,849
Lift Station #6 Improvements	150,000	-	70,670	70,670
Lift Station #8 Relocation	600,000	-	696,533	696,533
Unallocated Contingency	113,700	-	-	-
Interest Transfer to Utility System	-	1,676,155	-	1,676,155
TOTAL PROJECT EXPENDITURES	\$ 22,117,188	\$ 17,277,075	\$ 4,072,250	\$ 21,349,325
ENDING BALANCE	\$ -	\$ 7,702,325	\$ (3,932,252)	\$ 3,770,073

**CITY OF WEATHERFORD
MUNICIPAL UTILITY SYSTEM
September 30, 2010**

**RAILROAD SUBSTATION CONSTRUCTION
(Unaudited)**

	BALANCE 9/30/2009	FISCAL YEAR 2009-2010	BALANCE 9/30/2010
<u>PROJECT EXPENDITURES</u>			
ENGINEERING SERVICES	\$ -	\$ -	\$ -
CONSTRUCTION	303,589	-	303,589
MISC. & CONTINGENCY	834,315	-	834,315
CAPITALIZED INTEREST	40,104	-	40,104
<i>TOTAL EXPENDITURES</i>	\$ 1,178,008	\$ -	\$ 1,178,008

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, 2010**

**WATER PURIFICATION PLANT EXPANSION
(Unaudited)**

	BALANCE 9/30/2009	FISCAL YEAR 2009-2010	BALANCE 9/30/2010
<u>PROJECT EXPENDITURES</u>			
ENGINEERING SERVICES	\$ 153,338	\$ -	\$ 153,338
CONSTRUCTION	5,906,000	-	5,906,000
MISC. & CONTINGENCY	11,573	-	11,573
CAPITALIZED INTEREST	102,554	-	102,554
<i>TOTAL EXPENDITURES</i>	\$ 6,173,465	\$ -	\$ 6,173,465

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, 2010**

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

	BALANCE 9/30/2009	FISCAL YEAR 2009-2010	BALANCE 9/30/2010
<u>PROJECT EXPENDITURES</u>			
ENGINEERING SERVICES	\$ 525,303	\$ 25,273	\$ 550,576
LAND	81,100	-	81,100
LAND EASEMENTS/ROW'S	119,889	-	119,889
CONSTRUCTION	3,091,328	6,950	3,098,278
MISC. & CONTINGENCY	126,345	216	126,561
CAPITALIZED INTEREST	119,135	1,145	120,280
<i>TOTAL EXPENDITURES</i>	\$ 4,063,100	\$ 33,584	\$ 4,096,684

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, 2010**

**PARALLEL TREATED WATER LINE
(Unaudited)**

	BALANCE 9/30/2009	FISCAL YEAR 2009-2010	BALANCE 9/30/2010
<u>PROJECT EXPENDITURES</u>			
ENGINEERING SERVICES	\$ 1,045,255	\$ 78,575	\$ 1,123,830
LAND EASEMENTS/RIGHT-OF-WAYS	484,059	-	484,059
CONSTRUCTION	1,518,521	2,484,595	4,003,116
MISC. & CONTINGENCY	404	2,358	2,762
CAPITALIZED INTEREST	96,453	90,532	186,985
<i>TOTAL EXPENDITURES</i>	\$ 3,144,692	\$ 2,656,060	\$ 5,800,752

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 should be completed by June 2011.

**CITY OF WEATHERFORD
MUNICIPAL UTILITY SYSTEM
September 30, 2010**

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

	BALANCE 9/30/2009	FISCAL YEAR 2009-2010	BALANCE 9/30/2010
<u>PROJECT EXPENDITURES</u>			
ENGINEERING SERVICES	\$ 148,574	\$ 526	\$ 149,100
CONSTRUCTION	839,772	458,818	1,298,590
MISC. & CONTINGENCY	18,460	-	18,460
CAPITALIZED INTEREST	34,849	16,210	51,059
<i>TOTAL EXPENDITURES</i>	\$ 1,041,655	\$ 475,554	\$ 1,517,209

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, 2010**

**VIADUCT RELOCATION
(Unaudited)**

	BALANCE 9/30/2009	FISCAL YEAR 2009-2010	BALANCE 9/30/2010
<u>PROJECT EXPENDITURES</u>			
CONSTRUCTION	\$ -	\$ 135,082	\$ 135,082
CAPITALIZED INTEREST	-	4,767	4,767
<i>TOTAL EXPENDITURES</i>	\$ -	\$ 139,849	\$ 139,849

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, 2010**

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

	BALANCE 9/30/2009	FISCAL YEAR 2009-2010	BALANCE 9/30/2010
<u>PROJECT EXPENDITURES</u>			
MISC. & CONSTRUCTION	\$ -	\$ 55,456	\$ 55,456
CAPITALIZED LABOR	-	12,805	12,805
CAPITALIZED INTEREST	-	2,409	2,409
<i>TOTAL EXPENDITURES</i>	\$ -	\$ 70,670	\$ 70,670

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 should begin in May 2011 and be completed by April 2012.

**CITY OF WEATHERFORD
MUNICIPAL UTILITY SYSTEM
September 30, 2010**

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

	BALANCE 9/30/2009	FISCAL YEAR 2009-2010	BALANCE 9/30/2010
<u>PROJECT EXPENDITURES</u>			
MISC. & CONSTRUCTION	\$ -	\$ 557,270	\$ 557,270
SALARIES	-	63,155	63,155
CAPITALIZED LABOR	-	61,689	61,689
CAPITALIZED INTEREST	-	14,419	14,419
<i>TOTAL EXPENDITURES</i>	\$ -	\$ 696,533	\$ 696,533

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 should be completed in April 2011.

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BUDGET SECTION

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City of Weatherford
MUNICIPAL UTILITY SYSTEM
TRANSFER CALCULATION REPORT
YEAR ENDED SEPTEMBER 30, 2010
(Unaudited)

RETURN ON INVESTMENT TRANSFER CALCULATION

As Adopted by City Council June 22, 2009

	Estimated Volume	Actual Volume	Rate of Return Per Unit Sold	Estimated Transfer	Actual Transfer
2009-10 Electric KWH Sales	340,521,091	365,673,529	\$0.0055	\$1,872,866	\$2,011,204
2009-10 Water (1,000 Gal.) Sales	1,240,318	1,121,197	\$0.2422	300,405	271,554
2009-10 Wastewater (1,000 Gal.) Treated	731,887	825,139	\$0.2669	195,341	220,230
				<u>\$2,368,612</u>	<u>\$2,502,988</u>

GROSS RECEIPTS CHARGE CALCULATION

As Adopted by City Council June 22, 2009

	Estimated Volume	Actual Volume	Gross Receipts Per Unit Sold	Estimated Gross Receipts	Actual Gross Receipts
2009-10 Electric KWH Sales	340,521,091	365,673,529	\$0.0043	\$1,464,241	\$1,572,396
2009-10 Water (1,000 Gal.) Sales	1,240,318	1,121,197	\$0.2181	270,513	244,533
2009-10 Wastewater (1,000 Gal.) Treated	731,887	825,139	\$0.1938	141,840	159,912
				<u>\$1,876,594</u>	<u>\$1,976,841</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>	
Administratior	\$678,461	45.0%	\$305,307		
Human Resources	290,018	50.0%	145,009	ELECTRIC	82.00% \$309,820
Finance Administratio	211,501	50.0%	105,751		
Accounting/Purchasing	237,547	50.0%	118,774	WATER	11.77% 44,578
Audit Services	45,000	50.0%	22,500		
Fleet Services	160,462	30.0%	48,139	WASTEWATER	6.47% 24,497
City Attorney	137,050	50.0%	68,525		
Economic Developmen	221,700	50.0%	110,850		<u>378,895</u>
City Hall (3,628sf)	(65,304)	100.0%	(65,304)		
Technical Services	(961,312)	50.0%	(480,656)		
	<u>\$955,123</u>		<u>\$378,895</u>		

