

Comprehensive Annual Financial Report

For the Fiscal Year Ended
September 30, 2008

City of Plainview, Texas



PLAINVIEW, TX
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CITY OF PLAINVIEW, TEXAS
ANNUAL FINANCIAL REPORT
for the Year Ended September 30, 2008

CITY OF PLAINVIEW, TEXAS
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2008
TABLE OF CONTENTS

	<u>Page</u>	<u>Exhibit</u>
INTRODUCTORY SECTION		
Letter of Transmittal	i	
Principal Officials	vi	
Organizational Chart	vii	
FINANCIAL SECTION		
Independent Auditor's Report	1	
Management's Discussion and Analysis (Required Supplementary Information)	2	
<u>Basic Financial Statements:</u>		
Government-wide Financial Statements:		
Statement of Net Assets	13	A-1
Statement of Activities	14	B-1
Fund Financial Statements:		
Balance Sheet - Governmental Funds	16	C-1
Reconciliation of the Governmental Funds		
Balance Sheet to the Statement of Net Assets	17	C-2
Statement of Revenues, Expenditures, and Changes in Fund		
Balances - Governmental Funds	18	C-3
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures,		
and Changes in Fund Balances to the Statement of Activities	19	C-4
Statement of Net Assets - Proprietary Funds	20	D-1
Statement of Revenues, Expenses, and Changes in Fund Net		
Assets - Proprietary Funds	24	D-2
Statement of Cash Flows - Proprietary Funds	26	D-3
Notes to the Financial Statements	30	
<u>Required Supplementary Information:</u>		
Budgetary Comparison Schedule:		
General Fund	52	E-1
Schedule of Funding Progress - Pension Plans	54	E-2
Notes to Required Supplementary Information	55	
<u>Combining Statements and Budgetary Comparison Schedules as Supplementary Information:</u>		
Special Revenue Funds:		
Combining Balance Sheet - Nonmajor Governmental Funds	56	F-1
Combining Statement of Revenues, Expenditures and Changes		
in Fund Balances - Nonmajor Governmental Funds	59	F-2
Budgetary Comparison Schedules:		
Capital Improvement Fund	62	G-1
Hotel-Motel Occupancy Tax Fund	63	G-2
Street Improvement Fund	64	G-3
Economic Development Revolving Loan Fund	65	G-4
Police Seizure Fund	66	G-5
Federal Shared Forfeited Fund	67	G-6

CITY OF PLAINVIEW, TEXAS
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2008
TABLE OF CONTENTS

	<u>Page</u>	<u>Exhibit</u>
RSVP Fund	68	G-7
Economic Development Fund	69	G-8
Municipal Court Security Fee Fund	70	G-9
Municipal Court Technology Fund	71	G-10
TSLAC PAC HUG Library Grant Fund	72	G-11
Home Program 2006-0174	73	G-12
Internal Service Funds:		
Combining Statement of Net Assets - Internal Service Funds	74	H-1
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets - Internal Service Funds	76	H-2
Combining Statement of Cash Flows - Internal Service Funds	78	H-3
COMPLIANCE AND INTERNAL CONTROL SECTION		
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	82	
Schedule of Findings and Responses	83	
Summary Schedule of Prior Audit Findings	84	
Corrective Action Plan	85	
SUPPORTING SCHEDULES		
<u>Capital Assets Used in the Operation of Governmental Funds:</u>		
Schedule of Capital Assets Used in the Operation of Governmental Funds by Sources	86	I-1
Schedule of Capital Assets Used in the Operation of Governmental Funds by Function and Activity	87	I-2
Schedule of Changes in Capital Assets Used in the Operation of Governmental Funds by Function and Activity	88	I-3
<u>Debt Service Requirements - Schedules of Maturities:</u>		
Solid Waste Management Enterprise Fund:		
Combination Tax and Revenue Certificates of Obligation, Series 2008 Debt Service Requirements	89	J-1
Water and Sewer Enterprise Fund:		
Tax and Waterworks and Sewer System Surplus Revenue Certificates of Obligation, Series 2001 Debt Service Requirements	90	J-2
Water Supply Contract Obligation Salinity Control, Series 1999 Debt Service Requirements	91	J-3
Water Supply Contract Obligation USBR, Series 1999 Debt Service Requirements	92	J-4
Water Supply Contract Obligation 1999 Groundwater, Second Series Debt Service Requirements	93	J-5
Water Supply Contract Obligation Contract Revenue Bonds, Series 2005 Conjunctive Use Groundwater Supply Project Debt Service Requirements	94	J-6
Water Supply Contract Obligation Contract Revenue Bonds, Series 2006 Conjunctive Use Groundwater Supply Project Debt Service Requirements	95	J-7

CITY OF PLAINVIEW, TEXAS
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2008
TABLE OF CONTENTS

	<u>Page</u>	<u>Exhibit</u>
GENERAL INFORMATION (unaudited)		
Net Assets by Component		
Last Six Fiscal Years	96	1
Changes in Net Assets		
Last Six Fiscal Years	97	2
Fund Balances, Governmental Funds		
Last Six Fiscal Years	99	3
Changes in Fund Balances, Governmental Funds		
Last Six Fiscal Years	100	4
Tax Revenues by Source, Governmental Funds		
Last Six Fiscal Years	101	5
Assessed Value and Estimated Actual Value of Taxable Property		
Last Ten Years	102	6
Direct and Overlapping Property Tax Rates		
Last Ten Fiscal Years	103	7
Principal Property Tax Payers		
Current Year and Nine Years Ago	104	8
Property Tax Levies and Collections		
Last Ten Fiscal Years	105	9
Ratios of Outstanding Debt by Type		
Last Ten Fiscal Years	106	10
Ratios of General Bonded Debt Outstanding		
Last Ten Fiscal Years	107	11
Direct and Overlapping Governmental Activities Debt		
As of September 30, 2008	108	12
Pledged-Revenue Coverage		
Last Ten Fiscal Years	109	13
Demographic and Economic Statistics		
Last Ten Calendar Years	110	14
Principal Employers		
Last Nine Years	111	15
Full-time-Equivalent City Government Employees by Function/Program,		
Last Ten Fiscal Years	112	16
Operating Indicators by Function/Program		
Last Ten Years	114	17
Capital Asset Statistics by Function/Program		
Last Ten Years	116	18

Introductory Section



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February 20, 2009

To the Honorable Mayor, Members of the City Council, City Manager and Citizens of the City of Plainview:

The City of Plainview's Comprehensive Annual Financial Report for the year ended September 30, 2008, is hereby submitted. This report consists of management's representations concerning the finances of the City of Plainview. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Plainview has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Plainview's financial statements in conformity with generally accepted accounting principles. Because the cost of internal controls should not outweigh their benefits, the City of Plainview's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Plainview's financial statements have been audited by Williams, Meriwether, Smith & Co., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Plainview for the fiscal year ended September 30, 2008, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Plainview's financial statements for the fiscal year ended September 30, 2008, are fairly presented in conformity with generally accepted accounting principles. The independent auditor's report is presented as the first component of the financial section of this report.

Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of Plainview's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The City of Plainview, incorporated in 1907, is located on the Central Plains of Northwest Texas, 46 miles north of Lubbock and 75 miles south of Amarillo. The City of Plainview is the County Seat of Hale County, one of the most intensively farmed counties in the state with crops irrigated

from water produced from the Ogallala Aquifer. Cotton is the major crop. Other crops include corn, soybeans, sorghum, wheat, peanuts, vegetables, as well as, dairy cows, swine, sheep, and beef cattle production. The City of Plainview is the agribusiness, financial and transportation center of this highly developed farming area.

The City of Plainview currently occupies a land area of 13 square miles and serves an estimated population of 21,324. The City of Plainview is empowered to levy tax on both real and personal properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing council.

The City of Plainview, a home rule city, has operated under the council-manager form of government since 1964. Policy-making and legislative authority are vested in a governing council consisting of the mayor and seven other members. The governing council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring both the government's manager and attorney. The government's manager is responsible for carrying out the policies and ordinances of the governing council, for overseeing the day-to-day operations of the government, and for appointing the heads of various departments. The council is elected on a non-partisan basis. Council members serve four-year staggered terms with four members elected every two years. The mayor is elected at large and the other seven members are elected by district.

The City of Plainview provides a full range of services. These services include police and fire protection, maintenance of streets and infrastructure, emergency medical service, parks and recreation, cultural events, library, health, vector control, zoning, code administration, building inspection, and general administrative services. The City of Plainview also provides utility services which include water supply and distribution, storm water, waste water collection and treatment, and solid waste collection and disposal.

The City of Plainview's accounting records for general government operations are maintained on a modified accrual basis, with the revenues being recorded when available and measurable and expenditures being recorded when the services or goods are received and the liabilities are incurred. Accounting records for the City's utilities and other proprietary activities are maintained on the accrual basis.

The City charter provides that the City Council shall adopt the annual budget by the passage of a budget ordinance. This budget, prepared by City management, is reviewed by the City Council subsequent to a public hearing. The City Manager may transfer budgeted amounts among programs within a department or major organizational unit; however, any revisions that alter the total expenditures of any fund must be approved by the City Council.

Budgetary control has been established at the individual fund level. Financial reports are produced displaying budget and actual expenditures by line item, and are distributed monthly to City departmental and divisional management and to others upon request.

Individual line items are reviewed and analyzed for budgetary compliance. Personnel expenditures are monitored and controlled at a position level and capital expenditures are monitored and controlled item by item. Revenue projections are reviewed monthly.

Economic Outlook and Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the environment within which the City of Plainview operates.

Local economy. The South Plains region of West Texas is nearing the completion of harvesting a cotton crop described as average in terms of yield. The input costs to produce this average yield were the highest ever and per pound sales prices remain largely unchanged putting pressure on profitability for most producers. With cotton as the major crop and the agriculture support industries as the backbone of the local economy, the short term outlook is uncertain.

An ethanol plant with a 100 million gallon annual production capacity constructed three miles east of the city has suspended operations due to the current economic environment driving down fuel prices.

A peanut processing facility in the city, operated by the Peanut Corporation of America, has been closed by the Department of State Healthcare Services and a bankruptcy filing is anticipated.

When considering these events, the local economy is proving to be resilient. Sales tax receipts though February are 4.4% over the same five month period last year. Property tax collections are 1.1% ahead of last year as a percent of levy collected. The one revenue source that has experienced a decline is investment earnings and the dramatic downturn can be attributed to the broader national and world economy rather than the local economy.

Long-term financial planning. In recent years the City of Plainview has completed a number of major capital projects designed to position the City for the future. These completed projects were the construction of a new wastewater treatment plant, the renovation and expansion of the water treatment facility and the replacement of fifty-five miles of water distribution lines. Also, reconstruction of various major thoroughfares and the related storm drainage systems were completed.

During the fiscal year now ended a project to develop a new lined disposal cell within the City's Type I landfill was nearing completion needing only additional drainage work and a determination of the additional monitoring requirements by the Texas Commission on Environmental Quality.

The governing council and city staff are exploring the possibility of developing additional ground water reserves. Although current water resources exceed the City's current demand, the continued depletion of surface water containment of past years has highlighted the importance of securing additional water resources for future increases in demand. The City, through membership in the Canadian River Municipal Water Authority (CRMWA), has committed to a project to acquire additional underground water rights and connect the resulting well fields to existing water production assets in that area. This project is well under way with the acquisition of ground water rights that are projected to sustain the city's CRMWA current allocation beyond the end of this century and the well fields in the development phase. The City's portion of the cost is approximately \$3.6 million. This project will be financed with CRMWA bonds and the debt will be serviced by the City's water and sewer utility enterprise fund.

Local water resource development is also underway with the purchase of additional water rights and the completion of two new municipal wells. A water system study is also underway to assess the feasibility of re-working existing wells for greater production efficiency and the need to increase water storage capacity. A portion of this project is expected to be financed with reserve funds dedicated for water system improvements with the remainder financed by issuing new debt. No cost estimates are available at this time.

Cash management. The City of Plainview awards its depository contract through official bidding procedures for a three year period with a provision for two one-year continuations under the same contract. The initial three year period of the current depository contract with Wells Fargo Bank expires September 30, 2009.

The current contract with Wells Fargo Bank guarantees the City of Plainview the Federal Funds target rate on demand deposits with the remainder of idle cash placed in certificates of deposit in various banks. At the end of the first fiscal quarter the City held \$13.7 million in certificates of deposit with an average maturity of 217 days and an average yield of 3.16%.

It is the City of Plainview's policy that all demand deposits and time deposits be secured by pledged collateral with a market value equal to no less than 102% of the deposits less an amount insured by FDIC. Evidence of the pledged collateral is maintained by the finance department and a third party financial institution. Collateral is reviewed monthly by the finance staff and quarterly by an independent consultant to assure the market value of the securities pledged is adequate.

All safekeeping arrangements are in accordance with a safekeeping agreement approved by the City Manager which defines the procedural steps for gaining access to pledged collateral on deposit should the City of Plainview determine that the City's funds are in jeopardy. The safekeeping institution, or Custodian, is the Federal Reserve Bank of Boston. The safekeeping agreement is a three-party contract between the City of Plainview, the depository bank, and the Federal Reserve Bank as Custodian. Additional information on the City's banking and investing activities can be found in Note B of the financial statements.

Risk management. The City of Plainview has joined together with other governmental agencies in the State as a member of the Texas Municipal League Intergovernmental Risk Pool (TML-IRP) for insurance coverage. The City pays an annual premium for coverage of worker's compensation liability, general liability, law enforcement liability, errors and omissions liability, auto liability, and property damage. The City of Plainview is generally self-insured for physical damage to vehicles. Additional information on the City's risk management activities can be found in Note M of the financial statements.

Employee health plan. The City of Plainview provides and maintains an employee health care plan. The plan admits employee's dependants and retirees; however, the City provides no funding for any portion of these premiums. The plan is a modified self-insurance plan in that a third party administrator provides processing services and PPO contracts with service providers and excess loss coverage. Additional information on the City's health coverage can be found in Note L of the financial statements.

Pension benefits. The City participates in two retirement plans. Firefighters are provided benefits through the City's single employer defined benefit pension plan and all other employees are

provided benefits through a non-institutional, joint contributory, hybrid defined benefit plan in the state-wide Texas Municipal Retirement System (TMRS).

The Firefighters Retirement System is administered by a board of trustees. The actuarial valuation for the System was completed as of December 31, 2007. The funded ratio of actuarial accrued liability of this plan was 54.9%. As a matter of policy the City contributes 14.5% of firefighter salaries toward pension financing, while firefighters individually contribute 14%.

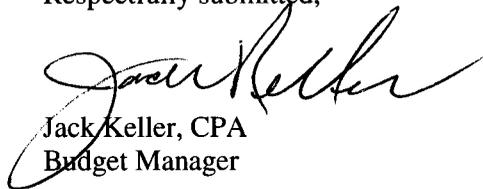
Each year TMRS engages an independent actuary to study the plan and calculate the City's required contribution. The last available study was completed as of December 31, 2007 and reported the funded ratio of accrued liability was 71%. The City's contribution rate at year end was 12.4% of payroll and the employees individually contribute 7%. 100% of the City's annual required contribution was paid in for both plans. TMRS has changed the Plan's actuarial cost method to the Projected Unit Credit method and, due to the resulting increase in contribution rate, the City has opted to use an eight year phase-in period to gradually increase contributions to the full rate. TMRS also plans to diversify the fund's investment portfolio from the current all-bond policy to a mix of equities and bonds. The change in investment policy on the City's future contribution rate has not yet been determined. Additional information on the City's pension arrangements and post-employment benefits can be found in Notes K and U of the financial statements and in the required supplementary information.

Acknowledgements

The preparation of this report and the maintenance of the records upon which it is based could not have been accomplished without the efficient and dedicated services of the entire Finance Department. I would like to express my appreciation to staff members Tammy Adams and Vannesa Rincon for their insights and comments and to the independent auditors for their competent services.

In addition, I express my appreciation to the Mayor, members of the City Council, and the City Manager for their interest and support in planning and conducting the financial operation of the City of Plainview in a responsible and progressive manner.