SUMMARY - ALL TRANSFERS

	<u>ACTUAL 2008-2009</u>	<u>BUDGET 2009-2010</u>	<u>ACTUAL 2009-2010</u>	<u>ACTUAL INCREASE/ (DECREASE)</u>
Gross Receipts Fee	\$1,883,390	\$1,876,594	\$1,976,841	\$93,451
Administrative Service:	813,051	378,895	378,895	(434,156)
Return on Investmen	2,375,251	2,368,612	2,502,988	127,737
Total Transfers	<u>\$5,071,692</u>	<u>\$4,624,101</u>	<u>\$4,858,724</u>	<u>(\$212,968)</u>
TRANSFERS AS % OF REVENUES	8.83%	9.01%	10.58%	1.75%

City of Weatherford
MUNICIPAL UTILITY SYSTEM
SUMMARY BUDGET REPORT
YEAR ENDED SEPTEMBER 30, 2010
(Unaudited)

	<i>Actual</i> 2008-2009	<i>Amended</i> <i>Budget</i> 2009-2010	<i>Actual</i> 2009-2010	<i>Variance</i> <i>Positive</i> <i>(Negative)</i>
REVENUES				
<i>ELECTRIC</i>				
<i>Sales of Power</i>	43,696,733	40,203,164	34,738,159	(5,465,005)
<i>Interest & Other</i>	1,447,398	1,025,392	1,057,755	32,363
	<u>45,144,131</u>	<u>41,228,556</u>	<u>35,795,914</u>	<u>(5,432,642)</u>
<i>WATER</i>				
<i>Wholesale Water Sales</i>	62,402	20,000	50,453	30,453
<i>Retail Water Sales</i>	6,102,538	5,485,198	5,496,639	11,441
<i>Raw Water Sales</i>	2,500	2,500	2,500	-
<i>TRWD Pumping Pass-Through</i>	935,899	49,918	49,918	-
<i>Lake Lot Leases</i>	691,833	699,697	699,697	-
<i>Interest & Other</i>	578,229	108,790	122,505	13,715
	<u>8,373,401</u>	<u>6,366,103</u>	<u>6,421,712</u>	<u>55,609</u>
<i>WASTEWATER</i>				
<i>Wastewater Service Fees</i>	3,884,223	3,705,369	3,660,072	(45,297)
<i>Tap & Pro-Rata Fees</i>	2,540	2,540	2,540	-
<i>Pre-Treatment Fees</i>	27,479	25,300	25,740	440
<i>Wastewater Maintenance Fees</i>	753	-	-	-
<i>Interest & Other</i>	12,589	12,487	12,659	172
	<u>3,927,584</u>	<u>3,745,696</u>	<u>3,701,011</u>	<u>(44,685)</u>
<i>Total Revenues</i>	<u>57,445,116</u>	<u>51,340,355</u>	<u>45,918,637</u>	<u>(5,421,718)</u>
EXPENDITURES				
<i>ELECTRIC</i>				
<i>Administration</i>	976,155	584,546	580,852	3,694
<i>Customer Service</i>	739,801	751,165	723,514	27,651
<i>Utility Service Center</i>	278,124	250,629	224,815	25,814
<i>Technical Services</i>	581,875	943,973	963,353	(19,380)
<i>Distribution</i>	5,504,702	4,662,656	4,857,766	(195,110)
<i>Generation</i>	6,826	12,319	6,972	5,347
<i>Purchased Power</i>	32,575,975	26,035,915	23,245,445	2,790,470
<i>Other/Contingency</i>	-	-	3,342	(3,342)
<i>Debt Service</i>	490,430	668,830	692,974	(24,144)
<i>OPEB Contribution</i>	63,266	63,440	83,725	(20,285)
<i>Gross Receipts Fee</i>	1,468,266	1,415,152	-	1,415,152
<i>Bad Debt Expense</i>	7,471	-	8,625	(8,625)
<i>Transfer-Admin. Services</i>	589,146	309,819	309,819	-
<i>Transfer-R.O.I.</i>	1,878,015	1,768,940	3,547,033	(1,778,093)
	<u>45,160,052</u>	<u>37,467,384</u>	<u>35,248,235</u>	<u>2,219,149</u>

**SUMMARY BUDGET REPORT
(Cont.)**

	<i>Actual</i> 2008-2009	<i>Amended</i> <i>Budget</i> 2009-2010	<i>Actual</i> 2009-2010	<i>Variance</i> <i>Positive</i> <i>(Negative)</i>
EXPENDITURES (Cont.)				
WATER				
<i>Administration</i>	622,240	577,798	590,923	(13,125)
<i>Customer Services</i>	317,058	321,928	310,078	11,850
<i>Treatment Plant</i>	2,292,615	1,972,618	1,484,274	488,344
<i>Distribution Maintenance</i>	1,273,360	847,518	1,088,356	(240,838)
<i>Distribution Construction</i>	409,240	242,335	149,036	93,299
<i>Engineering</i>	-	141,924	149,165	(7,241)
<i>Lake & Utility Maintenance</i>	220,531	221,703	217,867	3,836
<i>Debt Service</i>	2,476,643	2,794,580	2,820,937	(26,357)
<i>OPEB Contribution</i>	73,784	73,784	49,132	24,652
<i>Gross Receipts Fee</i>	278,172	228,775	-	228,775
<i>Loan Requirements</i>	28,288	63,160	49,533	13,627
<i>Transfer-Admin. Services</i>	156,100	44,578	44,578	-
<i>Transfer-R.O.I.</i>	308,910	253,722	514,070	(260,348)
<i>Transfer-Street Maintenance</i>	36,654	15,000	19,834	(4,834)
<i>Bad Debt Expense</i>	9,775	-	4,641	(4,641)
	<u>8,503,370</u>	<u>7,799,423</u>	<u>7,492,424</u>	<u>306,999</u>
WASTEWATER				
<i>Collection Maintenance</i>	797,507	967,223	888,866	78,357
<i>Collection Construction</i>	178,351	488,997	447,269	41,728
<i>Engineering</i>	-	141,924	149,166	(7,242)
<i>Treatment</i>	851,702	805,699	787,339	18,360
<i>Transfer-Admin. Services</i>	67,805	24,497	24,497	-
<i>Debt Service</i>	1,687,269	1,272,952	1,238,484	34,468
<i>OPEB Contribution</i>	29,881	29,881	34,259	(4,378)
<i>Gross Receipts Fee</i>	136,952	147,217	-	147,217
<i>Loan Requirements</i>	3,594	15,504	19,075	(3,571)
<i>Transfer-R.O.I.</i>	188,326	202,154	378,409	(176,255)
<i>Bad Debt Expense</i>	-	-	290	(290)
	<u>3,941,387</u>	<u>4,096,048</u>	<u>3,967,654</u>	<u>128,394</u>
Total Expenditures	<u>57,604,809</u>	<u>49,362,855</u>	<u>46,708,313</u>	<u>2,654,542</u>
Revenues Over (Under) Expenditures	<u>(159,693)</u>	<u>1,977,500</u>	<u>(789,676)</u>	<u>(2,767,176)</u>

City of Weatherford
MUNICIPAL UTILITY SYSTEM
UTILITY SYSTEM REVENUES
YEAR ENDED SEPTEMBER 30, 2010
(Unaudited)

	Actual 2008-2009	Amended Budget 2009-2010	Actual 2009-2010	Variance Positive (Negative)
Electric				
415-Sale of Electricity	43,696,733	40,203,164	34,738,159	(5,465,005)
508-NSF Check Charge	10,200	9,000	9,540	540
601-Interest - Non-Restricted	63,112	25,970	25,710	(260)
604-Sale of Fixed Assets	15,000	-	-	-
612-Sale of Salvage	6,626	9,478	11,651	2,173
623-Sale of Real Estate	-	1,000	1,000	-
632-Pole Rental - CATV	82,062	86,598	86,598	-
644-Late Payment Fees	174,658	185,400	184,792	(608)
645-Temp. Connect & Reconnect Fees	91,948	80,000	91,460	11,460
646-Service Connection Fees	84,915	82,740	89,615	6,875
647 Service Transfer Fees	13,325	12,000	13,085	1,085
651-Miscellaneous	153,792	135,800	146,898	11,098
808-Contributions-Aid of Construction	251,760	346,955	346,955	-
822-Transfer From General Fund	-	26,067	26,067	-
823-Transfer From Gen Cap Projects	500,000	-	-	-
833-Transfer From Solid Waste	-	24,384	24,384	-
Total Electric	45,144,131	41,228,556	35,795,914	(5,432,642)
Water				
416-Wholesale Water Sales	62,402	20,000	50,453	30,453
417-Retail Water Sales	6,102,538	5,485,198	5,496,639	11,441
418-Raw Water Sales	2,500	2,500	2,500	-
426-TRWD Pumping Pass-Through	935,899	49,918	49,918	-
467-Water Taps	1,466	3,200	2,932	(268)
469-Water Main Pro-Rata Fees	9,360	5,820	6,345	525
604-Sale of Fixed Assets	-	-	1,935	1,935
625-Lake Lot Leases	691,833	699,697	699,697	-
627-Lake Lot Transfers	3,200	7,500	9,150	1,650
629-Lake Concession Rental	7,234	6,500	8,120	1,620
633-Water Tower License Fee	17,457	16,375	16,375	-
641-Cash Shortage/Overage	(6,232)	-	(68)	(68)
651-Miscellaneous	8,564	17,165	25,487	8,322
810-Proceeds From Lease/Purchase Agreement	37,180	26,870	26,869	(1)
822-Transfer From General Fund	-	14,910	14,910	-
823-Transfer From Gen Cap Project	500,000	-	-	-
833-Transfer From Solid Waste	-	10,450	10,450	-
Total Water	8,373,401	6,366,103	6,421,712	55,609
Wastewater				
419-Wastewater Service Fees	3,774,064	3,587,869	3,536,137	(51,732)
420-Pre-Treatment Fees	27,479	25,300	25,740	440
463-Sewer Tap Fees	2,540	2,540	2,540	-
464-Non-system Wastewater Maint. Fees	753	-	-	-
466-Non-system Wastewater Service Fees	110,159	117,500	123,935	6,435
651-Miscellaneous	12,589	4,740	4,912	172
822-Transfer From General Fund	-	7,747	7,747	-
Total Wastewater	3,927,584	3,745,696	3,701,011	(44,685)
TOTAL UTILITY SYSTEMS FUND	57,445,116	51,340,355	45,918,637	(5,421,718)

**CITY OF WEATHERFORD
MUNICIPAL UTILITY SYSTEM
BUDGET SUMMARY UTILITY ADMINISTRATION
2009-2010 ANNUAL BUDGET
(Unaudited)**

Expenditure Classification	Actual 2008-2009	Amended Budget 2009-2010	Actual 2009-2010	Variance Positive (Negative)
Personal Services	700,272	399,286	391,332	7,954
Supplies	17,648	11,340	12,724	(1,384)
Services	258,235	171,420	161,338	10,082
Capital Outlay	-	2,500	15,458	(12,958)
TOTAL EXPENDITURES	976,155	584,546	580,852	3,694

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
2009-2010 ANNUAL BUDGET
(Unaudited)

Account Number	Account Title	Actual 2008-2009	Amended Budget 2009-2010	Actual 2009-2010	Variance Positive (Negative)
<u>Personal Services</u>					
101	Salaries & Wages	522,434	293,091	277,296	15,795
102	Overtime	1,234	600	1,421	(821)
107	Group Medical/Life Insurance	42,820	35,007	32,747	2,260
108	FICA	36,134	20,495	19,709	786
109	Retirement (TMRS)	89,538	46,245	56,257	(10,012)
110	Workers Compensation	4,969	242	242	-
111	Unemployment Tax (TWC)	315	891	945	(54)
112	Longevity	2,828	2,715	2,715	-
	Total Personal Services	700,272	399,286	391,332	7,954
<u>Supplies</u>					
202	General Office Supplies	6,415	5,000	5,879	(879)
204	Computer & Office Equipment	3,263	-	-	-
205	Radio & Communication Equipment	180	-	-	-
215	Food & Beverage	3,971	2,000	2,187	(187)
219	Uniforms & Protective Clothing	326	600	226	374
220	Vehicle Fuel & Oil	1,571	1,000	818	182
221	Vehicle Parts & Labor	269	1,000	1,849	(849)
228	Safety Equipment	334	240	353	(113)
229	Miscellaneous	1,153	1,000	1,161	(161)
281	Small Tools & Equipment	166	500	251	249
	Total Supplies	17,648	11,340	12,724	(1,384)
<u>Services</u>					
301	Auditing & Accounting	3,500	13,000	13,000	-
302	Architect & Engineer	31,506	40,000	33,091	6,909
303	Legal Services	39,914	7,500	6,860	640
304	Medical Services	-	60	-	60
305	Seminar & Training Fees	1,638	800	780	20
306	Other Professional Services	95,383	44,110	44,307	(197)
308	Telephone	9,108	4,000	4,472	(472)
309	Postage	774	1,000	374	626
310	Auto/Housing Allowance	10,425	3,150	3,150	-
311	Travel Expense	6,015	1,200	558	642
313	Other Advertising	3,191	500	425	75
314	Printing & Binding	645	500	362	138
318	Insurance	11,482	12,000	11,243	757
324	Office Equipment Maintenance	3,713	-	-	-
326	Office Copy Equipment Rental	5,421	4,800	7,225	(2,425)

UTILITY ADMINISTRATION
(Cont.)

Account Number	Account Title	Actual 2008-2009	Amended Budget 2009-2010	Actual 2009-2010	Variance Positive (Negative)
<u>Services (Cont.)</u>					
328	Other Rental	826	1,200	832	368
330	Membership Dues/Subscriptions	31,929	35,000	32,559	2,441
336	Utility Board	2,150	2,100	2,100	-
361	Awards	615	500	-	500
	Total Services	258,235	171,420	161,338	10,082
<u>Capital Outlay</u>					
413	Office Equipment	-	2,500	15,458	(12,958)
	Total Capital Outlay	-	2,500	15,458	(12,958)
	TOTAL EXPENDITURES	976,155	584,546	580,852	3,694

**CITY OF WEATHERFORD
MUNICIPAL UTILITY SYSTEM
BUDGET SUMMARY CUSTOMER SERVICES
2009-2010 ANNUAL BUDGET
(Unaudited)**

Expenditure Classification	Actual 2008-2009	Amended Budget 2009-2010	Actual 2009-2010	Variance Positive (Negative)
Personal Services	636,563	618,323	626,269	(7,946)
Supplies	33,327	33,224	30,631	2,593
Services	386,969	421,546	376,692	44,854
TOTAL EXPENDITURES	1,056,859	1,073,093	1,033,592	39,501

CUSTOMER SERVICES

The Customer Services Department is responsible for the reading and billing of approximately 25,800 electric and water meters and timely and accurate billing of 14,400 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
2009-2010 ANNUAL BUDGET
(Unaudited)

Account Number	Account Title	Actual 2008-2009	Amended Budget 2009-2010	Actual 2009-2010	Variance Positive (Negative)
<u>Personal Services</u>					
101	Salaries & Wages	445,098	430,716	430,683	33
102	Overtime	4,967	1,200	680	520
107	Group Medical/Life Insurance	73,570	80,426	74,202	6,224
108	FICA	32,058	32,614	31,634	980
109	Retirement (TMRS)	74,856	67,127	82,368	(15,241)
110	Workers Compensation	2,408	1,165	1,165	-
111	Unemployment Tax (TWC)	778	1,875	2,337	(462)
112	Longevity	2,828	3,200	3,200	-
	Total Personal Services	636,563	618,323	626,269	(7,946)
<u>Supplies</u>					
202	General Office Supplies	8,116	8,000	7,342	658
204	Computer & Office Equipment	110	-	-	-
219	Uniforms & Protective Clothing	1,451	3,344	1,417	1,927
220	Vehicle Fuel & Oil	9,433	9,800	10,786	(986)
221	Vehicle Parts & Labor	10,191	8,000	8,239	(239)
229	Miscellaneous	1,908	1,000	163	837
281	Small Tools & Equipment	2,118	3,080	2,684	396
	Total Supplies	33,327	33,224	30,631	2,593
<u>Services</u>					
304	Medical Services	325	280	130	150
305	Seminars & Training Fees	649	-	-	-
306	Other Professional Services	280,713	317,125	280,252	36,873
308	Telephone/Communication Services	5,159	6,690	4,440	2,250
309	Postage	79,378	92,685	86,940	5,745
311	Travel Expense	495	-	15	(15)
318	Insurance	1,222	3,766	4,008	(242)
324	Office Equipment Maintenance	19,028	1,000	907	93
	Total Services	386,969	421,546	376,692	44,854
TOTAL EXPENDITURES		1,056,859	1,073,093	1,033,592	39,501