Respectfully submitted,



Jack Keller, CPA
Budget Manager

CITY OF PLAINVIEW, TEXAS
LISTING OF PRINCIPAL OFFICIALS

<u>ELECTED OFFICIALS</u>	<u>NAME</u>	<u>YEARS SERVICE</u>	<u>OCCUPATION</u>
MAYOR	JOHN C. ANDERSON	5	RETIRED, BANKER
COUNCILMEMBER DISTRICT 1	KELVIN TIPTON	6	CONTROLLER
COUNCILMEMBER DISTRICT 2	CATHY WAGGONER	2	ASSISTANT, CUNNINGHAM CHIROPRACTIC
COUNCILMEMBER DISTRICT 3	BELINDA PENNA	6	SOCIAL SECURITY CLAIMS REPRESENTATIVE
COUNCILMEMBER DISTRICT 4	JOHN N. BERTSCH	6	CERTIFIED FINANCIAL PLANNER
COUNCILMEMBER DISTRICT 5	RON TRUSLER	3	CEO, MHMR
COUNCILMEMBER DISTRICT 6	WENDELL DUNLAP	3	PAINT CONTRACTOR
COUNCILMEMBER DISTRICT 7	ROLAND NASH	3	MECHANIC

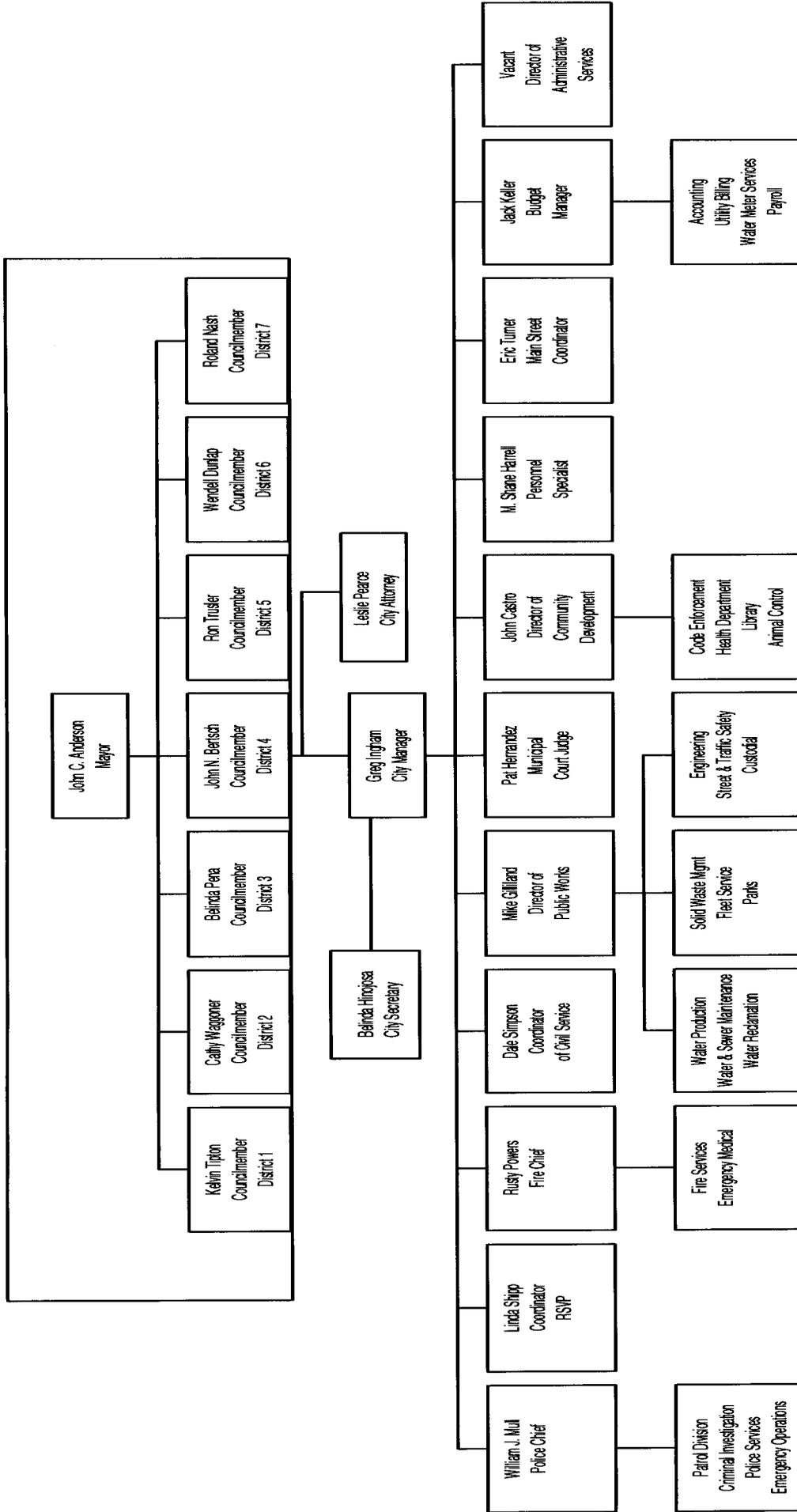
<u>CITY OFFICIALS</u>	<u>NAME</u>	<u># OF YEARS WITH CITY</u>	<u># OF YEARS THIS POSITION</u>
CITY MANAGER	GREG INGHAM	4	31
DIRECTOR PUBLIC WORKS	MIKE GILLILAND	0	0
DIRECTOR COMMUNITY SERVICES	JOHN CASTRO	14	12
DIRECTOR FIRE SERVICES	RUSTY POWERS	18	0
DIRECTOR POLICE SERVICES	WILLIAM MULL	38	11
BUDGET MANAGER	JACK KELLER	17	7
MUNICIPAL COURT JUDGE	PAT HERNANDEZ	23	10
CITY ATTORNEY	LESLIE PEARCE	2	8
CITY SECRETARY	BELINDA HINOJOSA	7	7

FINANCIAL CONSULTANT - FIRST SOUTHWEST COMPANY - DALLAS, TEXAS

BOND COUNSEL - FULBRIGHT & JAWORSKI - DALLAS, TEXAS

INDEPENDENT AUDITORS - WILLIAMS, MERIWETHER, SMITH & CO LLP PLAINVIEW, TEXAS

City of Plainview Organizational Chart



Financial Section

WILLIAMS, MERIWETHER, SMITH & CO., L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

Coleman Williams, CPA
George Meriwether, CPA, CFP®
Blaine Smith, CPA

1401-A West 5th Street
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INDEPENDENT AUDITOR'S REPORT

To the City Council
City of Plainview, Texas

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Plainview, Texas (the City), as of and for the year ended September 30, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2008, and the respective changes in financial position, and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 9, 2009, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis, budgetary comparison information, and schedule of funding progress on pages 2 through 12 and 52 through 55, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining financial statements, individual nonmajor fund budgetary comparison schedules, supporting schedules, and general information section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining financial statements, individual nonmajor fund budgetary comparison schedules, and the supporting schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and general information sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Williams, Meriwether, Smith & Co., L.L.P.

February 9, 2009

Management's Discussion and Analysis

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the City of Plainview's annual financial report presents our discussion and analysis of the City's financial performance during the fiscal year ended September 30, 2008. Please read it in conjunction with the City's financial statements and disclosure, which follow this section.

FINANCIAL HIGHLIGHTS

Entity Wide

- The City's combined total assets were \$74,420,249 at September 30, 2008 and \$69,148,763 at September 30, 2007, increasing 7.6%.
- Total liabilities were \$18,646,200 at September 30, 2008, an increase of 7% from September 30, 2007.
- The total assets of the City exceeded its liabilities at the close of the fiscal year by \$55,774,049, an increase of 7.9%. Of this amount, \$26,199,469 in unrestricted net assets may be used to meet the government's ongoing obligations to citizens and creditors.
- During the year, the City's total revenues from all sources exceeded expenses by \$4,059,715.

Governmental Funds

- Total current assets were \$12,090,539 at September 30, 2008 and \$10,478,866 at September 30, 2007, increasing 15.4%.
- All combined governmental funds reported an ending fund balance of \$11,263,263, or a 16.8% increase from the previous year.
- For the period ended September 30, 2008, total revenues exceeded total expenditures by \$1,407,523.

Proprietary Funds

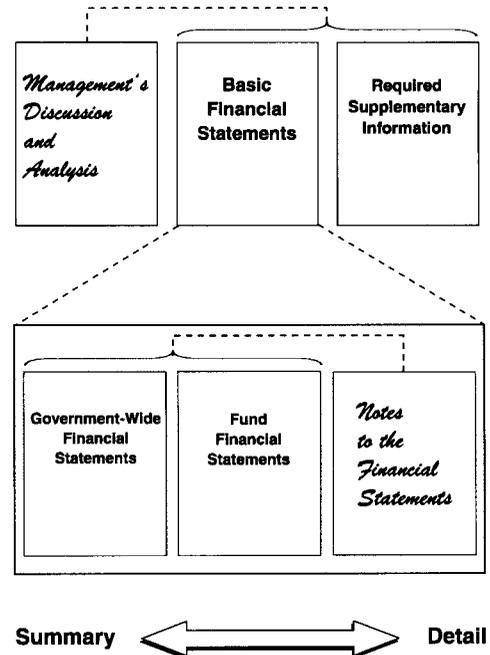
- Net assets for combined enterprise funds grew to \$29,294,110, or 4.4%. Of this amount, \$9,764,516 is unrestricted and available to be used to meet the ongoing obligations to citizens and creditors.
- The change in net assets or net income generated from operations of the combined enterprise funds during the period ended September 30, 2008 is reported at \$1,229,648.
- A net decrease in cash and cash equivalents of \$2,097,992 is reported for the combined enterprise funds.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City of Plainview’s basic financial statements. This annual report consists of three parts—*management’s discussion and analysis* (this section), the *basic financial statements*, and *required supplementary information*. The basic financial statements include two kinds of statements that present different views of the City:

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the City’s overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the City’s operations in more detail than the government-wide statements.
- *The governmental funds* statements tell how *general government* services were financed in the *short term* as well as what remains for future spending.
- *Proprietary fund* statements offer *short- and long-term* financial information about the activities the government operates *like businesses*.

Figure A-1, Required Components of the City’s Annual Financial Report



The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and related to one another.

Figure A-2 summarizes the major features of the City’s financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis explains the structure and contents of each of the statements.

Government-wide Statements

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the government’s assets and liabilities. All of the current year’s revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

Figure A-2. Major Features of the City’s Government-wide and Fund Financial Statements

Type of Statements	Government-wide	Governmental Funds	Fund Statements	
			Proprietary Funds	Fiduciary Funds
Scope	Entire City’s government (except fiduciary funds) and the City’s component units	The activities of the City that are not proprietary or fiduciary	Activities the City operates similar to private businesses	Instances in which the City is the trustee or agent for someone else’s resources
Required financial statements	* Statement of net assets	* Balance sheet	* Statement of net assets	* Statement of fiduciary net assets
	* Statement of activities	* Statement of revenues, expenditures & changes in fund balances	* Statement of revenues, expenses and changes in fund net assets * Statement of cash flows	* Statement of changes in fiduciary net assets
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; the Agency’s funds do not currently contain capital assets, although they can.
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

The two government-wide statements report the City's net assets and how they have changed. Net assets—the difference between the City's assets and liabilities—is one way to measure the City's financial health or *position*.

- Over time, increases or decreases in the City's net assets may be an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the City, one needs to consider additional nonfinancial factors such as changes in the City's tax base.

The government-wide financial statements of the City include the *Governmental activities*. Most of the City's basic services are included here, such as general government, public safety, streets, economic development, parks and recreation, and interest on long-term debt. Property taxes and sales taxes finance most of these activities. The government-wide financial statements of the City also include the *Business-type activities*. The most significant being a Water and Sewer operation and a Solid Waste Collection and Disposal operation. These are supported by user charges.

Fund Financial Statements

The fund financial statements provide more detailed information about the City's most significant *funds*—not the City as a whole. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law and by bond covenants.
- The City Council or management establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The City has the following kinds of funds:

- *Governmental funds*—Most of the City's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explain the relationship (or differences) between them.
- *Proprietary funds*—Services for which the City charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long-term and short-term financial information.
- We use *internal service funds* to report activities that provide supplies and services for the City's other programs and activities.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Net assets.

The City's combined net assets totaled \$55,774,049 at September 30, 2008, \$4.06 million higher than the prior year. (See Table A-1).

Table A-1
City's Net Assets
(In thousands dollars)

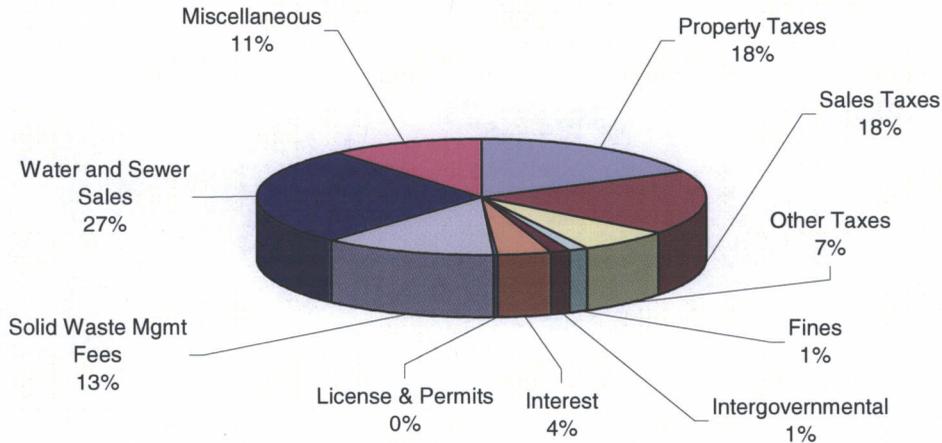
	Governmental Activities		Business -type Activities		Total		Total Percent Change
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	
Current assets							
Cash and cash equivalents	\$ 8,577	\$ 14,498	\$ 4,680	\$ 6,854	\$ 13,257	\$ 21,352	-38%
Investments	7,500	-	\$ 3,185	-	10,685	-	- %
Due from other governments	42	44	-	-	42	44	-5%
Internal balances	(44)	(85)	44	85	-	-	0%
Other receivables	1,376	1,199	1,053	1,039	2,429	2,238	9%
Inventories	93	89	154	132	247	221	12%
Total current assets	<u>17,544</u>	<u>15,745</u>	<u>9,116</u>	<u>8,110</u>	<u>26,660</u>	<u>23,855</u>	12%
Noncurrent assets							
Capital assets	1,364	1,394	9,878	8,933	11,242	10,327	9%
Less accumulated depreciation	26,345	24,344	44,540	43,506	70,885	67,850	4%
Total assets	<u>17,185</u>	<u>16,421</u>	<u>17,181</u>	<u>16,463</u>	<u>34,366</u>	<u>32,884</u>	5%
Total assets	<u>28,068</u>	<u>25,062</u>	<u>46,353</u>	<u>44,086</u>	<u>74,421</u>	<u>69,148</u>	8%
Accounts payable and accrued liabilities							
Deposits and escrow held	787	665	382	266	1,169	931	26%
Compensated absences	-	-	367	359	367	359	2%
Landfill closure/postclosure	861	853	77	72	938	925	1%
Bonds payable	-	-	992	922	992	922	8%
Total liabilities	<u>-</u>	<u>-</u>	<u>15,181</u>	<u>14,297</u>	<u>15,181</u>	<u>14,297</u>	6%
Total liabilities	<u>1,648</u>	<u>1,518</u>	<u>16,999</u>	<u>15,916</u>	<u>18,647</u>	<u>17,434</u>	7%
Net assets							
Invested in capital assets	9,160	7,923	19,280	19,118	28,440	27,041	5%
Restricted	885	762	249	269	1,134	1,031	10%
Unrestricted	16,375	14,859	9,825	8,783	26,200	23,642	11%
Total net assets	<u>26,420</u>	<u>23,544</u>	<u>29,354</u>	<u>28,170</u>	<u>55,774</u>	<u>51,714</u>	8%

At the end of the current fiscal year, the City of Plainview is able to report positive balances in all three categories of net assets, for the government as a whole, as well as for its separate governmental and business-type activities. As noted earlier, net assets may serve, over time, as a useful indicator of a government's financial position. The largest portion of the City's net assets (51 percent) reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens, consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Changes in net assets.

The City's total revenues for the period ended September 30, 2008 were \$21,609,274. A significant portion, 43 percent, of the City's revenue comes from taxes (See Figure A-3) while 40 percent comes from charges for services. The total cost of all programs and services was \$17,549,559.

**Figure A-3
Sources of Revenue
for Fiscal Year 2008**



**Expenses by Activity
for Fiscal Year 2008**

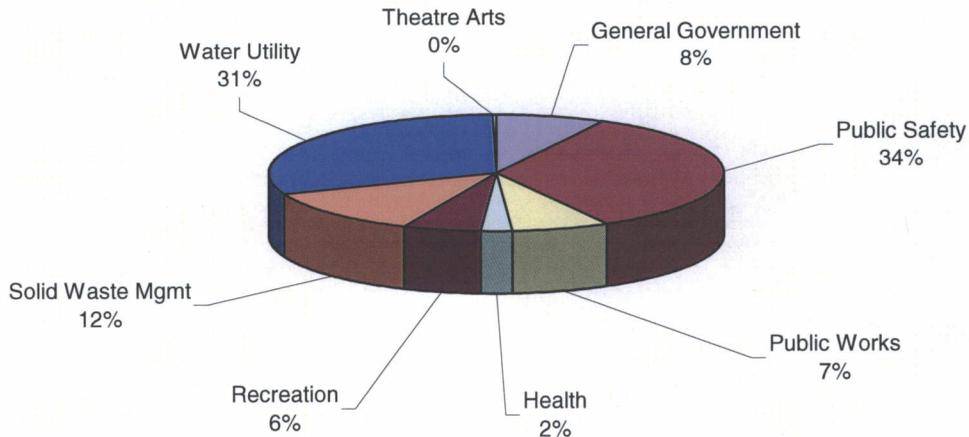


Table A-2 reflects a comparative detail of changes in net assets of the City. A more detailed presentation about current year activities may be found in the financial statements (Exhibit B-1) of this report.