**CITY OF WEATHERFORD
MUNICIPAL UTILITY SYSTEM
BUDGET SUMMARY UTILITY SERVICE CENTER
2009-2010 ANNUAL BUDGET
(Unaudited)**

Expenditure Classification	Actual 2008-2009	Amended Budget 2009-2010	Actual 2009-2010	Variance Positive (Negative)
Personal Services	161,691	158,879	146,713	12,166
Supplies	17,614	13,850	11,756	2,094
Services	80,839	77,900	66,346	11,554
Capital Outlay	17,980	-	-	-
TOTAL EXPENDITURES	278,124	250,629	224,815	25,814

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 Deputy Director of Utilities

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
2009-10 ANNUAL BUDGET
(Unaudited)

Account Number	Account Title	Actual 2008-2009	Amended Budget 2009-2010	Actual 2009-2010	Variance Positive (Negative)
<u>Personal Services</u>					
101	Salaries & Wages	103,997	108,523	96,721	11,802
102	Overtime	6,525	1,500	1,754	(254)
107	Group Medical/Life Insurance	17,345	18,674	14,261	4,413
108	FICA	7,977	6,520	6,292	228
109	Retirement (TMRS)	19,279	17,186	21,101	(3,915)
110	Workers Compensation	4,809	4,536	4,536	-
111	Unemployment Tax (TWC)	135	459	567	(108)
112	Longevity	1,624	1,481	1,481	-
	Total Personal Services	161,691	158,879	146,713	12,166
<u>Supplies</u>					
202	General Office Supplies	578	500	417	83
204	Computers & Office Equipment	27	-	-	-
215	Food & Meals	3,945	3,900	3,987	(87)
217	Janitorial Supplies	19	50	22	28
219	Uniforms & Protective Clothing	459	500	128	372
220	Vehicle/Equipment Fuel & Oil	280	-	-	-
221	Vehicle/Equipment Parts & Labor	3,191	-	-	-
222	Equipment Parts & Labor	582	3,500	1,965	1,535
223	Equipment Fuel & Oil	319	400	384	16
228	Safety Equipment	-	200	-	200
229	Miscellaneous	292	300	584	(284)
235	Building & Grounds Maint.	6,319	3,000	2,769	231
281	Small Tools & Equipment	1,603	1,500	1,500	-
	Total Supplies	17,614	13,850	11,756	2,094
<u>Services</u>					
306	Other Professional Services	70	-	-	-
308	Telephone/Communication Services	1,474	1,200	1,168	32
318	Insurance	8,197	5,200	5,185	15
319	Utilities	62,289	65,000	51,254	13,746
320	Building & Structures Maint.	127	2,000	1,987	13
324	Office Equip. Maint.	531	-	-	-
325	Other Maintenance	652	500	617	(117)
326	Office & Copy Equipment Rental	309	-	-	-
331	Laundry & Sanitation	5,898	4,000	6,135	(2,135)
372	Material Scrapped	1,292	-	-	-
	Total Services	80,839	77,900	66,346	11,554
<u>Capital Outlay</u>					
403	Buildings	17,980	-	-	-
	Total Capital Outlay	17,980	-	-	-
TOTAL EXPENDITURES		278,124	250,629	224,815	25,814

**CITY OF WEATHERFORD
MUNICIPAL UTILITY SYSTEM
BUDGET SUMMARY TECHNICAL SERVICES
2009-2010 ANNUAL BUDGET
(Unaudited)**

Expenditure Classification	Actual 2008-2009	Amended Budget 2009-2010	Actual 2009-2010	Variance Positive (Negative)
Personal Services	447,607	560,804	579,041	(18,237)
Supplies	47,047	78,847	124,635	(45,788)
Services	76,948	297,322	259,677	37,645
Capital Outlay	10,273	7,000	-	7,000
TOTAL EXPENDITURES	581,875	943,973	963,353	(19,380)

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 of Infrastructure 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
2009-2010 ANNUAL BUDGET
(Unaudited)

Account Number	Account Title	Actual 2008-2009	Amended Budget 2009-2010	Actual 2009-2010	Variance Positive (Negative)
<u>Personal Services</u>					
101	Salaries & Wages	309,552	407,807	421,855	(14,048)
102	Overtime	11,750	8,396	1,628	6,768
107	Group Medical/Life Insurance	33,246	42,697	39,787	2,910
108	FICA	25,520	30,706	30,212	494
109	Retirement (TMRS)	61,269	64,748	79,109	(14,361)
110	Workers Compensation	2,968	1,702	1,702	-
111	Unemployment Tax (TWC)	270	1,368	1,368	-
112	Longevity	3,032	3,380	3,380	-
	Total Personal Services	447,607	560,804	579,041	(18,237)
<u>Supplies</u>					
202	General Office Supplies	5,957	12,322	9,895	2,427
204	Computers & Office Equipment	31,448	48,405	104,809	(56,404)
205	Radio & Communication Equipment	-	740	3,354	(2,614)
215	Food & Beverage	176	380	-	380
220	Vehicle Fuel & Oil	2,880	1,500	736	764
221	Vehicle Parts & Labor	258	1,000	717	283
228	Safety Equipment	29	400	100	300
229	Miscellaneous	2,317	5,000	238	4,762
281	Small Tools & Equipment	3,982	9,100	4,786	4,314
	Total Supplies	47,047	78,847	124,635	(45,788)
<u>Services</u>					
304	Medical Services	-	30	30	-
305	Seminar & Training Fees	8,551	14,200	12,494	1,706
306	Other Professional Services	35,582	50,532	37,709	12,823
308	Telephone/Communication Services	7,117	7,200	5,806	1,394
309	Postage	118	714	271	443
311	Travel Expense	18	500	289	211
318	Insurance	626	1,407	1,407	-
321	Radio & Comm. Equip. Maint.	-	650	-	650
324	Office Equipment Maint.	22,337	188,906	192,823	(3,917)
325	Other Maintenance Service	2,399	10,000	5,741	4,259
326	Office & Copy Equipment Rental	-	22,918	-	22,918
330	Membership Dues/Subscriptions	200	265	325	(60)
352	Interest Expense	-	-	2,782	(2,782)
	Total Services	76,948	297,322	259,677	37,645
<u>Capital Outlay</u>					
413	Office Equipment	-	7,000	-	7,000
451	Specialized Equipment	10,273	-	-	-
	Total Capital Outlay	10,273	7,000	-	7,000
TOTAL EXPENDITURES		581,875	943,973	963,353	(19,380)

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**CITY OF WEATHERFORD
MUNICIPAL UTILITY SYSTEM
BUDGET SUMMARY ELECTRIC DISTRIBUTION
2009-2010 ANNUAL BUDGET
(Unaudited)**

Expenditure Classification	Actual 2008-2009	Amended Budget 2009-2010	Actual 2009-2010	Variance Positive (Negative)
Personal Services	1,601,991	1,822,522	1,433,606	388,916
Supplies	401,121	445,880	461,731	(15,851)
Services	749,180	995,552	1,010,865	(15,313)
Capital Outlay	2,752,410	1,398,702	1,951,564	(552,862)
TOTAL EXPENDITURES	5,504,702	4,662,656	4,857,766	(195,110)

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 Assistant Director of Utilities/Electric.