Table A-2
Changes in City's Net Assets
(In thousands dollars)

	Governmental Activities		Business-type Activities		Total		Total Percent Change
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	
Program revenues:							
Charges for services	\$ 1,101	\$ 915	\$ 8,603	\$ 8,048	\$ 9,704	\$ 8,963	8%
Grants and contributions	295	313	1	11	296	324	-9%
General revenues:							
Property taxes	3,839	3,812	-	-	3,839	3,812	1%
Other taxes	5,237	4,645	-	-	5,237	4,645	13%
Other	607	799	653	725	1,260	1,524	-17%
Total revenues	11,079	10,484	9,257	8,784	20,336	19,268	6%
Expenses:							
General government	1,364	1,204	-	-	1,364	1,204	13%
Public safety	5,975	5,570	-	-	5,975	5,570	7%
Public works	1,197	1,193	-	-	1,197	1,193	0%
Recreation and culture	1,013	911	-	-	1,013	911	11%
Health	387	336	-	-	387	336	15%
Solid waste management	-	-	2,201	1,957	2,201	1,957	12%
Water and sewer	-	-	5,380	5,026	5,380	5,026	7%
Theatre arts	-	-	32	38	32	38	-16%
Total expenses	9,936	9,214	7,613	7,021	17,549	16,235	8%
Special item	1,273	-	-	-	1,273	-	0%
Transfers	460	383	(460)	(383)	-	-	0%
Total special items and transfers	1,733	383	(460)	(383)	1,273	-	0%
Change in net assets	2,876	1,653	1,184	1,380	4,060	3,033	34%
Net assets - beginning	23,544	21,891	28,170	26,790	51,714	48,681	6%
Net assets - ending	26,420	23,544	29,354	28,170	55,774	51,714	8%

Governmental Activities

As shown in Table A-2, governmental activities increased net assets by \$2,875,953 accounting for 71% of the increase in total net assets. Table A-3 presents the cost of each of the City's largest functions, as well as each function's net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost reflects what was funded by local tax dollars.

- Property tax rates decreased .07 cents per \$100 valuation. This decrease coupled with a 0.07% increase in values enabled an increase in property tax revenues of \$26,935, or 0.7%.
- The franchise tax rate on gas and electric utilities increased from 3% to 5% generating \$469,423 in additional revenue, 79% of the 13% increase in Other taxes.
- The cost of all *governmental* activities this year was \$9,936,396 compared to the previous year of \$9,214,694, a 7.8% increase.
- The amount that our taxpayers paid for these activities through taxes was \$8,540,822.
- Some of the cost was paid by those who directly benefited from the programs, \$1,100,752, or
- By grants and contributions, \$294,822.

Table A-3
Net Cost of City's Governmental Activities
(In thousand dollars)

	Total Cost of Services		Percent Change	Net Cost of Services		Percent Change
	<u>2008</u>	<u>2007</u>		<u>2008</u>	<u>2007</u>	
General government	\$ 1,364	\$ 1,204	13%	\$ 1,061	\$ 928	14%
Public safety	5,975	5,570	7%	5,243	4,943	6%
Public works	1,197	1,193	0%	1,197	1,157	3%
Recreation and culture	1,013	911	11%	953	858	11%
Health	<u>387</u>	<u>336</u>	15%	<u>87</u>	<u>101</u>	-14%
Total governmental activities	<u><u>9,936</u></u>	<u><u>9,214</u></u>	8%	<u><u>8,541</u></u>	<u><u>7,987</u></u>	7%

Business-type Activities

Business-type activities increased the City's net assets by \$1,183,762 accounting for 29% of the total increase in the government's net assets.

- Charges for services generated revenues of \$8,603,467 for the period ended September 30, 2008 compared to \$8,047,901 for the previous period. This 6.9% increase was derived from a 4% increase in solid waste collection rates and a return to expected demand for water after above average rainfall in the previous year.
- Expenses totaled \$7,613,163 for 2008 and \$7,020,984 for 2007, an 8.4% increase. Pressure from increasing costs associated with delivery of raw water and raising energy costs in the water utility services along with higher fuel costs in the solid waste collection and disposal operation were the main contributors to the increase.
- Transfers from business-type activities to support general government activities were \$460,018 for the period, a 20% increase from the previous period.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City of Plainview uses fund accounting to demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

- As of the end of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$11,263,263, an increase of \$1,617,541. A combination of favorable budget variances for both general fund revenues and expenditures were the key elements of this increase. These variances were 8.9% and 7.1% respectively. As a result, the general fund accounted for 58% of the increase.
- Total assets of the General Fund increased 11.3%. This increase is mainly attributable to the increase in cash, cash equivalents and investments from \$7,263,186 at the end of the prior period to \$8,003,708 at the end of fiscal year 2008.
- Total liabilities decreased only slightly and remained consistent with the prior year, reporting \$827,276 in 2008 and \$833,144 in 2007.
- Of the combined ending fund balance, approximately \$11 million constitutes unreserved fund balance which is available for spending at the government's discretion.

Proprietary Funds

The City's proprietary funds financial statements provide the same type of information found in the government-wide financial statements, but in more detail. There are two types of funds presented – the business-type (enterprise) funds and the internal service funds. The purpose of internal service funds is to provide services within a government on a break-even basis. The net income or loss from these internal service funds has been allocated back to the user departments or funds for the government-wide financial statements. The internal service funds reflect a total net assets amount of \$7,160,914. Of this amount, \$1,914,307 is invested in capital assets and \$1,923,341 is for health benefits for the City's employees. The remainder of the unrestricted net assets are generally used to replace capital assets.

Of the combined unrestricted net assets of the enterprise funds at the end of fiscal year 2008, approximately \$9.7 million, was available for future spending. Factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

A primary goal for the General Fund operating budget is that current budgeted revenues will equal or exceed current budgeted expenditures. Only unforeseen or emergency circumstances will be considered justification for utilizing the fund balance. The following is a brief review of the budgetary changes from the original to the final amended budget (See Exhibit E-1 of the Financial Statements).

- An additional appropriation of \$13,000 was approved to fund plumbing and electrical repairs at the library building.
- An additional transfer of \$50,000 to the fleet maintenance fund was approved to cover unbilled services.

- The budget was amended by \$34,000 to provide the cash match for a Department of Housing and Urban Development, HOME Investment Partnerships grant.
- During the year, actual receipts were exceeding budgeted revenues and expenditures were less than budgetary estimates, thus allowing the City Council to approve a transfer of \$150,000 to an equipment replacement fund, a transfer of \$250,000 to a capital improvements fund, a transfer of \$100,000 to a street improvement fund, and an additional transfer of \$150,000 to an economic development fund.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets for its governmental and business type activities as of September 30, 2008 amounts to \$36,518,158 (net of accumulated depreciation). This investment in capital assets includes land, buildings, systems, system improvements, machinery, equipment, park facilities, and roadways (See Table A-4).

Table A-4
City's Capital Assets
(In thousand dollars)

	Governmental Activities		Business-type Activities		Total		Total Percent Change
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	
Land	\$ 520	\$ 520	\$ 529	\$ 529	\$ 1,049	\$ 1,049	0%
Buildings	3,335	3,283	2,615	2,615	5,950	5,898	1%
System improvements	-	-	35,149	34,860	35,149	34,860	1%
Infrastructure	14,940	13,266	-	-	14,940	13,266	13%
Machinery and equipment	7,543	6,927	5,332	5,296	12,875	12,223	5%
Construction in progress	<u>7</u>	<u>348</u>	<u>914</u>	<u>206</u>	<u>921</u>	<u>554</u>	66%
Totals at historical cost	26,345	24,344	44,539	43,506	70,884	67,850	4%
Accumulated depreciation	<u>17,185</u>	<u>16,421</u>	<u>17,181</u>	<u>16,463</u>	<u>34,366</u>	<u>32,884</u>	5%
Net capital assets	<u><u>9,160</u></u>	<u><u>7,923</u></u>	<u><u>27,358</u></u>	<u><u>27,043</u></u>	<u><u>36,518</u></u>	<u><u>34,966</u></u>	4%

Additional information on the City's capital assets can be found in the financial statements (Exhibits I-1 thru I-3) as well as the notes to the financial statements (Note F) of this report.

Long Term Debt

At year end the City had \$9,065,000 in bonds and notes outstanding. In addition, the City is one of 11 member cities of the Canadian River Municipal Water Authority, and is obligated on its proportionate share of the Authority's debt (See Table A-5).

During the fiscal year \$1,550,000 of Combination Tax and Revenue Certificates of Obligation, Series 2008 were issued to fund new cell construction and additional monitoring wells for a Type I landfill as well as water and sewer system improvements. It is management's intent to repay this obligation with excess revenues from the related enterprise funds. No refunding of existing debt occurred during the period ended September 30, 2008. More detail on the City's long-term obligations may be found in the notes to the financial statements (Note J).

Bond Ratings

The City's bonds presently carry "AAA" ratings with underlying ratings as follows:

Moody's Investor Services "A2".

Table A-5
City's Outstanding Bond and Contract Debt
(In thousand dollars)

	Governmental Activities		Business-type Activities		Total		Total Percent Change
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	
Certificates of obligation	\$ -	\$ -	\$ 9,065	\$ 7,925	\$ 9,065	\$ 7,925	14%
Water supply contract obligation	-	-	6,106	6,372	6,106	6,372	-4%
Total outstanding debt	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,171</u>	<u>\$ 14,297</u>	<u>\$ 15,171</u>	<u>\$ 14,297</u>	6%

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City of Plainview is centrally located in a highly developed agricultural region and with this region harvesting crop yields that are characterized as average along with commodity prices trending lower, the economic outlook is uncertain. While our Industrial Foundation is engaged in attracting manufacturing and industrial enterprises to our area, our local economy is still dependent on economic conditions which affect the agriculture sector. With a dependency on one economic sector comes inherent uncertainty and with 48% of the City's general fund revenues dependent upon sales and gross receipts business taxes, the City Council and management must consider the impact of these conditions on revenues and expenditures in setting the ad valorem tax rate. As a result of these considerations and considering assessed valuations had only increased 2%, a \$0.0343 per \$100 of valuation increase in the ad valorem rate was considered necessary to maintain the current level of services. Accordingly, a rate of \$0.5685 per \$100 of valuation was adopted.

The General Fund expenditure budget for the upcoming year increased 4.5%. This increase is attributable to expected inflationary pressures on existing programs, replacement equipment acquisition, and salary increases at the rate of 3% for the entire workforce. There is no budgeted reduction of General Fund reserves.

The City is undertaking an overall water utility study to determine future water supply needs, how best to meet those needs, and maintenance or improvement needs to existing infrastructure and how to best meet those needs. A good measure of the future water supply needs is being met through the eleven member cities Canadian River Municipal Water Authority. The Authority has purchased additional water rights and is in the latter phases of developing a new well field. The cost of any future projects identified by the study are not yet known, however management expects to

fund these projects with one-third of the proceeds, approximately \$500,000, of a bond issue made in the year now ended with the remainder from reserve funds designated for system improvements. In accordance with the intent to self-fund these projects, water and sewer base rates were increased 5% and the incremental usage rate for both water and sewer were increased 5%.

The 2008/2009 budget contains a 5% increase in solid waste collection and disposal fees to fund rising fuel costs, a 3% increase in salaries, and this utilities approximate two-thirds share of a new bond issue. There is no budgeted reduction in Solid Waste Management Fund reserves.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City's Financial Services Department, Attn: Budget Manager, 121 West 7th, Plainview, Texas 79072, call (806) 296-1130, or e-mail jkeller@ci.plainview.tx.us.

Basic Financial Statements

CITY OF PLAINVIEW, TEXAS
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2008

EXHIBIT A-1

	Primary Government		Total
	Governmental Activities	Business Type Activities	
ASSETS			
Cash and Cash Equivalents	\$ 8,576,825	\$ 4,679,885	\$ 13,256,710
Investments - Current	7,500,025	3,184,518	10,684,543
Receivables (net of allowance for uncollectibles)	1,417,502	1,053,437	2,470,939
Internal Balances	(43,790)	43,790	-
Inventories	93,046	153,632	246,678
Investments - Joint Venture	1,364,357	-	1,364,357
Restricted Assets:			
Temporarily Restricted:			
Cash and Cash Equivalents	-	279,521	279,521
Permanently Restricted:			
Cash and Cash Equivalents	-	1,346,558	1,346,558
Investments	-	900,000	900,000
Capital Assets:			
Land	519,919	529,367	1,049,286
Infrastructure, net	4,752,863	-	4,752,863
Buildings, net	1,659,455	747,037	2,406,492
Improvements other than Buildings, net	-	22,893,000	22,893,000
Machinery and Equipment, net	2,220,667	2,275,361	4,496,028
Construction in Progress	6,760	913,729	920,489
Water Supply Contract Costs, net	-	7,230,725	7,230,725
Unamortized Bond Issuance Costs	-	122,060	122,060
Total Assets	<u>28,067,629</u>	<u>46,352,620</u>	<u>74,420,249</u>
LIABILITIES			
Accounts Payable	786,622	338,220	1,124,842
Accrued Interest Payable	-	43,701	43,701
Payable from Restricted Assets	-	1,359,281	1,359,281
Noncurrent Liabilities			
Due Within One Year	-	898,163	898,163
Due in More Than One Year	861,139	14,359,074	15,220,213
Total Liabilities	<u>1,647,761</u>	<u>16,998,439</u>	<u>18,646,200</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	9,159,664	19,280,212	28,439,876
Restricted for:			
Restricted for Debt Service	-	249,382	249,382
Restricted for Tourism	394,591	-	394,591
Restricted for Economic Development	408,341	-	408,341
Restricted for Law Enforcement	4,682	-	4,682
Restricted for Municipal Court	70,799	-	70,799
Restricted for Library	6,909	-	6,909
Unrestricted Net Assets	16,374,882	9,824,587	26,199,469
Total Net Assets	<u>\$ 26,419,868</u>	<u>\$ 29,354,181</u>	<u>\$ 55,774,049</u>

The notes to the Financial Statements are an integral part of this statement.

CITY OF PLAINVIEW, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Program Revenues		
Expenses	Charges for Services	Operating Grants and Contributions	
Primary Government:			
GOVERNMENTAL ACTIVITIES:			
General Government - Administration	\$ 760,653	\$ 7,848	\$ -
General Government - Other	603,422	197,933	96,782
Public Safety	5,975,267	701,235	31,493
Public Works	1,197,307	-	-
Health	386,649	140,023	159,943
Recreation and Culture	1,013,098	53,713	6,604
Total Governmental Activities:	9,936,396	1,100,752	294,822
BUSINESS-TYPE ACTIVITIES:			
Solid Waste Management Fund	2,201,151	2,731,076	-
Water and Sewer Fund	5,379,624	5,852,233	-
Theatre Arts Fund	32,388	20,158	1,000
Total Business-Type Activities:	7,613,163	8,603,467	1,000
TOTAL PRIMARY GOVERNMENT:	\$ 17,549,559	\$ 9,704,219	\$ 295,822

General Revenues:

Taxes:

Property Taxes, Levied for General Purposes

Sales Taxes

Selective Sales and Use Tax

Franchise Taxes

Penalty and Interest

Miscellaneous Revenue

Investment Earnings

Special Item

Transfers In (Out)

Total General Revenues, Special Items, and Transfers

Change in Net Assets

Net Assets--Beginning

Net Assets--Ending

The notes to the Financial Statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Assets		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (752,805)	\$ -	\$ (752,805)
(308,707)	-	(308,707)
(5,242,539)	-	(5,242,539)
(1,197,307)	-	(1,197,307)
(86,683)	-	(86,683)
(952,781)	-	(952,781)
<u>(8,540,822)</u>	<u>-</u>	<u>(8,540,822)</u>
-	529,925	529,925
-	472,609	472,609
-	(11,230)	(11,230)
-	991,304	991,304
<u>(8,540,822)</u>	<u>991,304</u>	<u>(7,549,518)</u>
3,777,277	-	3,777,277
3,523,496	-	3,523,496
322,021	-	322,021
1,391,824	-	1,391,824
61,680	-	61,680
39,827	333,397	373,224
567,919	319,079	886,998
1,272,713	-	1,272,713
460,018	(460,018)	-
<u>11,416,775</u>	<u>192,458</u>	<u>11,609,233</u>
2,875,953	1,183,762	4,059,715
23,543,915	28,170,419	51,714,334
<u>\$ 26,419,868</u>	<u>\$ 29,354,181</u>	<u>\$ 55,774,049</u>

CITY OF PLAINVIEW, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2008

	General Fund	Other Funds	Total Governmental Funds
ASSETS			
Cash and Cash Equivalents	\$ 2,900,968	\$ 2,589,702	\$ 5,490,670
Investments - Current	5,102,740	-	5,102,740
Interest Receivable - investments	7,313	-	7,313
Taxes Receivable	1,270,328	23,136	1,293,464
Allowance for Uncollectible Taxes (credit)	(324,245)	-	(324,245)
Receivables (Net)	120,460	214,183	334,643
Intergovernmental Receivables	35,264	6,544	41,808
Due from Other Funds	94,963	-	94,963
Inventories	49,183	-	49,183
Total Assets	\$ 9,256,974	\$ 2,833,565	\$ 12,090,539
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ 223,679	\$ 22,263	\$ 245,942
Wages and Salaries Payable	323,185	3,350	326,535
Compensated Absences Payable	5,292	-	5,292
Due to Other Funds	7,208	-	7,208
Deferred Revenues	242,299	-	242,299
Total Liabilities	801,663	25,613	827,276
Fund Balances:			
Reserved For:			
Inventories	49,183	-	49,183
Noncurrent Loans	-	211,258	211,258
Unreserved and Undesignated:			
Reported in the General Fund	8,406,128	-	8,406,128
Reported in the Special Revenue Fund	-	2,596,694	2,596,694
Total Fund Balances	8,455,311	2,807,952	11,263,263
Total Liabilities and Fund Balances	\$ 9,256,974	\$ 2,833,565	\$ 12,090,539

The notes to the Financial Statements are an integral part of this statement.

CITY OF PLAINVIEW, TEXAS
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
 STATEMENT OF NET ASSETS
 SEPTEMBER 30, 2008

Total Fund Balances - Governmental Funds	\$	11,263,263
The City uses internal service funds to charge the costs of certain activities, such as insurance, equipment replacement, and vehicle maintenance, to appropriate functions in other funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.		7,100,843
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds. At the end of the year, the original cost of these assets was \$21,696,919 and the accumulated depreciation was \$14,451,562.		7,245,357
The City's investment in joint venture is not reported in the governmental funds but is included in the statement of net assets.		1,364,357
Other adjustments are necessary to convert from the modified accrual basis of accounting to the accrual basis of accounting. Net property taxes receivable of \$242,299 and net fines receivable of \$60,689 were unavailable to pay for current period expenditures and are deferred in the governmental funds but included in the statement of net assets.		302,988
Long-term liabilities for compensated absences are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds but are included in the statement of net assets.		(856,940)
Net Assets of Governmental Activities	\$	26,419,868

The notes to the Financial Statements are an integral part of this statement.

CITY OF PLAINVIEW, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2008

	General Fund	Other Funds	Total Governmental Funds
REVENUES:			
Taxes:			
Property Taxes	\$ 3,768,012	\$ -	\$ 3,768,012
General Sales and Use Taxes	3,523,496	-	3,523,496
Selective Sales and Use Tax	28,171	293,850	322,021
Franchise Tax	1,391,824	-	1,391,824
Penalty and Interest on Taxes	61,680	-	61,680
Licenses and Permits	48,800	-	48,800
Intergovernmental Revenue and Grants	198,015	90,395	288,410
Charges for Services	742,441	-	742,441
Fines	286,414	19,278	305,692
Investment Earnings	309,551	79,160	388,711
Rents and Royalties	360	-	360
Contributions & Donations	25	6,387	6,412
Other Revenue	13,077	27,450	40,527
Total Revenues	10,371,866	516,520	10,888,386
EXPENDITURES:			
Current:			
General Government - Administration	540,589	207,871	748,460
General Government - Other	467,392	98,493	565,885
Public Safety	5,828,529	-	5,828,529
Public Works	830,318	-	830,318
Health	381,296	-	381,296
Recreation and Culture	955,160	-	955,160
Capital Outlay:			
Capital Outlay	92,908	78,307	171,215
Total Expenditures	9,096,192	384,671	9,480,863
Excess of Revenues Over Expenditures	1,275,674	131,849	1,407,523
OTHER FINANCING SOURCES (USES):			
Transfers In	416,018	584,000	1,000,018
Transfers Out (Use)	(759,000)	(31,000)	(790,000)
Total Other Financing Sources (Uses)	(342,982)	553,000	210,018
Net Change in Fund Balances	932,692	684,849	1,617,541
Fund Balance - October 1 (Beginning)	7,522,619	2,123,103	9,645,722
Fund Balance - September 30 (Ending)	\$ 8,455,311	\$ 2,807,952	\$ 11,263,263

The notes to the Financial Statements are an integral part of this statement.

CITY OF PLAINVIEW, TEXAS
 RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED SEPTEMBER 30, 2008

Total Net Change in Fund Balances - Governmental Funds	\$	1,617,541
The city uses internal service funds to charge the costs of certain activities primarily to the governmental funds. The net income of those activities not allocated to business-type activities is reported with the governmental activities.		313,003
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets are reported as increases in capital assets.		171,215
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources.		(474,380)
Losses on the retirement of capital assets are not reported in the governmental funds since they do not require the use of current financial resources.		(921)
Capital assets contributed to the City by the State of Texas are not reported in the governmental funds. Such contributed capital assets consisted of the State's portion of the cost of the completed Hike/Bike Trail. This contribution is reported as a special item on the statement of activities.		1,272,713
The net decrease for the year in the investment in joint venture is not reported in the governmental funds but is included in the statement of activities.		(29,328)
Changes in long-term liabilities for compensated absences are not reported in the governmental funds but are included in the statement of activities.		(6,975)
Various reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred revenue as revenue, adjusting current year revenue to include the revenue earned from the current year's tax levy, and eliminating interfund transactions. This adjustment includes a net increase in property tax revenues of \$9,265 and a net increase in fine revenues of \$3,820.		13,085
Change in Net Assets of Governmental Activities	\$	2,875,953

The notes to the Financial Statements are an integral part of this statement.

CITY OF PLAINVIEW, TEXAS
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
SEPTEMBER 30, 2008

Business-Type Activities -

Solid Waste Management Fund	Water and Sewer Fund
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ASSETS

Current Assets:

Cash and Cash Equivalents	\$ 1,815,461	\$ 2,776,423
Investments - Current	682,091	2,502,427
Restricted Assets - Current:		
Restricted Cash and Cash Equivalents	-	279,521
Interest Receivable - Investments	2,805	3,502
Accounts Receivable-Net of Uncollectible Allowance	352,352	694,703
Due from Other Funds	-	-
Inventories	-	153,374
Total Current Assets	2,852,709	6,409,950

Noncurrent Assets:

Restricted Assets - Noncurrent:		
Restricted Cash and Cash Equivalents	979,333	367,225
Restricted Investments	900,000	-
Capital Assets:		
Land	400,000	124,367
Buildings	319,902	2,265,398
Accumulated Depreciation - Buildings	(101,567)	(1,761,821)
Improvements other than Buildings	4,528,107	30,621,057
Accumulated Depreciation - Other Improvements	(3,420,322)	(8,835,842)
Machinery and Equipment	4,280,003	1,039,037
Accumulated Depreciation - Machinery & Equipment	(2,209,961)	(837,579)
Construction in Progress	665,021	248,708
Water Supply Contract Costs, net	-	7,230,725
Unamortized Bond Issuance Costs	77,286	44,774
Total Noncurrent Assets	6,417,802	30,506,049

Total Assets

9,270,511	36,915,999
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The notes to the Financial Statements are an integral part of this statement.

		Governmental Activities -	
Nonmajor Enterprise Fund	Total Enterprise Funds	Total Internal Service Funds	
\$ 88,001	\$ 4,679,885	\$ 3,086,155	
-	3,184,518	2,397,285	
-	279,521	-	
-	6,307	2,535	
75	1,047,130	1,295	
-	-	23,489	
258	153,632	43,863	
<u>88,334</u>	<u>9,350,993</u>	<u>5,554,622</u>	
-	1,346,558	-	
-	900,000	-	
5,000	529,367	-	
30,000	2,615,300	453,492	
(4,875)	(1,868,263)	(345,338)	
-	35,149,164	-	
-	(12,256,164)	-	
13,278	5,332,318	4,194,088	
(9,417)	(3,056,957)	(2,387,935)	
-	913,729	-	
-	7,230,725	-	
-	122,060	-	
<u>33,986</u>	<u>36,957,837</u>	<u>1,914,307</u>	
<u>122,320</u>	<u>46,308,830</u>	<u>7,468,929</u>	

CITY OF PLAINVIEW, TEXAS
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
SEPTEMBER 30, 2008

	Business-Type Activities -	
	Solid Waste Management Fund	Water and Sewer Fund
LIABILITIES		
Current Liabilities:		
Accounts Payable	116,075	117,257
Wages and Salaries Payable	37,278	59,892
Compensated Absences Payable	2,790	3,184
Due to Other Funds	11,703	4,578
Accrued Interest Payable	13,562	30,139
Bonds Payable - Current:		
Certificates of Obligation	190,000	430,000
Water Contract Obligations	-	278,163
Total Current Liabilities	371,408	923,213
NonCurrent Liabilities:		
Bonds Payable - Non-Current:		
Certificates of Obligation	1,360,000	7,085,000
Water Contract Obligations	-	5,828,351
Unamortized Premiums (Discounts) on Bonds	9,243	-
Payable from Restricted Assets - Noncurrent:		
Landfill Closure/Postclosure Costs	992,056	-
Deposits and Escrow	-	367,225
Compensated Absences Payable	24,255	52,225
Total Noncurrent Liabilities	2,385,554	13,332,801
Total Liabilities	2,756,962	14,256,014
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	3,866,504	15,379,722
Restricted for Debt Service	-	249,382
Unrestricted Net Assets	2,647,045	7,030,881
Total Net Assets	\$ 6,513,549	\$ 22,659,985
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds		
Net assets of business type activities		

The notes to the Financial Statements are an integral part of this statement.

Nonmajor Enterprise Fund	Total Enterprise Funds	Governmental Activities -
		Total Internal Service Funds
1,216	234,548	201,549
528	97,698	7,124
-	5,974	180
-	16,281	94,963
-	43,701	-
-	620,000	-
-	278,163	-
1,744	1,296,365	303,816
-	8,445,000	-
-	5,828,351	-
-	9,243	-
-	992,056	-
-	367,225	-
-	76,480	4,199
-	15,718,355	4,199
1,744	17,014,720	308,015
33,986	19,280,212	1,914,307
-	249,382	-
86,590	9,764,516	5,246,607
\$ 120,576	\$ 29,294,110	\$ 7,160,914
	60,071	
	<u>\$ 29,354,181</u>	

CITY OF PLAINVIEW, TEXAS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Business-Type Activities -	
	Solid Waste Management Fund	Water and Sewer Fund
OPERATING REVENUES:		
Charges for Services	\$ 2,731,076	\$ 5,852,233
Other Revenue	127,291	59,851
Total Operating Revenues	2,858,367	5,912,084
OPERATING EXPENSES:		
Personnel Services - Salaries and Wages	597,149	955,738
Personnel Services - Employee Benefits	252,206	371,463
Purchased Professional & Technical Services	219,784	470,161
Purchased Property Services	191,226	398,310
Other Operating Expenses	180,462	731,062
Supplies	301,665	735,405
Depreciation and Amortization	396,336	1,032,018
Total Operating Expenses	2,138,828	4,694,157
Operating Income (Loss)	719,539	1,217,927
NON-OPERATING REVENUES (EXPENSES):		
Gain on Sale of Property	145,865	-
Contributions - Private Source	-	-
Investment Earnings	120,615	196,161
Bond Premium Accretion	342	-
Interest Expense	(11,265)	(684,143)
Bond Issuance Cost Amortization	(2,862)	(3,634)
Total Non-operating Revenue (Expenses)	252,695	(491,616)
Income (Loss) Before Transfers	972,234	726,311
Transfers In	-	-
Transfers Out	(161,300)	(329,718)
Change in Net Assets	810,934	396,593
Total Net Assets - October 1 (Beginning)	5,702,615	22,263,392
Total Net Assets - September 30 (Ending)	\$ 6,513,549	\$ 22,659,985
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds		
Change in net assets of business type activities on Exhibit B-1		

The notes to the Financial Statements are an integral part of this statement.

Nonmajor Enterprise Fund	Total Enterprise Funds	Governmental Activities -
		Total Internal Service Funds
\$ 20,158	\$ 8,603,467	\$ 1,830,573
48	187,190	59,652
<u>20,206</u>	<u>8,790,657</u>	<u>1,890,225</u>
8,184	1,561,071	114,380
2,575	626,244	46,356
-	689,945	2,344
2,196	591,732	72,007
4,655	916,179	1,401,341
12,572	1,049,642	29,460
2,206	1,430,560	386,288
<u>32,388</u>	<u>6,865,373</u>	<u>2,052,176</u>
<u>(12,182)</u>	<u>1,925,284</u>	<u>(161,951)</u>
-	145,865	(140)
1,000	1,000	-
2,303	319,079	179,208
-	342	-
-	(695,408)	-
-	(6,496)	-
<u>3,303</u>	<u>(235,618)</u>	<u>179,068</u>
<u>(8,879)</u>	<u>1,689,666</u>	<u>17,117</u>
31,000	31,000	250,000
-	(491,018)	-
<u>22,121</u>	<u>1,229,648</u>	<u>267,117</u>
<u>98,455</u>	<u>28,064,462</u>	<u>6,893,797</u>
<u>\$ 120,576</u>	<u>\$ 29,294,110</u>	<u>\$ 7,160,914</u>
	<u>(45,886)</u>	
	<u>\$ 1,183,762</u>	

CITY OF PLAINVIEW, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Business-Type Activities	
	Solid Waste Management Fund	Water and Sewer Fund
<u>Cash Flows from Operating Activities:</u>		
Cash Received from User Charges	\$ 2,680,112	\$ 5,895,009
Cash Payments to Employees for Services	(836,701)	(1,295,984)
Cash Payments for Suppliers	(759,617)	(2,358,117)
Other Operating Cash Receipts (Payments)	127,291	59,851
Net Cash Provided by (Used for) Operating Activities	<u>1,211,085</u>	<u>2,300,759</u>
<u>Cash Flows from Non-Capital Financing Activities:</u>		
Increase(decrease) in Deposits and Escrow Held	-	8,267
Operating Transfers From (To) Other Funds	(161,300)	(329,718)
Contributions and Donations from Private Sources	-	-
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>(161,300)</u>	<u>(321,451)</u>
<u>Cash Flows from Capital & Related Financing Activities:</u>		
Acquisition of Capital Assets	(1,275,192)	(364,140)
Issuance of Certificates of Obligation	1,479,437	-
Proceeds from Sale of Capital Assets	146,000	-
Principal and Interest Paid on Long-Term Debt	-	(1,361,296)
Net Cash Provided by (Used for) Capital & Related Financing Activities	<u>350,245</u>	<u>(1,725,436)</u>
<u>Cash Flows from Investing Activities:</u>		
Purchase of Certificates of Deposit	(1,582,091)	(2,502,427)
Interest and Dividends on Investments	117,810	192,660
Net Cash Provided by (Used for) Investing Activities	<u>(1,464,281)</u>	<u>(2,309,767)</u>
Net Increase(Decrease) in Cash and Cash Equivalents	(64,251)	(2,055,895)
Cash and Cash Equivalents at Beginning of the Year:	<u>2,859,045</u>	<u>5,479,064</u>
Cash and Cash Equivalents at the End of the Year:	<u>\$ 2,794,794</u>	<u>\$ 3,423,169</u>

The notes to the Financial Statements are an integral part of this statement.

Nonmajor Enterprise Fund	Total Enterprise Funds	Governmental Activities -
		Total Internal Service Funds
\$ 20,083	\$ 8,595,204	\$ 1,840,176
(10,566)	(2,143,251)	(157,073)
(21,714)	(3,139,448)	(1,387,036)
48	187,190	55,446
<u>(12,149)</u>	<u>3,499,695</u>	<u>351,513</u>
-	8,267	-
31,000	(460,018)	250,000
1,000	1,000	-
<u>32,000</u>	<u>(450,751)</u>	<u>250,000</u>
-	(1,639,332)	(654,613)
-	1,479,437	-
-	146,000	-
-	(1,361,296)	-
<u>-</u>	<u>(1,375,191)</u>	<u>(654,613)</u>
-	(4,084,518)	(2,397,285)
2,303	312,773	176,673
<u>2,303</u>	<u>(3,771,745)</u>	<u>(2,220,612)</u>
22,154	(2,097,992)	(2,273,712)
65,847	8,403,956	5,359,867
<u>\$ 88,001</u>	<u>\$ 6,305,964</u>	<u>\$ 3,086,155</u>

CITY OF PLAINVIEW, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Business-Type Activities	
	Solid Waste Management Fund	Water and Sewer Fund
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities:</u>		
Operating Income (Loss):	\$ 719,539	\$ 1,217,927
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used For) Operating Activities:		
Depreciation and Amortization	396,336	1,032,018
Landfill Closure/Postclosure Costs	70,375	-
Effect of Increases and Decreases in Current Assets and Liabilities:		
Decrease (increase) in Receivables	(50,964)	42,776
Decrease (increase) in Inventories	-	(20,689)
Decrease (increase) in Interfund Receivables	-	-
Increase (decrease) in Accounts Payable	70,463	(4,765)
Increase (decrease) in Wages & Salaries Payable	13,382	20,397
Increase (decrease) in Comp. Absences Payable	(728)	10,820
Increase (decrease) in Interfund Payables	(7,318)	2,275
Net Cash Provided by (Used for) Operating Activities	<u>\$ 1,211,085</u>	<u>\$ 2,300,759</u>
<u>Reconciliation of Total Cash and Cash Equivalents:</u>		
Cash & Cash Equiv. - Statement of Net Assets	\$ 1,815,461	\$ 2,776,423
Restricted Cash - Statement of Net Assets	979,333	646,746
Total Cash and Cash Equivalents	<u>\$ 2,794,794</u>	<u>\$ 3,423,169</u>
<u>Noncash Investing, Capital and Financing Activities:</u>		
Book Value of Capital Asset Dispositions	\$ (136)	\$ -
Bond Issuance Premium	9,585	-
Bond Issuance Premium Accretion	342	-
Bond Issuance Costs	(80,148)	-
Bond Issuance Cost Amortization	(2,862)	(3,634)

The notes to the Financial Statements are an integral part of this statement.