City of Weatherford
MUNICIPAL UTILITY SYSTEM
ELECTRIC DISTRIBUTION
2009-2010 ANNUAL BUDGET
(Unaudited)

Account Number	Account Title	Actual 2008-2009	Amended Budget 2009-2010	Actual 2009-2010	Variance Positive (Negative)
<u>Personal Services</u>					
101	Salaries & Wages	1,031,114	1,242,761	834,868	407,893
102	Overtime	108,409	90,000	77,786	12,214
103	Education/Certification	-	308	308	-
107	Group Medical/Life Insurance	130,590	154,431	143,302	11,129
108	FICA	90,471	100,314	96,238	4,076
109	Retirement (TMRS)	218,959	209,820	255,640	(45,820)
110	Workers Compensation	10,959	10,335	10,335	-
111	Unemployment Tax (TWC)	993	3,897	4,473	(576)
112	Longevity	10,496	10,656	10,656	-
	Total Personal Services	1,601,991	1,822,522	1,433,606	388,916
<u>Supplies</u>					
202	General Office Supplies	1,215	1,700	1,568	132
204	Computer & Office Equipment	5,268	3,750	4,890	(1,140)
205	Radio & Communication Equipment	-	30	70	(40)
215	Food & Beverage	125	500	436	64
219	Uniforms & Protective Clothing	16,924	20,000	16,613	3,387
220	Vehicle Fuel & Oil	33,752	40,000	41,970	(1,970)
221	Vehicle Parts & Labor	32,039	85,000	81,250	3,750
222	Equipment Parts & Labor	3	-	-	-
223	Equipment Fuel & Oil	30	-	-	-
228	Safety Equipment	15,232	10,000	14,006	(4,006)
229	Miscellaneous	26,498	20,000	21,855	(1,855)
233	Street & Road Materials	1,002	-	48	(48)
244	Meters	1,400	2,000	1,249	751
249	Overhead Electric Lines	83,148	75,000	69,648	5,352
250	Underground Electric Lines	49,649	75,000	108,239	(33,239)
251	Transformers	1,237	2,000	650	1,350
252	Overhead Electric Service	4,347	4,000	7,727	(3,727)
253	Underground Electric Service	3,427	7,000	6,137	863
254	Line Equipment & Controls	-	5,000	-	5,000
255	Substation Repair/Maint. Supplies	28,920	20,000	17,689	2,311
257	Street & Public Lights	39,846	40,000	31,060	8,940
258	Christmas Lights	1,758	-	-	-
259	MV Security Lights	8,424	6,000	5,231	769
261	Tree Trimming	872	900	339	561
270	SCADA Parts	6,231	4,000	5,839	(1,839)
281	Small Tools & Equipment	39,774	24,000	25,217	(1,217)
	Total Supplies	401,121	445,880	461,731	(15,851)

ELECTRIC DISTRIBUTION
(Cont.)

Account Number	Account Title	Actual 2008-2009	Amended Budget 2009-2010	Actual 2009-2010	Variance Positive (Negative)
<u>Services</u>					
302	Engineering Services	69,558	15,678	24,473	(8,795)
304	Employee Physicals	525	500	420	80
305	Seminar & Training Fees	19,924	20,000	17,390	2,610
306	Other Professional Services	235,115	341,000	318,548	22,452
308	Telephone	10,031	11,000	12,071	(1,071)
309	Postage	511	750	593	157
311	Travel Expense	11,649	12,500	9,077	3,423
318	Insurance	5,839	12,000	11,061	939
319	Utilities	297	326	326	-
321	Radio & Comm. Equip. Maint.	25	367	1,547	(1,180)
324	Office Equip. Maint.	1,856	-	-	-
325	Other Maintenance	3,245	4,000	6,962	(2,962)
326	Office & Copy Equip. Rental	50	-	-	-
327	Equipment Rental	1,035	5,200	8,414	(3,214)
330	Membership Dues/Subscriptions	521	3,000	3,170	(170)
331	Laundry & Sanitation	1,733	1,000	875	125
334	Regulatory Testing/Monitoring	3,760	4,500	8,009	(3,509)
362	Meter Maintenance	-	1,000	731	269
363	Transformers	31,442	148,000	146,555	1,445
364	O/H Electrical Line Repair	186,901	200,000	187,571	12,429
365	U/G Electrical Line Repair	150,000	200,000	200,000	-
370	SCADA Maintenance	15,163	14,731	14,731	-
372	Material Scrapped	-	-	38,341	(38,341)
	Total Services	749,180	995,552	1,010,865	(15,313)
<u>Capital Outlay</u>					
402	Land Easement/Right-of-Ways	16,300	20,000	-	20,000
410	Motor Vehicles	211,727	-	-	-
415	Heavy Construction Equip.	39,785	-	-	-
420	Other Equipment	11,875	-	-	-
423	New Electric Meters	102,304	60,000	77,763	(17,763)
427	Street & Public Lights	41,693	65,000	42,907	22,093
432	Overhead Electric Line	594,010	415,000	613,913	(198,913)
433	Underground Electric Line	670,395	405,000	652,712	(247,712)
434	Transformers	532,433	228,500	298,924	(70,424)
435	Overhead Electric Services	15,922	10,000	13,205	(3,205)
436	Underground Electric Services	182,097	100,000	142,272	(42,272)
437	Line Equipment & Controls	21,930	45,202	45,202	-
438	Substation Construction	294,366	-	-	-
439	Fiber Optic System	17,573	40,000	44,119	(4,119)
441	Rent Lights	-	10,000	20,547	(10,547)
	Total Capital Outlay	2,752,410	1,398,702	1,951,564	(552,862)
	TOTAL EXPENDITURES	5,504,702	4,662,656	4,857,766	(195,110)

**CITY OF WEATHERFORD
MUNICIPAL UTILITY SYSTEM
BUDGET SUMMARY ELECTRIC PRODUCTION
2009-10 ANNUAL BUDGET
(Unaudited)**

Expenditure Classification	Actual 2008-2009	Amended Budget 2009-2010	Actual 2009-2010	Variance Positive (Negative)
Personal Services	507	394	363	31
Supplies	233	3,625	2,076	1,549
Services	6,086	8,300	4,533	3,767
TOTAL EXPENDITURES	6,826	12,319	6,972	5,347

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
2009-10 ANNUAL BUDGET
(Unaudited)

Account Number	Account Title	Actual 2008-2009	Amended Budget 2009-2010	Actual 2009-2010	Variance Positive (Negative)
<u>Personal Services</u>					
107	Group Medical/Life Insurance	507	394	363	31
	Total Personal Services	507	394	363	31
<u>Supplies</u>					
204	Computers & Office Equipment	-	125	-	125
217	Janitorial Supplies	-	100	-	100
220	Vehicle Fuel & Oil	-	200	-	200
221	Vehicle Parts & Labor	-	100	41	59
222	Equipment Parts & Labor	-	500	460	40
223	Equipment Fuel & Oil	-	250	-	250
224	Fuel for Electric Generation	41	500	531	(31)
228	Safety Equipment	-	100	387	(287)
229	Miscellaneous	133	500	426	74
235	Building & Grounds Maint.	21	500	231	269
247	Pumps & Controls	38	250	-	250
281	Small Tools & Equipment	-	500	-	500
	Total Supplies	233	3,625	2,076	1,549
<u>Services</u>					
306	Other Professional Services	69	-	830	(830)
308	Telephone/Communication Services	991	1,000	1,048	(48)
318	Other Insurance	2,887	5,000	1,427	3,573
319	Utility Services	2,139	2,000	1,206	794
322	Plant Equipment Maintenance	-	100	-	100
325	Other Repair & Maintenance	-	100	22	78
335	Regulatory Permit Fees	-	100	-	100
	Total Services	6,086	8,300	4,533	3,767
TOTAL EXPENDITURES		6,826	12,319	6,972	5,347

City of Weatherford
MUNICIPAL UTILITY SYSTEM
ELECTRIC NON-DEPARTMENTAL
2009-2010 ANNUAL BUDGET
(Unaudited)

Account Number	Account Title	Actual 2008-2009	Amended Budget 2009-2010	Actual 2009-2010	Variance Positive (Negative)
332	Administrative Services Transfer	589,146	309,819	309,819	-
343	Return on Investment Transfer	1,878,015	1,768,940	3,547,033	(1,778,093)
346	Debt Service Requirements	490,430	668,830	692,974	(24,144)
350	OPEB Contribution	63,266	63,440	83,725	(20,285)
357	Bad Debt Expense	7,471	-	8,625	(8,625)
358	Gross Receipts Fee	1,468,266	1,415,152		1,415,152
371	Fiscal Agent/Rating Fees	693	700	700	-
373	Purchased Power	32,575,975	26,035,915	23,245,445	2,790,470
399	Other/Contingency Expenses	-	-	3,342	(3,342)
TOTAL EXPENDITURES		37,073,262	30,262,796	27,891,663	2,371,133

**CITY OF WEATHERFORD
MUNICIPAL UTILITY SYSTEM
BUDGET SUMMARY WATER/WASTEWATER
2009-2010 ANNUAL BUDGET
(Unaudited)**

Expenditure Classification	Actual 2008-2009	Amended Budget 2009-2010	Actual 2009-2010	Variance Positive (Negative)
Personal Services	1,849,966	2,298,444	2,279,120	19,324
Supplies	832,731	873,738	920,421	(46,683)
Services	2,103,710	1,565,934	872,407	693,527
Capital Outlay	786,906	642,221	875,107	(232,886)
TOTAL EXPENDITURES	5,573,313	5,380,337	4,947,055	433,282

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

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 1,543,423 MG in FY 2010.