		Governmental Activities -	
Nonmajor Enterprise Fund	Total Enterprise Funds	Total Internal Service Funds	
\$ (12,182)	\$ 1,925,284	\$ (161,951)	
2,206	1,430,560	386,288	
-	70,375	-	
(75)	(8,263)	(1,104)	
(139)	(20,828)	525	
-	-	10,707	
(2,152)	63,546	120,397	
193	33,972	2,545	
-	10,092	1,118	
-	(5,043)	(7,012)	
<u>\$ (12,149)</u>	<u>\$ 3,499,695</u>	<u>\$ 351,513</u>	
\$ 88,001	\$ 4,679,885	\$ 3,086,155	
-	1,626,079	-	
<u>\$ 88,001</u>	<u>\$ 6,305,964</u>	<u>\$ 3,086,155</u>	
\$ -	\$ (136)	\$ (140)	
-	9,585	-	
-	342	-	
-	(80,148)	-	
-	(6,496)	-	

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CITY OF PLAINVIEW, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2008

A. Summary of Significant Accounting Policies

The accompanying financial statements of the City of Plainview (the "City") have been prepared in conformity with accounting principles applicable to governmental units which are generally accepted in the United States of America. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

1. Reporting Entity

The City's financial statements include the accounts of all its operations. The City evaluated whether any other entity should be included in these financial statements. The criteria for including organizations as component units within the City's reporting entity, as set forth in GASB Statement No. 14, "The Financial Reporting Entity," (as amended by GASB Statement No. 39) include whether:

- the organization is legally separate (can sue and be sued in its name)
- the City holds the corporation powers of the organization
- the City appoints a voting majority of the organization's board
- the City is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the City
- there is fiscal dependency by the organization on the City
- the exclusion of the organization would result in misleading or incomplete financial statements

The City also evaluated any legally separate tax-exempt organizations whose resources are used principally to provide support to the City to determine if its omission from the reporting entity would result in financial statements which are misleading or incomplete. GASB Statement No. 14 (as amended by GASB Statement No. 39) requires inclusion of such an organization as a component unit when: 1) The economic resources received or held by the organization are entirely or almost entirely for the direct benefit of the City, its component units or its constituents; and 2) The City or its component units are entitled to, or have the ability to otherwise access, a majority of the economic resources received or held by the organization; and 3) Such economic resources are significant to the City.

Based on these criteria, the City has no component units. Additionally, the City is not a component unit of any other reporting entity as defined by the GASB Statements.

2. Basis of Presentation, Basis of Accounting

a. Basis of Presentation

Government-wide Statements: The statement of net assets and the statement of activities include the financial activities of the overall government. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The City does not allocate indirect expenses in the statement of activities. Program revenues include (a) fees, fines and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the City's funds, with separate statements presented for each fund category. The emphasis of fund financial statements is on major

CITY OF PLAINVIEW, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2008

governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

The City reports the following major governmental funds:

General Fund: This is the City's primary operating fund. It accounts for all financial resources of the City except those required to be accounted for in another fund.

The City reports the following major enterprise funds:

Solid Waste Management Fund: This fund accounts for the solid waste and disposal activities of the City, including the activities of the City of Plainview Municipal Solid Waste Landfill.

Water and Sewer Fund: This fund accounts for the water supply and distribution, sanitary sewer, storm water, and waste water treatment activities of the City.

In addition, the City reports the following fund types:

Internal Service Funds: These funds are used to account for revenues and expenses related to services provided to parties inside the City. These funds facilitate distribution of support costs to the users of support services on a cost-reimbursement basis. Because the principal users of the internal services are the City's governmental activities, this fund type is included in the "Governmental Activities" column of the government-wide financial statements.

b. Measurement Focus, Basis of Accounting

Government-wide and Proprietary Fund Financial Statements: These financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital assets acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

When the City incurs an expenditure or expense for which both restricted and unrestricted resources may be used, it is the City's policy to use restricted resources first, then unrestricted resources.

CITY OF PLAINVIEW, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2008

Under GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting," all proprietary funds continue to follow Financial Accounting Standards Board ("FASB") standards issued on or before November 30, 1989. However, from that date forward, proprietary funds have the option of either 1) choosing not to apply future FASB standards (including amendments of earlier pronouncements), or 2) continuing to follow new FASB pronouncements unless they conflict with GASB guidance. The City has chosen not to apply future FASB standards.

3. Financial Statement Amounts

a. Cash and Cash Equivalents

For purposes of the statement of cash flows, highly liquid investments are considered to be cash equivalents if they have a maturity of three months or less when purchased.

b. Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available (1) when they become due or past due and receivable within the current period and (2) when they are expected to be collected during a 60-day period after the close of the fiscal year.

Allowances for uncollectible tax receivables within the General Fund are based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the City is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

c. Inventories

Inventories are stated at lower of cost or market value using the first-in, first-out method. Inventory items are recorded as expenditures when they are consumed.

d. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. A capitalization threshold of \$2,000 is used.

CITY OF PLAINVIEW, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED SEPTEMBER 30, 2008

Capital assets are being depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Years</u>
Infrastructure	20
Buildings	40
Building Improvements	20
System and Improvements	33-60
Vehicles	5-7
Office Equipment	10
Computer Equipment	3-5

e. Receivable and Payable Balances

The City believes that sufficient detail of payable balances is provided in the financial statements to avoid the obscuring of significant components by aggregation. Therefore, no disclosure is provided which disaggregates those balances. Details of receivable balances are presented in Note C.

f. Compensated Absences

Sick Leave:

All full-time employees (except Police, Fire and EMS employees) accumulate sick leave at the rate of one day per month for the first year of employment. Thereafter, six days per year are eligible for accumulation up to a maximum of 60 days. Employees are paid annually for unused sick leave days not eligible for accumulation at the rate of \$30 per day. However, since no payment for accumulated unused sick leave days is made upon termination of employment and, therefore does not vest, no liability for such accumulated unused sick leave is recorded.

Certified Police officers accrue sick leave at the rate of ten hours per month, the equivalent of 15 days per year and may accumulate up to a maximum of 720 hours. Fire and EMS personnel accrue sick leave at the rate of 15 hours per month, the equivalent of 15 days per year, and may accumulate a maximum of 1,080 hours. Police, Fire and EMS employees are paid for unused accumulated sick leave upon termination of employment.

Vacation:

Certified Police officers, Fire and EMS personnel accrue vacation leave at the rate of 15 days per year. All other eligible employees with less than five years of continuous service accrue ten days per year, while those employees with five or more years of continuous service accrue 15 days per year. Generally, such vacation leave may be accumulated up to 20 days for employees with less than five years of continuous service and up to 25 days for employees with five or more years of continuous service.

The estimated current portion of the liability for vested sick leave and vacation benefits attributable to the City's governmental funds is recorded as an expenditure and liability in the respective funds, while the non-current portion is not reflected in the governmental fund financial statements, but is reflected as a liability and expense in the Government-wide financial statements. Both the current and non-current amounts attributable to proprietary funds are charged to expense and a corresponding liability is recorded in the applicable funds.

CITY OF PLAINVIEW, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2008

g. Interfund Activity

Interfund activity results from loans, services provided, reimbursements or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers In and Transfers Out are netted and presented as a single "Transfers" line on the government-wide statement of activities. Similarly, interfund receivables and payables are netted and presented as a single "Interfund Balances" line on the government-wide statement of net assets.

B. Deposits and Investments

City Policies and Legal and Contractual Provisions Governing Deposits

Custodial Credit Risk for Deposits: State law requires governmental entities to contract with financial institutions in which funds will be deposited to secure those deposits with insurance or pledged securities with a fair value equaling or exceeding the amount on deposit at the end of each business day. The pledged securities must be in the name of the governmental entity and held by the entity or its agent. Since the City complied with this law for the year ended September 30, 2008, it had no custodial credit risk for deposits.

City Policies and Legal and Contractual Provisions Governing Investments

Compliance with the Public Funds Investment Act: The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports, and establishment of appropriate policies. Among other things, it requires a governmental entity to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit. Statutes authorize the entity to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas, (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, (10) and common trust funds. The Act also requires the entity to have independent auditors perform test procedures related to investment practices as provided by the Act. Management believes that the City is in substantial compliance with the requirements of the Act and with local policies.

As of September 30, 2008, and for the year then ended, the City had no investments other than nonmarketable certificates of deposit.

CITY OF PLAINVIEW, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED SEPTEMBER 30, 2008

C. Receivables

The receivables detailed below are reported net of allowances for doubtful accounts on the Government-wide Statement of Net Assets as of September 30, 2008:

<u>Description</u>	<u>Receivable</u>	<u>Allowance</u>	<u>Amount</u>
Governmental Activities:			
Property Taxes	\$ 571,230	\$ (324,245)	\$ 246,985
Sales Taxes	305,694	-	305,694
Franchise Taxes	416,540	-	416,540
Special Assessments	93,560	(93,560)	-
Accounts:			
Emergency Medical Services	265,682	(151,439)	114,243
Municipal Court Fines	404,596	(343,907)	60,689
Other	10,437	-	10,437
Accrued Interest Receivable	9,848	-	9,848
Intergovernmental	41,808	-	41,808
Economic Development Loans	211,258	-	211,258
Total	<u>\$ 2,330,653</u>	<u>\$ (913,151)</u>	<u>\$ 1,417,502</u>
Business-type Activities:			
Accounts	\$ 1,051,879	\$ (4,749)	\$ 1,047,130
Accrued Interest Receivable	6,307	-	6,307
Total	<u>\$ 1,058,186</u>	<u>\$ (4,749)</u>	<u>\$ 1,053,437</u>
Total	<u><u>\$ 3,388,839</u></u>	<u><u>\$ (917,900)</u></u>	<u><u>\$ 2,470,939</u></u>

Significant receivables that are not expected to be collected within one year include property taxes receivable, accounts receivable and notes receivable amounting to approximately \$470,000.

D. Interfund Balances and Activity

1. Due To and From Other Funds

Balances due to and due from other funds, at the fund level, at September 30, 2008, consisted of the following:

<u>Due To Fund</u>	<u>Due From Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Non-major Governmental Fund	\$ -	Bio-Terrorism Fund activities
General Fund	Internal Service Fund	94,963	Service Center Fund activities
Internal Service Fund	General Fund	7,208	Internal services
Internal Service Fund	Solid Waste Management Fund	11,703	Internal services
Internal Service Fund	Water and Sewer Fund	4,578	Internal services
	Total	<u>\$ 118,452</u>	

All of the above amounts are scheduled to be repaid within one year.

An additional \$60,071 is included in internal balances in the government-wide statement of net assets to reflect the cumulative amount of "crossover" adjustments made to consolidate the allocable portion of Internal Service Fund activities related to the Business-type Activities.

CITY OF PLAINVIEW, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED SEPTEMBER 30, 2008

2. Transfers To and From Other Funds

Transfers to and from other funds for the year ended September 30, 2008, consisted of the following:

<u>Transfers From</u>	<u>Transfers To</u>	<u>Amount</u>	<u>Reason</u>
General Fund	Non-major Governmental Fund	\$ 250,000	Capital improvements
General Fund	Non-major Governmental Fund	100,000	Street improvements
General Fund	Non-major Governmental Fund	175,000	Economic development
General Fund	Non-major Governmental Fund	34,000	Home Program
General Fund	Internal Service Fund	150,000	Equipment replacement
General Fund	Internal Service Fund	50,000	Service center operations
Water and Sewer Fund	General Fund	279,718	Transfer in lieu of taxes
Water and Sewer Fund	Non-major Governmental Fund	25,000	Economic development
Water and Sewer Fund	Internal Service Fund	25,000	Service center operations
Solid Waste Mgmt. Fund	General Fund	136,300	Transfer in lieu of taxes
Solid Waste Mgmt. Fund	Internal Service Fund	25,000	Service center operations
Non-major Governmental Fund	Non-major Busn. Type Activities	<u>31,000</u>	Theatre arts
	Total	<u>\$ 1,281,018</u>	

E. Restricted Cash and Cash Equivalents and Restricted Investments

Restricted cash and cash equivalents and investments consisted of the following at September 30, 2008:

<u>Description</u>	<u>Amount</u>
Business-type Activities:	
<u>Restricted Cash and Cash Equivalents:</u>	
<i>Short-Term</i>	
Water and Sewer Fund	
Debt Service	<u>\$ 279,521</u>
<i>Long-Term</i>	
Solid Waste Management Fund	
Capital Projects (Unspent Bond Proceeds)	\$ 887,277
Landfill Closure and Postclosure	<u>92,056</u>
Total Solid Waste Management Fund	<u>\$ 979,333</u>
Water & Sewer Fund	
Customer Deposits/Escrow	\$ 367,225
Total Long-Term	<u>\$ 1,346,558</u>
<u>Restricted Investments:</u>	
<i>Long-Term</i>	
Solid Waste Management Fund	
Landfill Closure and Postclosure	<u>\$ 900,000</u>

CITY OF PLAINVIEW, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2008

F. Capital Assets

Capital asset activity for the period ended September 30, 2008 was as follows:

	<u>Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balances</u>
<u>Governmental activities:</u>				
Capital assets not being depreciated:				
Land	\$ 519,919	\$ -	\$ -	\$ 519,919
Construction in progress	347,961	1,500	342,701	6,760
Total capital assets not being depreciated	<u>\$ 867,880</u>	<u>\$ 1,500</u>	<u>\$ 342,701</u>	<u>\$ 526,679</u>
Capital assets being depreciated:				
Buildings and improvements	\$ 3,282,726	\$ 52,161	\$ -	\$ 3,334,887
Machinery and equipment	6,927,146	713,691	97,610	7,543,227
Infrastructure	13,265,816	1,673,890	-	14,939,706
Total capital assets being depreciated	<u>\$ 23,475,688</u>	<u>\$ 2,439,742</u>	<u>\$ 97,610</u>	<u>\$ 25,817,820</u>
Less accumulated depreciation for:				
Buildings and improvements	\$ (1,587,612)	\$ (87,820)	\$ -	\$ (1,675,432)
Machinery and equipment	(4,911,924)	(507,186)	(96,550)	(5,322,560)
Infrastructure	(9,921,180)	(265,663)	-	(10,186,843)
Total accumulated depreciation	<u>\$ (16,420,716)</u>	<u>\$ (860,669)</u>	<u>\$ (96,550)</u>	<u>\$ (17,184,835)</u>
Total capital assets being depreciated, net	<u>\$ 7,054,972</u>	<u>\$ 1,579,073</u>	<u>\$ 1,060</u>	<u>\$ 8,632,985</u>
Governmental activities capital assets, net	<u>\$ 7,922,852</u>	<u>\$ 1,580,573</u>	<u>\$ 343,761</u>	<u>\$ 9,159,664</u>
	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
<u>Business-type activities:</u>				
Capital assets not being depreciated:				
Land	\$ 529,367	\$ -	\$ -	\$ 529,367
Construction in progress	206,303	887,423	179,997	913,729
Total capital assets not being depreciated	<u>\$ 735,670</u>	<u>\$ 887,423</u>	<u>\$ 179,997</u>	<u>\$ 1,443,096</u>
Capital assets being depreciated:				
Buildings and improvements	\$ 2,615,300	\$ -	\$ -	\$ 2,615,300
Improvements and system	34,859,526	289,638	-	35,149,164
Machinery and equipment	5,295,715	644,564	607,961	5,332,318
Total capital assets being depreciated	<u>\$ 42,770,541</u>	<u>\$ 934,202</u>	<u>\$ 607,961</u>	<u>\$ 43,096,782</u>
Less accumulated depreciation for:				
Buildings and improvements	\$ (1,801,711)	\$ (66,552)	\$ -	\$ (1,868,263)
Improvements and system	(11,384,932)	(871,232)	-	(12,256,164)
Machinery and equipment	(3,276,385)	(388,398)	(607,826)	(3,056,957)
Total accumulated depreciation	<u>\$ (16,463,028)</u>	<u>\$ (1,326,182)</u>	<u>\$ (607,826)</u>	<u>\$ (17,181,384)</u>
Total capital assets being depreciated, net	<u>\$ 26,307,513</u>	<u>\$ (391,980)</u>	<u>\$ 135</u>	<u>\$ 25,915,398</u>
Business-type activities capital assets, net	<u>\$ 27,043,183</u>	<u>\$ 495,443</u>	<u>\$ 180,132</u>	<u>\$ 27,358,494</u>

CITY OF PLAINVIEW, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED SEPTEMBER 30, 2008

Depreciation was charged to functions as follows:

Governmental Activities:	
General Government - Administration	\$ 25,579
General Government - Other	164
Public Safety	59,508
Public Works	340,412
Health	1,104
Recreation and Culture	47,614
Depreciation for capital assets of internal service funds is allocated to various functions based on usage of the assets	<u>386,288</u>
Total Depreciation - Governmental Activities	<u>\$ 860,669</u>
Business-type Activities:	
Solid Waste Management	\$ 396,336
Water and Sewer	927,640
Theatre Arts	<u>2,206</u>
Total Depreciation - Business-type Activities	<u>\$ 1,326,182</u>

G. Other Assets

Other assets of the City's business-type activities consisted of the following at year end:

	<u>Solid Waste Management Fund</u>	<u>Water and Sewer Fund</u>	<u>Total</u>
Water Supply Contract Costs (Note J)	\$ -	\$ 8,872,253	\$ 8,872,253
(Less) Accumulated Amortization	<u>-</u>	<u>(1,641,528)</u>	<u>(1,641,528)</u>
Water Supply Contract Costs, net	<u>\$ -</u>	<u>\$ 7,230,725</u>	<u>\$ 7,230,725</u>
Bond Issuance Costs	\$ 80,148	\$ 66,980	\$ 147,128
(Less) Accumulated Amortization	<u>(2,862)</u>	<u>(22,206)</u>	<u>(25,068)</u>
Unamortized Bond Issuance Costs	<u>\$ 77,286</u>	<u>\$ 44,774</u>	<u>\$ 122,060</u>

H. Deferred Revenue

Deferred revenue reported on the Balance Sheet-Governmental Funds consisted of the following at year end:

<u>Description</u>	<u>Fund</u>	<u>Deferred Amount</u>
Property Taxes	General	<u>\$ 242,299</u>

CITY OF PLAINVIEW, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED SEPTEMBER 30, 2008

I. Liabilities Payable from Restricted Assets

Liabilities payable from restricted assets consisted of the following as of September 30, 2008:

<u>Description</u>	<u>Amount</u>
<u>Business-type Activities:</u>	
Water and Sewer Fund	
Customer Deposits/Escrow	\$ 367,225
Solid Waste Management Fund	
Landfill Closure and Postclosure	992,056
Total	<u>\$ 1,359,281</u>

J. Long-Term Obligations

1. Long-Term Obligation Activity

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the period ended September 30, 2008 are as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<u>Governmental activities:</u>					
Compensated absences	\$ 858,904	\$ 7,707	\$ -	\$ 866,611	\$ 5,472
Total governmental activities	<u>\$ 858,904</u>	<u>\$ 7,707</u>	<u>\$ -</u>	<u>\$ 866,611</u>	<u>\$ 5,472</u>
<u>Business-type activities:</u>					
Tax and revenue certificates of obligation	\$ 7,925,000	\$ 1,550,000	\$ 410,000	\$ 9,065,000	\$ 620,000
Bond premium, net	-	9,585	342	9,243	-
Water contract obligations	6,372,027	-	265,513	6,106,514	278,163
Compensated absences	72,362	10,092	-	82,454	5,974
Total business-type activities	<u>\$ 14,369,389</u>	<u>\$ 1,569,677</u>	<u>\$ 675,855</u>	<u>\$ 15,263,211</u>	<u>\$ 904,137</u>

The funds typically used to liquidate compensated absences in the past are as follows:

<u>Liability</u>	<u>Activity Type</u>	<u>Fund</u>
Compensated absences	Governmental	General Fund
Compensated absences	Business-type	Solid Waste Management Fund
Compensated absences	Business-type	Water and Sewer Fund

CITY OF PLAINVIEW, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED SEPTEMBER 30, 2008

2. Debt Service Requirements

Debt service requirements for long-term debt at September 30, 2008 are as follows:

<u>Year Ended September 30,</u>	<u>Business-type Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 898,163	\$ 713,457	\$ 1,611,620
2010	935,303	664,493	1,599,796
2011	970,575	623,687	1,594,262
2012	1,014,145	581,021	1,595,166
2013	1,058,529	535,979	1,594,508
2014-2018	5,236,954	1,929,797	7,166,751
2019-2023	3,961,842	706,146	4,667,988
2024-2027	<u>1,096,003</u>	<u>84,476</u>	<u>1,180,479</u>
Totals	<u>\$ 15,171,514</u>	<u>\$ 5,839,056</u>	<u>\$ 21,010,570</u>

3. Interest Costs Incurred

Long-term debt interest cost incurred for Business-type Activities for the year ended September 30, 2008 was as follows:

Interest Charged to Expense	\$ 697,706
Interest Capitalized	<u>(2,298)</u>
Total Interest Cost Incurred	<u>\$ 695,408</u>

The interest charged to expense was included as a direct non-operating expense in the Statement of Activities in the Business-type activities.

4. Tax and Revenue Certificates of Obligation

While the Tax and Revenue Certificates of Obligation are secured by ad valorem taxes levied by the City, they are additionally payable from and secured by a lien on and pledge of the net revenues of the Enterprise Funds. Since it is the intent of the City to service the debt entirely from the net revenues of the Enterprise Funds, the liabilities for the debt are recorded in the Business-type Activities rather than the Governmental Activities of the City.

There are a number of limitations and restrictions contained in the bond indenture. Management has indicated that the City is in compliance with all significant limitations and restrictions.

Details pertaining to the outstanding Tax and Revenue Certificates of Obligation as of September 30, 2008 are as follows:

<u>Description</u>	<u>Purpose</u>	<u>Maturity</u>	<u>Interest Rates</u>	<u>Balance</u>
2001 Tax and Revenue Certificates of Obligation	Waste water treatment plant	03/01/2021	4.5 to 5.5%	\$7,515,000
2008 Tax and Revenue Certificates of Obligation	Landfill cell and water and sewer system improvements	03/01/2015	3.50%	<u>1,550,000</u>
				<u>\$9,065,000</u>

CITY OF PLAINVIEW, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2008

5. Continuing Disclosure

The City has entered into a continuing disclosure undertaking to provide Annual Reports and Material Event Notices to the State Information Depository of Texas, which is the Municipal Advisory Council. This information is required under SEC Rule 15c2-12 to enable investors to analyze the financial condition and operations of the City.

6. Surface Water Supply Contract Obligations

A significant portion of the City's water is supplied by a series of underground wells, together with surface water, which is purchased from the Canadian River Municipal Water Authority (CRMWA). CRMWA is a water district that was created in 1953 by the Texas legislature to construct a dam, water reservoir, and aqueduct system for the purpose of supplying water to surrounding cities. Its geographic area includes the surface water in the Texas Panhandle known as Lake Meredith, a series of underground wells, and the aqueduct system, which supplies 11 cities. In connection with the financing of the initial construction project and subsequent projects undertaken by CRMWA, the City is obligated for its proportionate share of CRMWA debt as follows:

Description	Maturity	Interest Rates	Balance
USBR, Series 1999	10/01/2008	3.8 to 3.9%	\$ 519,691
Salinity Control, Series 1999	02/15/2010	3.8 to 3.9%	23,761
1999 Groundwater Second Series	02/15/2020	4.4 to 4.5%	2,035,921
Series 2005 Conjunctive Supply Project	02/15/2025	3.0 to 5.25%	1,768,876
Series 2006 Conjunctive Supply Project	02/15/2027	4.25% to 5.0%	1,758,265
Total			<u>\$ 6,106,514</u>

The 11 cities that are members of the aqueduct system have the right to elect the 19 members of the CRMWA governing board. The City's contractual share of the available water is approximately 3.691%. Each member may sell part or all of its rights under the contract to other members of the aqueduct system. Each member city is assessed its proportionate share of operating costs, which are accounted for by the City as operating costs. Although member cities have the right to elect the members of the CRMWA board, the City does not report this contract as a joint venture due to the following factors: 1) CRMWA was created by the State of Texas and is a subdivision thereof, as opposed to having been created by the members of CRMWA. 2) The City has no vested rights to the assets of CRMWA, nor responsibility for its liabilities, other than the City's proportionate share of the contractual construction obligations.

The financial statements of CRMWA as of September 30, 2008, and for the year then ended, reflect the following:

Assets:	<u>9/30/2008</u>
Current assets	\$ 35,572,580
Noncurrent assets	365,771,938
Liabilities:	
Current liabilities	8,559,848
Noncurrent liabilities	140,377,869
Net Assets:	
Invested in capital assets, net of related debt	70,749,580
Restricted	168,363,853
Unrestricted	13,293,368
Total Net Assets	252,406,801
Operating revenues	13,222,676
Operating expenses	15,491,540
Nonoperating revenues and expenses, net	1,461,784
Transfer from reserve	(35,004)
Increase in net assets	(842,084)

CITY OF PLAINVIEW, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED SEPTEMBER 30, 2008

Transactions between CRMWA and the City consisted of payments to CRMWA for the City's share of costs of operations, water pumping and chemical costs, and debt service as follows for the year ended September 30, 2008:

Costs of operations	\$ 156,466
Water pumping and chemical costs	265,060
Debt service	<u>579,785</u>
Total	<u>\$ 1,001,311</u>

The City's costs of its rights to the surface and ground water are recorded in the Water and Sewer Enterprise Fund and are being amortized over 85 years, which is the estimated useful life of the CRMWA facilities and water basis. Such costs that have been capitalized by the City as of September 30, 2008 are as follows:

Capitalized contract costs	\$ 8,872,253
Accumulated amortization	<u>(1,641,528)</u>
Net unamortized costs	<u>\$ 7,230,725</u>

K. Employee Retirement Benefits

1. Texas Municipal Retirement System

Plan Description:

The City provides pension benefits for all of its eligible full-time employees (except firefighters) through a nontraditional, joint contributory, hybrid defined benefit plan administered by the state-wide Texas Municipal Retirement System (TMRS). The City's plan is one of 827 currently administered by TMRS, an agent multiple-employer public employee retirement system.

Benefits:

Upon retirement, benefits depend on the sum of the employee's contributions, with interest, and the city-financed monetary credits, with interest. City-financed monetary credits are composed of three sources: prior service credits, current service credits, and updated service credits. At the inception of each city's plan, the city granted monetary credits for service rendered before the plan began (or prior service credits) of a theoretical amount that is at least equal to two times what would have been contributed by the employee, with interest (3% annual), prior to establishment of the plan. Monetary credits for service since each plan began (or current service credits) are a percent (100%, 150%, or 200%) of the employee's accumulated contributions. In addition, each city can grant, either annually or on an annually repeating basis, another type of monetary credit referred to as Updated Service Credit. This monetary credit is determined by hypothetically recomputing the member's account balance by assuming that the current member deposit rate of the currently employing city (5%, 6%, or 7%) has always been in effect. The computation also assumes that the member's salary has always been the member's average salary — using a salary calculation based on the 36-month period ending a year before the effective date of calculation. This hypothetical account balance is increased by 3% each year, not the actual interest credited to member accounts in previous years, and increased by the city match currently in effect (100%, 150%, or 200%). The resulting sum is then compared to the member's actual account balance increased by the actual city match and actual interest credited. If the hypothetical calculation exceeds the actual calculation, the member is granted a monetary credit (or Updated Service Credit) equal to the difference between the hypothetical calculation and the actual calculation. At retirement, the benefit is calculated as if the sum of the employee's contributions with interest and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payment options: retiree life only; one of three lifetime survivor options; or one of three guaranteed term options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution (PLSD) in an amount equal to 12, 24, or 36 monthly payments under the retiree life only option, which cannot exceed 75% of the total member deposits and interest. A member city may elect to increase the annuities of its retirees, either annually or on an annually repeating basis, effective January 1 of a calendar year. Cities may adopt annuity increases at a rate equal to either 30%, 50%, or 70% of the increase (if any) in the Consumer Price Index — all Urban Consumers (CPI-U) between the December

CITY OF PLAINVIEW, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED SEPTEMBER 30, 2008

preceding the member's retirement date and the December one year before the effective date of the increase, minus any previously granted increases. Members in most cities can retire at age 60 and above with 5 or more years of service or with 20 years of service regardless of age. Some cities have elected retirement eligibility with 25 years of service regardless of age. Most plans also provide death benefits and all provide disability benefits.

Effective January 1, 2002, members are vested after 5 years, unless a city opted to maintain 10-year vesting. The plan provisions are adopted by the governing body of each city, within the options available in the state statutes governing TMRS. Members may work for more than one TMRS city during their career. If an individual has become vested in one TMRS city, he or she is immediately vested upon employment with another TMRS city. Similarly, once a member has met the eligibility requirements for retirement in a TMRS city, he or she is eligible in other TMRS cities as well.

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS and within the actuarial constraints also in the statutes. Plan provisions for the City were as follows:

	<u>2005</u>	<u>2006</u>	<u>2007</u>
Number of participating cities	811	821	827
Employee deposit rate	7%	7%	7%
Matching rate (City to employee)	2 to 1	2 to 1	2 to 1
Years required for vesting	5 years	5 years	5 years
Service retirement eligibility (expressed as age/years of service)	60/5, 0/25	60/5, 0/25	60/5, 0/25
Updated service credit	100%	100%	100%
Annually repeating	Yes	Yes	Yes
Annuity increase to retirees	70%	70%	70%
Annually repeating	Yes	Yes	Yes
Supplemental death benefit			
For active employees	No	No	No
For retirees	No	No	No

Contributions:

The contribution rates for employees are either 5%, 6%, or 7% of employee gross earnings, and the city matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of each city. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Projected Unit Credit actuarial cost method (effective with the December 31, 2007 actuarial valuation). This rate consists of the normal cost contribution rate and the prior service cost contribution rate. The normal cost contribution rate finances the currently accruing monetary credits due to the city matching percentage, which are the obligation of the city as of the employee's retirement date, not at the time the employee's contributions are made. A member city's retirement contribution rate consists of the normal cost contribution rate and the prior service contribution rate, both of which are 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 that city. Both the normal cost and prior service contribution rates include recognition of the projected impact of annually repeating updates, such as Updated Service Credit and Annuity Increases. The employer contribution rate cannot exceed a statutory maximum rate, which is a function of the employee contribution rate and the city matching percentage. There is an optional higher maximum that may be applied in certain circumstances if elected by the city, or a city may elect to remove the maximum rate. For example, with a 6% employee contribution rate and a city matching percentage of 200%, the maximum employer contribution rate is 12.5% (13.5% if the higher maximum is elected). The maximum does not apply at all for cities beginning participation on or after December 31, 1999.

Contributions are made monthly by both the employees and the member cities. Since each member city must 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 contribution rate and the calendar year when the rate goes into effect.

CITY OF PLAINVIEW, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED SEPTEMBER 30, 2008

Funding Policy:

Cities are required to contribute at actuarially determined rates; these rates are provided to the City on an annual basis following the completion of the actuarial valuation. There is a time delay between the date of the valuation and the date that the rate becomes effective – for example, the January 1, 2007 contribution rate is based on the December 31, 2005 valuation results. If a change in plan provisions is elected by the City, the rate can change. While the actuary determines contribution rates on a calendar year basis, the City discloses the annual pension costs (which equal the required contributions) on the calculated rate(s) for the City’s fiscal year.

Actuarial Information:

	<u>2005</u>	<u>2006</u>	<u>2007</u>
Actuarial cost method	Unit Credit	Unit Credit	Projected Unit Credit
Amortization method	Level percent of payroll	Level percent of payroll	Level percent of payroll
Amortization period	25 years-open period	25 years-open period	30 years-closed period
Asset valuation method	Amortized cost	Amortized cost	Amortized cost
Assumptions			
Investment return	7%	7%	7%
Projected salary increases	None	None	Varies by age and service
Inflation	3.5%	3.5%	3.0%
Cost-of-living adjustments	None	None	2.1% (3.0% CPI)
City-specific assumptions			
Payroll growth assumption	4%	4%	3%
Withdrawal rates for male/female (low, mid/low, mid, mid/high, or high)	High/High	High/High	High/High

Funding Information:

Actuarial valuation date	<u>12/31/2007</u>
Actuarial value of assets	\$ 14,823,076
Actuarial accrued liability	\$ 20,891,460
Percentage funded	71.0%
Unfunded (over-funded) actuarial accrued liability (UAAL)	\$ 6,068,384
Annual covered payroll	\$ 5,045,994
UAAL as a percentage of covered payroll	120.3%

	<u>9/30/2008</u>
Net pension obligation (NPO) at the beginning of period	\$ -
Annual pension cost:	
Annual required contribution (ARC)	645,695
Contributions made	<u>(645,695)</u>
NPO at the end of period	<u>\$ -</u>

Annual Contribution Requirements:

Fiscal Year Ended	Annual Pension Cost (APC)	Amount of Contribution Made	Percentage of APC Contributed
09/30/06	582,107	582,107	100%
09/30/07	607,061	607,061	100%
09/30/08	645,695	645,695	100%

CITY OF PLAINVIEW, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2008

The City is one of 827 municipalities currently having their benefit plan administered by TMRS. Each of the 827 municipalities has an annual, individual actuarial valuation performed. All assumptions for the 12/31/2007 valuations are contained in the 2007 TMRS Comprehensive Annual Financial Report, a copy of which may be obtained by writing to P.O. Box 149153, Austin, TX 78714-9153.

Changes in Actuarial Cost Method and Assumptions:

At its December 8, 2007 meeting, the TMRS Board of Trustees adopted actuarial assumptions to be used in the actuarial valuation for the year ended December 31, 2007. A summary of actuarial assumptions and definitions can be found in the December 31, 2007 TMRS Comprehensive Annual Financial Report (CAFR).

Since its inception, TMRS has used the Unit Credit actuarial funding method. This method accounts for liability accrued as of the valuation date, but does not project the potential future liability of provisions adopted by a city. Two-thirds of the cities participating in TMRS have adopted the Updated Service Credit and Annuity Increases provisions on an annually repeating basis. For the December 31, 2007 valuation, the TMRS Board determined that the Projected Unit Credit (PUC) funding method should be used, which facilitates advance funding for future updated service credits and annuity increases that are adopted on an annually repeating basis. In addition, the Board also adopted a change in the amortization period from a 25-year "open" to a 25-year "closed" period. TMRS Board of Trustee rules provide that, whenever a change in actuarial assumptions or methods results in a contribution rate increase in an amount greater than 0.5%, the amortization period will be increased to 30 years, unless a city requests that the period remain at 25 years. For cities with repeating features, these changes would likely result initially in higher required contributions and lower funded ratios; however, the funded ratio should show steady improvement over time. To assist in this transition to higher rates, the Board also approved an eight-year phase-in period, which will allow cities the opportunity to increase their contributions gradually (approx. 12.5% each year) to their full rate (or their required contribution rate).