WATER/WASTEWATER MAINTENANCE

The Water/Wastewater Maintenance division is responsible for the maintenance of 269 miles of water lines, 192 miles of wastewater lines, 1,320 fire hydrants, 23 lift stations, 9 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 11,402 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
2009-2010 ANNUAL BUDGET
(Unaudited)

Account Number	Account Title	Actual 2008-2009	Amended Budget 2009-2010	Actual 2009-2010	Variance Positive (Negative)
<u>Personal Services</u>					
101	Salaries & Wages	424,039	384,999	394,608	(9,609)
102	Overtime	6,707	4,500	3,339	1,161
103	Education/Certification Pay	240	245	221	24
107	Group Medical/Life Insurance	43,494	44,100	40,229	3,871
108	FICA	29,882	29,031	27,987	1,044
109	Retirement (TMRS)	71,565	60,676	74,257	(13,581)
110	Workers Compensation	11,483	5,986	5,986	-
111	Unemployment Tax (TWC)	360	1,301	1,323	(22)
112	Longevity	3,656	3,060	3,328	(268)
	Total Personal Services	591,426	533,898	551,278	(17,380)
<u>Supplies</u>					
202	General Office Supplies	269	250	229	21
204	Computers & Office Equipment	-	124	124	-
215	Food & Beverage	197	400	28	372
219	Uniforms & Protective Clothing	1,546	1,700	1,511	189
220	Vehicle Fuel & Oil	5,566	9,000	9,269	(269)
221	Vehicle Parts & Labor	5,462	3,500	4,140	(640)
228	Safety Equipment	173	800	312	488
229	Miscellaneous	659	506	669	(163)
270	SCADA Parts	330	1,500	1,082	418
281	Small Tools & Equipment	3,223	3,000	897	2,103
	Total Supplies	17,425	20,780	18,261	2,519
<u>Services</u>					
304	Employee Physicals	-	50	75	(25)
305	Seminar & Training Fees	4,265	3,000	2,490	510
306	Other Professional Services	33	10,000	10,000	-
308	Telephone/Communication Services	4,837	4,000	4,025	(25)
309	Postage	865	1,000	3,142	(2,142)
311	Travel Expense	518	1,000	770	230
314	Printing & Reproduction	131	200	-	200
318	Insurance	108	570	567	3
321	Radio & Comm. Equip. Maint.	-	300	-	300
324	Radio & Comp. Equip. Maint.	893	-	-	-
330	Membership Dues/Subscriptions	171	500	65	435
370	SCADA Maintenance	1,568	2,500	250	2,250
	Total Services	13,389	23,120	21,384	1,736
	TOTAL EXPENDITURES	622,240	577,798	590,923	(13,125)

City of Weatherford
MUNICIPAL UTILITY SYSTEM
WATER TREATMENT
2009-2010 ANNUAL BUDGET
(Unaudited)

Account Number	Account Title	Actual 2008-2009	Amended Budget 2009-2010	Actual 2009-2010	Variance Positive (Negative)
<u>Personal Services</u>					
101	Salaries & Wages	192,927	229,412	233,298	(3,886)
102	Overtime	24,871	23,000	20,826	2,174
107	Group Medical/Life Insurance	29,391	35,017	32,112	2,905
108	FICA	16,627	18,449	17,869	580
109	Retirement (TMRS)	39,346	38,629	46,897	(8,268)
110	Workers Compensation	8,304	8,000	7,835	165
111	Unemployment Tax (TWC)	390	1,138	1,220	(82)
112	Longevity	620	688	688	-
	Total Personal Services	312,476	354,333	360,745	(6,412)
<u>Supplies</u>					
202	General Office Supplies	226	850	839	11
212	Chemicals	318,644	334,644	337,590	(2,946)
215	Food & Meals	635	1,000	474	526
217	Janitorial Supplies	2,197	2,000	2,130	(130)
218	Medical & Laboratory Supplies	34,251	37,500	28,799	8,701
219	Uniforms & Protective Clothing	929	1,800	1,132	668
220	Vehicle Fuel & Oil	1,064	1,227	1,576	(349)
221	Vehicle Parts & Labor	1,020	3,000	530	2,470
222	Equipment Parts & Labor	61,618	49,600	44,470	5,130
223	Equipment Fuel & Oil	-	700	786	(86)
228	Safety Equipment	314	12,081	11,684	397
229	Miscellaneous	1,420	700	180	520
235	Building & Grounds Maint.	926	2,500	1,244	1,256
241	Benbrook Pipeline Supplies	-	1,000	-	1,000
247	Pumps & Controls	10,657	10,000	13,465	(3,465)
270	SCADA Parts	2,904	2,000	1,468	532
281	Small Tools & Equipment	849	5,129	3,323	1,806
	Total Supplies	437,654	465,731	449,690	16,041
<u>Services</u>					
302	Architect & Engineer	1,235	-	-	-
304	Employee Physicals	280	110	110	-
305	Seminar & Training Fees	4,085	2,000	2,820	(820)
306	Other Professional Services	10,915	9,000	10,687	(1,687)
308	Telephone	3,295	3,000	3,355	(355)
309	Postage	6,574	4,100	3,142	958
311	Travel Expense	30	200	175	25
312	Legal Advertising	-	1,193	2,220	(1,027)
314	Printing	2,961	-	2,956	(2,956)

**WATER TREATMENT
(Cont.)**

Account Number	Account Title	Actual 2008-2009	Amended Budget 2009-2010	Actual 2009-2010	Variance Positive (Negative)
<u>Services (Cont.)</u>					
318	Insurance	23,230	18,000	16,983	1,017
319	Utilities	408,491	400,000	276,228	123,772
320	Repair & Maint Buildings & Structures	581	2,000	1,301	699
321	Repair & Maint of Radio & Comm Equip	-	600	-	600
322	Plant Equipment Maintenance	50,578	200,000	64,818	135,182
324	Office Equipment Maintenance	2,977	2,000	-	2,000
325	Other Repair & Maint. Service	11,116	-	-	-
327	Equipment Rental	380	2,000	90	1,910
330	Membership Dues/Subscriptions	429	400	-	400
333	Pump Maintenance	86,623	20,000	9,603	10,397
334	Regulatory Testing/Monitoring	24,819	30,000	19,807	10,193
335	Regulatory Permit Fees	7,620	30,500	29,337	1,163
354	Benbrook Pipeline Services	-	55,000	53,804	1,196
370	SCADA Maintenance	6,500	5,000	1,062	3,938
375	Purchased Water - Benbrook	819,896	-	(180,737)	180,737
399	Other/Contingency	-	350,000	104,450	245,550
	Total Services	1,472,615	1,135,103	422,211	712,892
<u>Capital Outlay</u>					
414	Plant Equipment	-	6,400	6,389	11
420	Other Equipment	60,195	11,051	10,269	782
426	Other Improvements	-	-	234,970	(234,970)
451	Specialized Equipment	9,675	-	-	-
	Total Capital Outlay	69,870	17,451	251,628	(234,177)
	TOTAL EXPENDITURES	2,292,615	1,972,618	1,484,274	488,344

City of Weatherford
MUNICIPAL UTILITY SYSTEM
WATER/WASTEWATER MAINTENANCE
2009-2010 ANNUAL BUDGET
(Unaudited)

Account Number	Account Title	Actual 2008-2009	Amended Budget 2009-2010	Actual 2009-2010	Variance Positive (Negative)
<u>Personal Services</u>					
101	Salaries & Wages	487,807	531,550	507,788	23,762
102	Overtime	103,593	80,000	80,636	(636)
107	Group Medical/Life Insurance	90,933	98,720	87,131	11,589
108	FICA	49,264	46,591	46,986	(395)
109	Retirement (TMRS)	112,414	94,828	119,340	(24,512)
110	Workers Compensation	34,354	33,000	31,299	1,701
111	Unemployment Tax (TWC)	703	2,729	3,139	(410)
112	Longevity	5,844	4,580	4,772	(192)
	Total Personal Services	884,912	891,998	881,091	10,907
<u>Supplies</u>					
202	General Office Supplies	104	241	241	-
212	Chemicals	8,491	12,000	12,582	(582)
215	Food & Beverage	272	300	84	216
218	Medical & Laboratory Supplies	7,312	4,000	2,587	1,413
219	Uniforms & Protective Clothing	3,493	6,067	5,822	245
220	Vehicle Fuel & Oil	34,763	48,000	49,588	(1,588)
221	Vehicle Parts & Labor	64,082	60,000	70,641	(10,641)
222	Equipment Parts & Labor	137	600	1,286	(686)
228	Safety Equipment	6,365	6,000	5,143	857
229	Miscellaneous	4,803	4,052	4,920	(868)
233	Street & Road Materials	1,467	10,000	10,752	(752)
234	Traffic & Street Signs	2,021	2,500	3,229	(729)
235	Building & Grounds Maint.	2,170	3,000	837	2,163
241	Benbrook Pipeline Supplies	5	-	-	-
242	Water Mains	37,768	39,000	59,563	(20,563)
243	Water Services	18,181	15,000	20,581	(5,581)
244	Meters	11,959	12,000	14,820	(2,820)
245	Sanitary Sewers	30,868	20,000	28,264	(8,264)
247	Pump & Controls	30,966	45,000	52,733	(7,733)
260	Valves & Hydrants	21,381	14,000	22,434	(8,434)
270	SCADA Parts	1,700	5,000	3,597	1,403
281	Small Tools & Equipment	9,706	15,000	16,310	(1,310)
	Total Supplies	298,014	321,760	386,014	(64,254)
<u>Services</u>					
304	Employee Physicals	330	575	680	(105)
305	Seminar & Training Fees	1,802	3,500	6,990	(3,490)
306	Other Professional Services	11,707	13,500	12,442	1,058
308	Telephone/Communications	4,444	5,000	3,773	1,227
309	Postage	341	250	200	50
311	Travel Expense	279	250	299	(49)
318	Insurance	17,729	15,000	19,713	(4,713)

WATER/WASTEWATER MAINTENANCE
(Cont.)

Account Number	Account Title	Actual 2008-2009	Amended Budget 2009-2010	Actual 2009-2010	Variance Positive (Negative)
<u>Services (Cont.)</u>					
319	Utilities	334,149	300,000	295,435	4,565
320	Repair & Maintenance Buildings/Structures	355	-	-	-
321	Radio & Comm. Equip. Maint.	175	500	163	337
322	Plant Equipment Maintenance	9,194	5,000	3,539	1,461
324	Radio & Comp. Equip. Maint.	557	-	-	-
325	Other Maintenance	69	-	-	-
327	Equipment Rental	1,877	6,000	3,145	2,855
330	Membership Dues/Subscriptions	888	1,000	1,221	(221)
333	Pump Maintenance	11,715	20,000	5,257	14,743
335	Regulatory Permit Fees	1,546	2,000	1,375	625
354	Benbrook Pipeline Services	200,425	-	-	-
370	SCADA Maintenance	3,048	5,000	-	5,000
372	Material Scrapped	-	-	45,803	(45,803)
	Total Services	600,630	377,575	400,035	(22,460)
<u>Capital Outlay</u>					
402	Land Easements/Right of Ways	81,863	-	-	-
410	Motor Vehicle	1,152	-	-	-
420	Other Equipment	32,198	-	-	-
421	Water Mains	43,671	-	142,449	(142,449)
422	Water Services	8,430	10,000	14,085	(4,085)
423	New Water Meters	59,897	2,236	41,566	(39,330)
424	Sanitary Sewer Mains	21,601	179,136	65,693	113,443
425	Sanitary Sewer Services	1,711	5,000	10,033	(5,033)
443	Pumps	24,875	10,420	12,920	(2,500)
445	Valves & Hydrants	11,913	16,616	23,336	(6,720)
	Total Capital Outlay	287,311	223,408	310,082	(86,674)
	TOTAL EXPENDITURES	2,070,867	1,814,741	1,977,222	(162,481)

City of Weatherford
MUNICIPAL UTILITY SYSTEM
WATER/WASTEWATER CONSTRUCTION
2009-2010 ANNUAL BUDGET
(Unaudited)

Account Number	Account Title	Actual 2008-2009	Amended Budget 2009-2010	Actual 2009-2010	Variance Positive (Negative)
<u>Personal Services</u>					
101	Salaries & Wages	(19,134)	150,125	91,996	58,129
102	Overtime	7,524	12,000	12,432	(432)
107	Group Medical/Life Insurance	27,464	33,075	31,603	1,472
108	FICA	10,297	12,302	12,193	109
109	Retirement (TMRS)	23,907	25,196	35,372	(10,176)
110	Workers Compensation	10,327	9,800	9,738	62
111	Unemployment Tax (TWC)	347	789	1,001	(212)
112	Longevity	420	300	460	(160)
	Total Personal Services	61,152	243,587	194,795	48,792
<u>Supplies</u>					
202	General Office Supplies	40	120	-	120
212	Chemicals	1,092	-	59	(59)
219	Uniforms & Protective Clothing	2,439	1,873	1,873	-
220	Vehicle Fuel & Oil	13,127	16,000	14,657	1,343
221	Vehicle Parts & Labor	46,300	30,000	32,461	(2,461)
228	Safety Equipment	4,120	4,000	4,056	(56)
229	Miscellaneous	3,604	2,000	2,165	(165)
234	Traffic & Street Signs	1,581	1,500	1,185	315
235	Building & Grounds Maint.	175	1,000	909	91
281	Small Tools & Equipment	7,160	6,450	7,982	(1,532)
	Total Supplies	79,638	62,943	65,347	(2,404)
<u>Services</u>					
304	Employee Physicals	470	70	70	-
305	Seminar & Training Fees	49	400	1,425	(1,025)
306	Other Professional Services	11,019	5,000	3,963	1,037
308	Telephone/Communications	545	570	437	133
318	Insurance	3,331	1,500	1,313	187
319	Utility Services	-	900	642	258
327	Equipment Rental	1,662	15,000	14,916	84
	Total Services	17,076	23,440	22,766	674

WATER/WASTEWATER CONSTRUCTION
(Cont.)

Account Number	Account Title	Actual 2008-2009	Amended Budget 2009-2010	Actual 2009-2010	Variance Positive (Negative)
<u>Capital Outlay</u>					
420	Other Equipment	-	124,012	124,012	-
421	Water Mains	322,394	72,350	7,582	64,768
424	Sanitary Sewer Mains	99,418	200,000	181,803	18,197
445	Valves & Hydrants	7,913	5,000	-	5,000
	Total Capital Outlay	429,725	401,362	313,397	87,965
	TOTAL EXPENDITURES	587,591	731,332	596,305	135,027

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**CITY OF WEATHERFORD
MUNICIPAL UTILITY SYSTEM
BUDGET SUMMARY LAKE & UTILITY MAINTENANCE
2009-2010 ANNUAL BUDGET
(Unaudited)**

Expenditure Classification	Actual 2008-2009	Amended Budget 2009-2010	Actual 2009-2010	Variance Positive (Negative)
Personal Services	179,202	167,897	172,278	(4,381)
Supplies	24,471	36,255	28,086	8,169
Services	16,858	17,551	17,503	48
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	220,531	221,703	217,867	3,836

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
2009-2010 ANNUAL BUDGET
(Unaudited)