If the changes in actuarial funding method and assumptions had not been adopted for the 2007 valuation, the City's unfunded actuarial accrued liability would have been \$3,710,911 and the funded ratio would have been 80%.

In addition, TMRS is currently working on its legislative package for 2009. There is a possibility that the investment rate of return (IRR) assumption of 7% would need to be lowered if desired legislation for the 2009 session is unsuccessful. Maintaining a 7% IRR assumption is contingent in part on the continued diversification of the TMRS portfolio, from an almost exclusive bond portfolio to a portfolio that includes equities as well. If state legislation needed to facilitate the continued diversification is not enacted, TMRS may have to revisit the continued diversification of the portfolio and consider reducing the assumed IRR. A reduction in the IRR would result in increased actuarial accrued liabilities, thus causing further increases in city contribution rates, following the December 31, 2009 actuarial valuation.

2. Firemen's Relief and Retirement Fund:

Plan Description

The Board of Trustees of the Firemen's Relief and Retirement Fund of Plainview, Texas (the Plan) is the administrator of a single-employer defined benefit pension plan. The Board of Trustees consists of three firemen elected by the members, two citizens elected by the board, and the City Mayor and Finance Director serving as ex-officio members. Substantially all firefighters in the Plainview Fire Department are covered by the Plan. The plan is not subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA) and was amended and restated during 2005. The table below summarizes the membership of the Plan included in the actuarial valuation as of December 31, 2007, which is the date of the latest actuarial valuation.

CITY OF PLAINVIEW, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED SEPTEMBER 30, 2008

Retirees and beneficiaries currently receiving benefits	26
Vested terminated members	4
Active members:	
Electing DROP	-
Vested	5
Nonvested	<u>28</u>
Total	<u><u>63</u></u>

The Plan provides service retirement, death, disability and withdrawal benefits. These benefits fully vest after 20 years of credited service with partial vesting available with 10 years of service. Members hired before October 1, 1994 may retire at age 50 with 20 years of service. Members hired on or after October 1, 1994 may retire at age 53 with 20 years of service. As of the December 31, 2007 actuarial valuation date, the Plan provided a monthly normal service retirement benefit, payable in a joint and two-thirds to spouse form of annuity, equal to 63.75% of "highest 60-month average salary", which is defined as the average biweekly pay multiplied by 2.167. Average biweekly pay is the average of the firefighter's total pay, including regular, longevity and overtime pay, of the 130 consecutive biweekly pay periods during which his/her total pay was highest, plus an additional service benefit of \$78 per month for each whole year of service in excess of 20 years, subject to a 15 year maximum. A partial year of service is given partial credit based on the number of months completed in excess of whole years.

There is no provision for automatic postretirement benefit increases. The Plan has the authority to provide, and has in the past provided for, ad hoc postretirement benefit increases. The benefit provisions of this plan are authorized by the Texas Local Fire Fighter's Retirement Act (TLFFRA). TLFFRA provides the authority and procedure to amend benefit provisions.

The contribution provisions of this plan are authorized by TLFFRA. TLFFRA provides the authority and procedure to change the amount of contributions determined as a percentage of pay by each firefighter and a percentage of payroll by the City. The costs of administering the Plan are financed from the trust.

Schedule of Actuarial Liabilities and Funding Progress:

Actuarial valuation date	<u>12/31/2007</u>
Actuarial value of assets	\$ 5,828,076
Actuarial accrued liability	\$ 10,625,354
Percentage funded	54.9%
Unfunded (over-funded) actuarial accrued liability (UAAL)	\$ 4,797,278
Annual covered payroll	\$ 1,480,909
UAAL as a percentage of covered payroll	323.9%

	<u>12/31/2007</u>
Net pension obligation (NPO) at the beginning of period	\$ -
Annual pension cost:	
Annual required contribution (ARC)	206,124
Contributions made	<u>(206,124)</u>
NPO at the end of period	<u><u>\$ -</u></u>

CITY OF PLAINVIEW, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED SEPTEMBER 30, 2008

Annual Contribution Requirement:

Employer:

Fiscal Year Ended	Annual Pension Cost (APC)	Amount of Contribution Made	Percentage of APC Contributed	Net Pension Obligation NPO
12/31/05	\$ 190,473	\$ 190,473	100%	-
12/31/06	187,708	187,708	100%	-
12/31/07	206,124	206,124	100%	-

Employees:

Currently active members are required to contribute 14% of covered pay. For the fiscal year ended December 31, 2007, the employees contributed \$206,124 in addition to the employer 14% matching contribution shown above. Prior to September 30, 2005, the contribution rates for the employer and employees were 13%, respectively.

Actuarial assumptions were as follows:

Actuarial Cost Method	Variation of Aggregate Entry Age Normal Method
Amortization Method	Level Percentage of Pay
Remaining Amortization Period	28.7 Years
Asset Valuation Method	As of 12/31/07: Fair market value of the fund. Prior to 12/31/07: Smoothed value based on a deferral recognition method recognizing 20% of the actual investment return each year during the last five years
Investment Rate of Return	8%
Projected Salary Increases	5.25%
Amortization Increase	4.00%
Cost of Living Adjustments	None

3. Post Retirement Health Care Benefits

Employees who retire from the City are eligible to continue to participate in the City's health insurance plan. However, the City provides no funding for any portion of the premiums.

4. Other Retirement and Miscellaneous Benefits

The City makes available to all of its full-time employees a custom benefit plan (cafeteria plan) under Internal Revenue Code Section 125 and a deferred compensation plan under Internal Revenue Code Section 457. The City does not contribute to these plans. All contributions are made by employees who elect to participate in the plans. The City remits employee contributions to the plan trustees on a regular basis. The City does not administer the Section 457 plan, nor does it provide investment advice to the plan. Accordingly, the Section 457 plan is not a part of the City's reporting entity.

L. Health Care Coverage

The City sponsors a modified self-insurance plan to provide health care benefits to employees and their dependents. Transactions related to the plan are accounted for as a Proprietary Fund in the Internal Service Fund. The Plan was authorized by Article 3.51-2, Texas Insurance Code and was documented by contractual agreement.

All claims against the City are filed with a third party administrator, Blue Cross and Blue Shield of Texas, who investigates and processes the claims and provides administrative claims payment services for the plan. The City contracts with Blue Cross and Blue Shield of Texas for processing services and PPO contracts with doctors and hospitals. Claims

CITY OF PLAINVIEW, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED SEPTEMBER 30, 2008

expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Changes in the City's recorded claim liability were as follows:

<u>Fiscal Year Ended:</u>	<u>Beginning</u> <u>Balance</u>	<u>Claims and</u> <u>Changes in</u> <u>Estimates</u>	<u>Claims</u> <u>Payments</u>	<u>Ending</u> <u>Balance</u>
9/30/06	\$ 31,033	\$ 776,478	\$ (781,639)	\$ 25,872
9/30/07	25,872	756,550	(750,065)	32,357
9/30/08	32,357	1,027,206	(979,826)	79,737

The City contributes \$398 per month per employee to the Plan, which includes comprehensive health care coverage. Employees, at their option, authorize payroll withholdings to pay contributions for dependent coverage. In accordance with state statute, the City was protected against unanticipated catastrophic individual or aggregate loss by stop-loss coverage. Excess loss coverage was provided by Blue Cross and Blue Shield of Texas with individual limits established at \$50,000 per participant but not to exceed a maximum point of attachment of \$950,000 per participant for the policy period. The aggregate stop loss insurance provides that in no event shall the City's point of attachment be less than \$1,097,064. Aggregate stop loss payments shall not exceed \$1,000,000.

The contract between the City and Blue Cross and Blue Shield of Texas was renewed on June 1, 2008.

The latest financial statements of the insurance company are filed with the Texas State Board of Insurance, Austin, Texas, and are available public records.

The plan also includes a \$10,000 death benefit for eligible employees. The City contributes \$4.06 per month per eligible employee to the aforementioned Internal Service Fund to fund the benefit. The death benefit is provided on a self-insured basis.

M. Risk Management

The City is exposed to various risks of loss related to torts, theft, damage or destruction of assets, error and omission, injuries to employees, and natural disasters. During fiscal year 2008, the City obtained general liability coverage at a cost that is considered to be economically justifiable by joining together with other governmental entities in the State as a member of the Texas Municipal League Intergovernmental Risk Pool ("TML"). TML is a self-funded pool operating as a common risk management and insurance program. The City pays an annual premium to TML for the aforementioned insurance coverage. The agreement for the formation of TML provides that TML will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of acceptable risk levels; however, each category of coverage has its own level of reinsurance. The City continues to carry commercial insurance for other risks of loss. There were no significant reductions in commercial insurance coverage in the past fiscal year and settled claims resulting from these risks have not exceeded coverage in any of the past three fiscal years.

The City is generally self-insured for physical damage to vehicles. An Internal Service Fund provides group health insurance for City employees. The City has a maximum annual retention of \$1,097,064 under its contract with Blue Cross and Blue Shield of Texas for group health insurance.

N. Contingencies and Litigation

1. Contingencies

The City participates in grant programs which are governed by various regulations and rules of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the City has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectibility of any related receivable may be impaired. In the opinion of the City, there are no significant contingent liabilities relating to the compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying basic financial statements for such contingencies.

CITY OF PLAINVIEW, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED SEPTEMBER 30, 2008

2. **Litigation and Claims**

Certain claims have been made against the City. The City intends to vigorously defend such claims or any suit. In the opinion of management, the ultimate resolution of these matters will not have a material adverse effect on the financial condition of the City.

The Hale County Appraisal District (Appraisal District) is party to a lawsuit related to a dispute in the valuation of a major taxpayer's personal property for ad valorem tax purposes. While the City is not party to the suit, the City's management understands that the Appraisal District is vigorously defending the case and that, in the opinion of the Appraisal District's management, the likelihood of an unfavorable outcome to the City is low. However, should the taxpayer prevail, the City's tax revenues for fiscal year 2009 could be reduced by an estimated amount of approximately \$136,000.

O. Closure and Postclosure Care Cost

State and federal laws and regulations require the City to place a final cover on its City of Plainview Municipal Solid Waste Landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the City reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$992,056 reported as landfill closure and postclosure care liability as of September 30, 2008, represents the cumulative amount reported to date based on the use of 17.07 percent of the estimated capacity of the landfill. The City will recognize the remaining estimated cost of closure and postclosure of \$4,819,638 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2008. The City expects to close the landfill in the year 2086. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

It is the policy of the City to satisfy the EPA financial assurance requirements using the financial test method. Additionally, the Solid Waste Management Fund has restricted cash and investments equal to the recorded liability for landfill closure and postclosure costs, which amounted to \$992,056 as of September 30, 2008.

P. Investment in Joint Venture

The Plainview/Hale County Airport is under equal joint ownership by the City of Plainview and the County of Hale. General administration is accomplished by an Airport Board composed of seven members. Three members are appointed by the City and three members are appointed by the County. The seventh board member is selected by the other six board members and is approved by both the City and County. The degree of control of each government consists of its representation on the Board. Hale County is the fiscal agent for the joint venture. General airport operations are funded by user charges and typically require support for major improvements only.

Summary Financial Information:

Year Ending Date	<u>12/31/2007</u>
Total current assets	\$ 50,606
Total property and equipment	2,679,097
Total current liabilities	989
Net assets invested in capital assets, net of related debt	2,679,097
Unrestricted net assets	49,617
Total net assets	2,728,714
Total operating revenues	51,856
Total operating expenses	110,985
Non-operating revenues	472
Net increase (decrease) in net assets	(58,657)

CITY OF PLAINVIEW, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2008

Complete financial statements for the joint venture can be obtained from:

Maretta Smithson, County Auditor
County of Hale
500 Broadway
Plainview, TX 79072

The City had no transactions with the Plainview/Hale County Airport for the year ended September 30, 2008, other than those related to routine water, sewer and solid waste utility services. The City's interest in the joint venture is accounted for using the equity method.

Q. Jointly Governed Organizations

The City is a member of the Canadian River Municipal Water Authority. The City's participation in the authority is described in Note J under the subheading "Surface Water Supply Contract Obligations".

R. Related Organizations

City of Plainview Housing Authority:

While the Mayor of the City of Plainview has the authority to appoint members of the governing body of the City of Plainview Housing Authority (CPHA), the City's accountability for the CPHA does not extend beyond the Mayor's authority to make such appointments. Accordingly, CPHA is not included in the City's reporting entity. The City had no transactions with CPHA for the year ended September 30, 2008, other than those related to routine water, sewer and solid waste utility services.

Firemen's Relief and Retirement Fund:

As more fully discussed in Note K, the City participates in funding a single-employer defined benefit pension plan for the purpose of providing retirement benefits for the City's firemen. The Board of Trustees (the Board) of the Firemen's Relief and Retirement Fund (the Fund) consists of three firemen elected by the members, two citizens elected by the Board, and the City Mayor and Finance Director serving as ex-officio members. The plan is funded by contributions from the firemen, which are matched by the City. While the Fund benefits employees of the City and two City officials serve on the Board, the Fund is not included in the City's reporting entity due to the following factors: 1) As provided by enabling legislation, the City's responsibility is limited to matching contributions made by members. Pension benefits are periodically adjusted to the amount of available assets and the City has no legal responsibility should deficit funding occur, nor does the City have the right to any surplus should the Fund be terminated. 2) Title to assets is vested in the fund and not in the City. 3) The City Council has no authority to appoint members of the Board, and those City officials serving on the Board in ex-officio capacity constitute a minority of the Board. 4) Significant operations of the Fund generally consist of investing and actuarial activities carried out by professional consultants and advisors under the supervision of the Board. The Texas Pension Review Board has general oversight responsibility for the Fund. Thus, the City Council does not significantly influence operations of the Fund.

S. Commitments

At September 30, 2008, the City was committed to the completion of a project involving the excavation and lining of a cell and the installation of a monitoring well at the City's landfill. The total cost of the project is expected to amount to approximately \$998,000, of which approximately \$657,000 had been expended as of September 30, 2008, leaving \$341,000 to be expended to complete the project during fiscal year 2009. Additionally, approximately \$552,000 is expected to be expended during fiscal 2009 and subsequent years on improvements and extensions to the City's water and sewer system. These expenditures are being financed from the proceeds of the \$1,550,000 Combination Tax and Revenue Certificates of Obligation, Series 2008 issued by the City during the year ended September 30, 2008.

CITY OF PLAINVIEW, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2008

T. Special Item

GASBS No. 34 defines special items as significant transactions within the control of management that are either unusual in nature or infrequent in occurrence. A Hike/Bike trail was completed during the year ended September 30, 2008. The portion of the costs of the trail paid by the Texas Department of Transportation amounted to \$1,272,713. The contribution of the trail by the state to the City is reported in the City's statement of activities as a special item.

U. GASB Pronouncement Effective Next Year

The City will implement GASBS No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*, for the year ending September 30, 2009. GASBS No. 45 provides for new reporting, recognition and disclosure requirements related to such postemployment benefits. While City retirees who choose to continue to participate in the City's modified self-insurance health insurance plan pay their own premiums, the related actuarially determined Annual Required Contribution (ARC) and Net Other Postemployment Benefit Obligation (NOO) will be required to be recognized and reported in the City's financial statements. The City plans to recognize such obligation prospectively rather than retroactively; therefore no prior period adjustment is expected to be reported as a result of the adoption of GASBS No. 45. The amount that will be recognized as an expense/expenditure next year will be based on the ARC, less actual claims paid on behalf of retirees and premiums paid by retirees, which will result in the NOO.

While the City has not completed the process of evaluating the impact that will result from adopting GASBS No. 45, preliminary actuarial estimates indicate an ARC amount of \$190,438, assuming the City continues its current pay-as-you-go funding policy. Should the City change its policy and fund an irrevocable trust by an amount equal to the ARC each year, the actuarial preliminary estimate of the ARC would be \$142,472.

V. Subsequent Event

The City has an outstanding state-funded Economic Development Loan receivable from Peanut Corporation of America. The principal balance of the loan at September 30, 2008 was \$82,623. At January 30, 2009, the balance was \$75,129. Products produced by Peanut Corporation of America have been subject to recalls and a government investigation is in progress. The outcome of the investigation and the ultimate impact on the financial condition of Peanut Corporation of America is not presently known.