Account Number	Account Title	Actual 2008-2009	Amended Budget 2009-2010	Actual 2009-2010	Variance Positive (Negative)
<u>Personal Services</u>					
101	Salaries & Wages	127,831	112,105	116,893	(4,788)
102	Overtime	452	1,000	102	898
107	Group Medical/Life Insurance	23,854	26,173	24,376	1,797
108	FICA	7,975	8,292	8,136	156
109	Retirement (TMRS)	14,946	16,276	18,088	(1,812)
110	Workers Compensation	2,788	2,630	2,630	-
111	Unemployment Tax (TWC)	508	493	1,125	(632)
112	Longevity	848	928	928	-
	Total Personal Services	179,202	167,897	172,278	(4,381)
<u>Supplies</u>					
202	General Office Supplies	66	208	305	(97)
211	Agricultural & Botanical	225	2,000	(379)	2,379
212	Chemicals	-	-	117	(117)
215	Meals	-	150	-	150
216	Refuse Bags	-	2,000	1,349	651
217	Janitorial Supplies	140	150	151	(1)
219	Uniforms & Protective Clothing	840	1,171	1,171	-
220	Vehicle Fuel & Oil	7,346	12,326	11,700	626
221	Vehicle Parts & Labor	8,116	7,500	7,055	445
222	Equipment Parts & Labor	12	-	-	-
228	Safety Equipment	453	1,000	346	654
229	Miscellaneous	925	1,000	910	90
233	Street Repair Materials	-	1,000	233	767
234	Traffic & Street Signs	676	500	-	500
235	Building & Grounds Maint.	4,154	3,500	3,673	(173)
281	Small Tools & Equipment	1,518	3,750	1,455	2,295
	Total Supplies	24,471	36,255	28,086	8,169
<u>Services</u>					
304	Medical Services	470	250	460	(210)
305	Seminar & Training Fees	69	-	100	(100)
308	Telephone	818	800	683	117
309	Postage	1	1	1	-

LAKE & UTILITY MAINTENANCE
(Cont.)

Account Number	Account Title	Actual 2008-2009	Amended Budget 2009-2010	Actual 2009-2010	Variance Positive (Negative)
<u>Services (Cont.)</u>					
318	Insurance	891	1,000	2,160	(1,160)
319	Utilities	5,722	6,000	5,595	405
321	Radio & Comm. Equip. Maint.	582	-	-	-
325	Other Repair/Maint. Service	6	1,500	-	1,500
327	Machinery & Equip. Rental	1,360	1,500	1,725	(225)
331	Laundry & Sanitation	6,939	6,500	6,779	(279)
	Total Services	16,858	17,551	17,503	48
<u>Capital Outlay</u>					
404	Agricultural & Botanical Equipment	-	-	-	-
	Total Capital Outlay	-	-	-	-
TOTAL EXPENDITURES		220,531	221,703	217,867	3,836

City of Weatherford
MUNICIPAL UTILITY SYSTEM
WATER NON-DEPARTMENTAL
2009-2010 ANNUAL BUDGET
(Unaudited)

Account Number	Account Title	Actual 2008-2009	Amended Budget 2009-2010	Actual 2009-2010	Variance Positive (Negative)
332	Administrative Services Transfer	156,100	44,578	44,578	-
343	Return on Investment Transfer	308,910	253,722	514,070	(260,348)
346	Debt Service Requirements	2,476,643	2,794,580	2,820,937	(26,357)
350	Offsite Water Sales Transfer	36,654	15,000	19,834	(4,834)
352	Loan Interest Expense	8,671	15,817	11,068	4,749
353	OPEB Contribution	73,784	73,784	49,132	24,652
357	Bad Debt Expense	9,775	-	4,641	(4,641)
358	Gross Receipts Fee	278,172	228,775		228,775
371	Fiscal Agent/Rating Fees	2,613	2,950	2,950	-
382	Loan Requirements	19,617	47,343	38,465	8,878
	TOTAL EXPENDITURES	3,370,939	3,476,549	3,505,675	(29,126)

**CITY OF WEATHERFORD
MUNICIPAL UTILITY SYSTEM
BUDGET SUMMARY WASTEWATER TREATMENT PLANT
2009-2010 ANNUAL BUDGET
(Unaudited)**

Expenditure Classification	Actual 2008-2009	Amended Budget 2009-2010	Actual 2009-2010	Variance Positive (Negative)
Personal Services	281,792	289,474	290,548	(1,074)
Supplies	105,382	124,285	125,105	(820)
Services	464,528	391,940	371,686	20,254
TOTAL EXPENDITURES	851,702	805,699	787,339	18,360

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 825 MG in the FY 2010.

City of Weatherford
MUNICIPAL UTILITY SYSTEM
WASTEWATER TREATMENT PLANT
2009-2010 ANNUAL BUDGET
(Unaudited)

Account Number	Account Title	Actual 2008-2009	Amended Budget 2009-2010	Actual 2009-2010	Variance Positive (Negative)
<u>Personal Services</u>					
101	Salaries & Wages	189,707	194,941	193,735	1,206
102	Overtime	9,868	12,000	10,566	1,434
103	Education/Certification Pay	240	245	222	23
107	Group Medical/Life Insurance	26,024	29,615	27,321	2,294
108	FICA	15,285	15,937	15,467	470
109	Retirement (TMRS)	34,949	32,009	38,467	(6,458)
110	Workers Compensation	4,313	2,489	2,489	-
111	Unemployment Tax (TWC)	294	902	945	(43)
112	Longevity	1,112	1,336	1,336	-
	Total Personal Services	281,792	289,474	290,548	(1,074)
<u>Supplies</u>					
202	General Office Supplies	47	180	145	35
204	Computer/Office Equipment	483	-	-	-
212	Chemicals	27,405	39,380	37,464	1,916
215	Food & Beverage	63	100	142	(42)
217	Janitorial Supplies	782	725	800	(75)
218	Medical & Laboratory Supplies	19,432	12,000	12,903	(903)
219	Uniforms & Protective Clothing	1,540	1,500	1,410	90
220	Vehicle Fuel & Oil	4,605	6,000	5,418	582
221	Vehicle Parts & Labor	3,867	8,000	8,632	(632)
222	Equipment Parts & Labor	34,665	40,000	36,854	3,146
223	Equipment Fuel & Oil	1,213	3,500	3,546	(46)
228	Safety Equipment	335	900	743	157
229	Miscellaneous	1,163	500	683	(183)
235	Building & Grounds Maint.	970	1,500	836	664
247	Pumps & Controls	7,611	8,000	14,618	(6,618)
270	SCADA Parts	755	1,000	-	1,000
281	Small Tools & Equipment	446	1,000	911	89
	Total Supplies	105,382	124,285	125,105	(820)
<u>Services</u>					
305	Seminar & Training Fees	1,580	600	1,465	(865)
306	Other Professional Services	492	-	-	-
308	Telephone	1,754	1,700	1,874	(174)
309	Postage	19	140	70	70

**WASTEWATER TREATMENT PLANT
(Cont.)**

Account Number	Account Title	Actual 2008-2009	Amended Budget 2009-2010	Actual 2009-2010	Variance Positive (Negative)
<u>Services (Cont.)</u>					
318	Insurance	8,458	6,300	6,181	119
319	Utilities	327,890	250,000	235,232	14,768
320	Building Maintenance	1,625	5,500	3,483	2,017
322	Plant Equipment Maintenance	31,853	17,000	24,896	(7,896)
324	Office Equipment Maintenance	557	-	-	-
330	Membership Dues/Subscriptions	200	2,000	1,311	689
331	Laundry & Sanitation	37,133	40,000	43,331	(3,331)
334	Regulatory Testing/Monitoring	27,083	34,000	32,117	1,883
335	Regulatory Permit Fees	24,566	32,000	21,720	10,280
370	SCADA Maintenance	1,318	2,700	6	2,694
	Total Services	464,528	391,940	371,686	20,254
	TOTAL EXPENDITURES	851,702	805,699	787,339	18,360

City of Weatherford
MUNICIPAL UTILITY SYSTEM
WASTEWATER NON-DEPARTMENTAL
2009-2010 ANNUAL BUDGET
(Unaudited)

Account Number	Account Title	Actual 2008-2009	Amended Budget 2009-2010	Actual 2009-2010	Variance Positive (Negative)
332	Administrative Services Transfer	67,805	24,497	24,497	-
343	Return on Investment Transfer	188,326	202,154	378,409	(176,255)
346	Debt Service Requirements	1,687,269	1,272,952	1,238,484	34,468
352	Loan Interest Expense	3,594	2,450	6,021	(3,571)
353	OPEB Contribution	29,881	29,881	34,259	(4,378)
357	Bad Debt Expense	-	-	290	(290)
358	Gross Receipts Fee	136,952	147,217		147,217
371	Fiscal Agent/Rating Fees	1,694	1,350	1,350	-
382	Loan Requirements	-	13,054	13,054	-
	TOTAL EXPENDITURES	2,115,521	1,693,555	1,696,364	(2,809)