Required Supplementary Information

CITY OF PLAINVIEW, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2008

EXHIBIT E-1

	Budgeted Amounts		Actual Amounts	Adjustments	Actual Amounts	Variance With
	Original	Final	on	to	on	Final Budget
			GAAP	Budget	Budget	Positive or
			Basis	Basis	Basis	(Negative)
REVENUES:						
Taxes:						
Property Taxes	\$ 3,697,800	\$ 3,697,800	\$ 3,768,012	\$ -	\$ 3,768,012	\$ 70,212
General Sales and Use Taxes	3,150,000	3,150,000	3,523,496	-	3,523,496	373,496
Selective Sales and Use Tax	22,500	22,500	28,171	-	28,171	5,671
Franchise Tax	1,170,000	1,170,000	1,391,824	-	1,391,824	221,824
Penalty and Interest on Taxes	45,000	45,000	61,680	-	61,680	16,680
Licenses and Permits	38,150	38,150	48,800	-	48,800	10,650
Intergovernmental Revenue and Grants	203,420	203,420	198,015	-	198,015	(5,405)
Charges for Services	591,635	591,635	742,441	-	742,441	150,806
Fines	223,150	223,150	286,414	-	286,414	63,264
Investment Earnings	325,000	325,000	309,551	-	309,551	(15,449)
Rents and Royalties	360	360	360	-	360	-
Contributions & Donations	500	500	25	-	25	(475)
Other Revenue	656,845	656,845	13,077	651,645	664,722	7,877
Total Revenues	10,124,360	10,124,360	10,371,866	651,645	11,023,511	899,151
EXPENDITURES:						
Current:						
General Government - Administration:						
City Council	59,165	59,165	(7,230)	46,365	39,135	20,030
City Manager	242,425	242,425	74,683	152,740	227,423	15,002
Non-Departmental	352,830	352,830	246,293	-	246,293	106,537
Legal	182,265	182,265	70,356	109,810	180,166	2,099
Finance	58,615	58,615	(49,992)	102,760	52,768	5,847
Human Resources	69,105	69,105	61,536	-	61,536	7,569
Civil Service	75,335	75,335	73,924	-	73,924	1,411
Property Tax Appraisal/Collection	94,000	94,000	71,019	-	71,019	22,981
General Government - Other:						
Municipal Court	163,610	163,610	166,478	-	166,478	(2,868)
Community Development	105,965	128,805	123,750	-	123,750	5,055
Code Enforcement	156,280	156,280	129,924	-	129,924	26,356
Main Street	79,495	79,495	38,124	41,350	79,474	21
Airport	12,500	12,500	9,116	-	9,116	3,384
Public Safety:						
Police	2,908,120	2,908,120	2,874,072	-	2,874,072	34,048
Fire	2,093,610	2,093,610	1,951,366	-	1,951,366	142,244
Emergency Medical Services	546,565	546,565	545,496	-	545,496	1,069
Traffic Control	184,240	184,240	160,131	-	160,131	24,109
Emergency Operations Center	3,340	3,340	3,154	-	3,154	186
Street Lighting	187,500	187,500	180,658	-	180,658	6,842
Animal Control	113,250	113,250	113,652	-	113,652	(402)
Public Works:						
Public Works - General	256,565	256,565	(78,303)	198,620	120,317	136,248
Street Cleaning	195,095	195,095	190,997	-	190,997	4,098
Streets - Other	703,010	703,010	625,800	-	625,800	77,210
Building Operations	89,240	89,240	90,746	-	90,746	(1,506)
Custodial Services	-	-	1,078	-	1,078	(1,078)
Health:						
City-County Health Department	151,705	167,435	166,084	-	166,084	1,351
Health OPH/LPHS (BRHLO)	130,685	84,875	74,405	-	74,405	10,470
Health TDH-IMM	138,145	145,385	140,807	-	140,807	4,578
Recreation and Culture:						
Parks	686,155	686,155	577,958	-	577,958	108,197
Swimming Pool	17,500	17,500	15,000	-	15,000	2,500
Library	375,565	388,565	362,202	-	362,202	26,363
Capital Outlay:						
Capital Outlay	51,410	51,410	92,908	-	92,908	(41,498)
Total Expenditures	10,483,290	10,496,290	9,096,192	651,645	9,747,837	748,453

CITY OF PLAINVIEW, TEXAS EXHIBIT E-1 (Cont'd)
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - GENERAL FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Budgeted Amounts		Actual Amounts on GAAP Basis	Adjustments to Budget Basis	Actual Amounts on Budget Basis	Variance With Final Budget Positive or (Negative)
	Original	Final				
Excess (Deficiency) of Revenues Over (Under) Expenditures	(358,930)	(371,930)	1,275,674	-	1,275,674	1,647,604
OTHER FINANCING SOURCES (USES):						
Sale of Real and Personal Property	1,000	1,000	-	-	-	(1,000)
Transfers In	391,650	391,650	416,018	-	416,018	24,368
Transfers Out (Use)	(25,000)	(759,000)	(759,000)	-	(759,000)	-
Total Other Financing Sources (Uses)	367,650	(366,350)	(342,982)	-	(342,982)	23,368
Change in Fund Balance	8,720	(738,280)	932,692	-	932,692	1,670,972
Fund Balance - October 1 (Beginning)	7,522,619	7,522,619	7,522,619	-	7,522,619	-
Fund Balance - September 30 (Ending)	\$ 7,531,339	\$ 6,784,339	\$ 8,455,311	\$ -	\$ 8,455,311	\$ 1,670,972

CITY OF PLAINVIEW, TEXAS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS - PENSION PLANS
 FOR THE YEAR ENDED SEPTEMBER 30, 2008

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
TEXAS MUNICIPAL RETIREMENT SYSTEM:						
12/31/05	13,565,991	16,810,674	3,244,683	80.7%	4,666,241	69.5%
12/31/06	14,198,909	17,878,570	3,679,661	79.4%	4,892,979	75.2%
12/31/07	14,823,076	20,891,460	6,068,384	71.0%	5,045,994	120.3%
FIREMEN'S RELIEF AND RETIREMENT FUND:						
12/31/03 *	4,041,054	8,086,413	4,045,359	50.0%	1,291,928	313.1%
12/31/05 *	4,186,628	8,975,448	4,788,820	46.6%	1,383,609	346.1%
12/31/07	5,828,076	10,625,354	4,797,278	54.9%	1,480,909	323.9%

*Previously reported amounts for 12/31/03 and 12/31/05 were corrected by actuaries in the 12/31/07 actuarial report. There was no impact on the financial statements as a result of the corrections.

CITY OF PLAINVIEW, TEXAS
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
 FOR THE YEAR ENDED SEPTEMBER 30, 2008

Budgetary Data

A. Explanation of Differences Between Budget Basis and GAAP Basis Actual Amounts for the General Fund

The General Fund incurs certain expenditures that are subsequently reimbursed by the Enterprise Funds. Such reimbursements are reported as revenues for budgetary purposes, but are eliminated by crediting the reimbursements against the applicable departmental (functional) expenditure accounts for GAAP basis reporting.

Total Revenues, GAAP Basis	\$ 10,371,866
Interfund Reimbursements	<u>651,645</u>
Total Revenues, Budget Basis	<u>\$ 11,023,511</u>
Total Expenditures, GAAP Basis	\$ 9,096,192
Interfund Reimbursements	<u>651,645</u>
Total Expenditures, Budget Basis	<u>\$ 9,747,837</u>

B. Budgetary Process

The official budget was prepared for adoption for the General Fund and certain Special Revenue Funds. The following procedures are followed in establishing the budgetary data reflected in the required supplementary information:

- a. Prior to the beginning of the fiscal year, the City prepares a budget for the next succeeding fiscal year. The operating budget includes proposed expenditures and the means of financing them.
- b. A meeting of the City Council is then called for the purpose of adopting the proposed budget. At least ten days' public notice of the meeting must have been given.
- c. Prior to the start of the fiscal year, the budget is legally enacted through passage of a resolution by the City Council.
- d. Once a budget is approved, it can be amended only by approval of a majority of the members of the City Council.
- e. As required by law, such amendments are made before the fact, are reflected in the official minutes of the City Council and are not made after fiscal year end.
- f. During the year, the budget was amended as necessary. The following budget amendments were significant for the general fund: the budget was amended to provide for a \$150,000 transfer from the General Fund to the Equipment Replacement Fund Internal Service Fund, for a \$250,000 transfer from the General Fund to the Capital Improvement Special Revenue Fund, for a \$100,000 transfer to the Street Improvement Fund Special Revenue Fund, and for an additional \$150,000 transfer from the General Fund to the Economic Development Special Revenue Fund.
- g. All budget appropriations lapse at year end.

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Combining Statements and Budget Comparisons
as Supplementary Information

CITY OF PLAINVIEW, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2008

	Capital Improvement Fund	Hotel-Motel Occupancy Tax Fund	Street Improvement Fund	Economic Dev. Revolving Loan Fund
ASSETS				
Cash and Cash Equivalents	\$ 880,611	\$ 371,768	\$ 493,699	\$ 197,083
Taxes Receivable	-	23,136	-	-
Receivables (Net)	-	2,925	-	211,258
Intergovernmental Receivables	-	-	-	-
Total Assets	<u>\$ 880,611</u>	<u>\$ 397,829</u>	<u>\$ 493,699</u>	<u>\$ 408,341</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ -	\$ 3,238	\$ -	\$ -
Wages and Salaries Payable	-	-	-	-
Total Liabilities	<u>-</u>	<u>3,238</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Reserved For:				
Noncurrent Loans	-	-	-	211,258
Unreserved and Undesignated:				
Reported in the Special Revenue Fund	<u>880,611</u>	<u>394,591</u>	<u>493,699</u>	<u>197,083</u>
Total Fund Balances	<u>880,611</u>	<u>394,591</u>	<u>493,699</u>	<u>408,341</u>
Total Liabilities and Fund Balances	<u>\$ 880,611</u>	<u>\$ 397,829</u>	<u>\$ 493,699</u>	<u>\$ 408,341</u>

Police Seizures Fund	Federal Shared Forfeit Fund	Police Pending Seizures Fund	RSVP Fund	Bio-Terrorism Grant Fund	Economic Development Fund	Municipal Court Sec. Fee Fund	Municipal Court Tech. Fee Fund
\$ 2,264	\$ 2,418	\$ 3,985	\$ 10,454	\$ 1,392	\$ 515,699	\$ 39,332	\$ 31,467
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	6,544	-	-	-	-
<u>\$ 2,264</u>	<u>\$ 2,418</u>	<u>\$ 3,985</u>	<u>\$ 16,998</u>	<u>\$ 1,392</u>	<u>\$ 515,699</u>	<u>\$ 39,332</u>	<u>\$ 31,467</u>
\$ -	\$ -	\$ 3,985	\$ 13,648	\$ 1,392	\$ -	\$ -	\$ -
-	-	-	3,350	-	-	-	-
-	-	3,985	16,998	1,392	-	-	-
-	-	-	-	-	-	-	-
2,264	2,418	-	-	-	515,699	39,332	31,467
<u>2,264</u>	<u>2,418</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>515,699</u>	<u>39,332</u>	<u>31,467</u>
<u>\$ 2,264</u>	<u>\$ 2,418</u>	<u>\$ 3,985</u>	<u>\$ 16,998</u>	<u>\$ 1,392</u>	<u>\$ 515,699</u>	<u>\$ 39,332</u>	<u>\$ 31,467</u>

CITY OF PLAINVIEW, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2008

	TSLAC PAC HUG Library Grant Fund	Home Program 2006-0174 Fund	Total Nonmajor Governmental Funds
ASSETS			
Cash and Cash Equivalents	\$ 6,909	\$ 32,621	\$ 2,589,702
Taxes Receivable	-	-	23,136
Receivables (Net)	-	-	214,183
Intergovernmental Receivables	-	-	6,544
Total Assets	<u>\$ 6,909</u>	<u>\$ 32,621</u>	<u>\$ 2,833,565</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ -	\$ -	\$ 22,263
Wages and Salaries Payable	-	-	3,350
Total Liabilities	<u>-</u>	<u>-</u>	<u>25,613</u>
Fund Balances:			
Reserved For:			
Noncurrent Loans	-	-	211,258
Unreserved and Undesignated:			
Reported in the Special Revenue Fund	6,909	32,621	2,596,694
Total Fund Balances	<u>6,909</u>	<u>32,621</u>	<u>2,807,952</u>
Total Liabilities and Fund Balances	<u>\$ 6,909</u>	<u>\$ 32,621</u>	<u>\$ 2,833,565</u>

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CITY OF PLAINVIEW, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Capital Improvement Fund	Hotel-Motel Occupancy Tax Fund	Street Improvement Fund	Economic Dev. Revolving Loan Fund
REVENUES:				
Taxes:				
Selective Sales and Use Tax	\$ -	\$ 293,850	\$ -	\$ -
Intergovernmental Revenue and Grants	-	-	-	-
Fines	-	-	-	-
Investment Earnings	20,318	9,595	23,026	17,914
Contributions & Donations	-	-	-	-
Other Revenue	13,738	-	13,712	-
Total Revenues	<u>34,056</u>	<u>303,445</u>	<u>36,738</u>	<u>17,914</u>
EXPENDITURES:				
Current:				
General Government - Administration	4,539	157,230	-	9,280
General Government - Other	-	-	-	-
Capital Outlay:				
Capital Outlay	59,975	14,222	-	-
Total Expenditures	<u>64,514</u>	<u>171,452</u>	<u>-</u>	<u>9,280</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(30,458)</u>	<u>131,993</u>	<u>36,738</u>	<u>8,634</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	250,000	-	100,000	-
Transfers Out (Use)	-	(31,000)	-	-
Total Other Financing Sources (Uses)	<u>250,000</u>	<u>(31,000)</u>	<u>100,000</u>	<u>-</u>
Net Change in Fund Balance	219,542	100,993	136,738	8,634
Fund Balance - October 1 (Beginning)	<u>661,069</u>	<u>293,598</u>	<u>356,961</u>	<u>399,707</u>
Fund Balance - September 30 (Ending)	<u>\$ 880,611</u>	<u>\$ 394,591</u>	<u>\$ 493,699</u>	<u>\$ 408,341</u>

Police Seizures Fund	Federal Shared Forfeit Fund	Police Pending Seizures Fund	RSVP Fund	Bio-Terrorism Grant Fund	Economic Development Fund	Municipal Court Sec. Fee Fund	Municipal Court Tech. Fee Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	90,395	-	-	-	-
-	-	-	-	-	-	8,366	10,912
-	-	-	6,387	-	8,099	-	-
-	-	-	-	-	-	-	-
-	-	-	96,782	-	8,099	8,366	10,912
-	-	-	-	-	35,443	-	-
-	-	-	94,442	-	-	4,051	-
-	1,770	-	2,340	-	-	-	-
-	1,770	-	96,782	-	35,443	4,051	-
-	(1,770)	-	-	-	(27,344)	4,315	10,912
-	-	-	-	-	200,000	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	200,000	-	-
-	(1,770)	-	-	-	172,656	4,315	10,912
2,264	4,188	-	-	-	343,043	35,017	20,555
<u>\$ 2,264</u>	<u>\$ 2,418</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 515,699</u>	<u>\$ 39,332</u>	<u>\$ 31,467</u>

CITY OF PLAINVIEW, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2008

	TSLAC PAC HUG Library Grant Fund	Home Program 2006-0174 Fund	Total Nonmajor Governmental Funds
REVENUES:			
Taxes:			
Selective Sales and Use Tax	\$ -	\$ -	\$ 293,850
Intergovernmental Revenue and Grants	-	-	90,395
Fines	-	-	19,278
Investment Earnings	208	-	79,160
Contributions & Donations	-	-	6,387
Other Revenue	-	-	27,450
Total Revenues	<u>208</u>	<u>-</u>	<u>516,520</u>
EXPENDITURES:			
Current:			
General Government - Administration	-	1,379	207,871
General Government - Other	-	-	98,493
Capital Outlay:			
Capital Outlay	-	-	78,307
Total Expenditures	<u>-</u>	<u>1,379</u>	<u>384,671</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>208</u>	<u>(1,379)</u>	<u>131,849</u>
OTHER FINANCING SOURCES (USES):			
Transfers In	-	34,000	584,000
Transfers Out (Use)	-	-	(31,000)
Total Other Financing Sources (Uses)	<u>-</u>	<u>34,000</u>	<u>553,000</u>
Net Change in Fund Balance	208	32,621	684,849
Fund Balance - October 1 (Beginning)	<u>6,701</u>	<u>-</u>	<u>2,123,103</u>
Fund Balance - September 30 (Ending)	<u>\$ 6,909</u>	<u>\$ 32,621</u>	<u>\$ 2,807,952</u>

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CITY OF PLAINVIEW, TEXAS
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - CAPITAL IMPROVEMENT FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2008

EXHIBIT G-1

	Budgeted Amounts		Actual Amounts on Budget Basis	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
Investment Earnings	\$ 4,500	\$ 4,500	\$ 20,318	\$ 15,818
Other Revenue	-	-	13,738	13,738
Total Revenues	<u>4,500</u>	<u>4,500</u>	<u>34,056</u>	<u>29,556</u>
EXPENDITURES:				
Current:				
General Government - Administration:				
Non-Departmental	25,000	25,000	4,539	20,461
Capital Outlay:				
Capital Outlay	553,000	553,000	59,975	493,025
Total Expenditures	<u>578,000</u>	<u>578,000</u>	<u>64,514</u>	<u>513,486</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(573,500)</u>	<u>(573,500)</u>	<u>(30,458)</u>	<u>543,042</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	-	250,000	250,000	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>250,000</u>	<u>250,000</u>	<u>-</u>
Change in Fund Balance	(573,500)	(323,500)	219,542	543,042
Fund Balance - October 1 (Beginning)	<u>661,069</u>	<u>661,069</u>	<u>661,069</u>	<u>-</u>
Fund Balance - September 30 (Ending)	<u>\$ 87,569</u>	<u>\$ 337,569</u>	<u>\$ 880,611</u>	<u>\$ 543,042</u>

CITY OF PLAINVIEW, TEXAS
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - HOTEL-MOTEL OCCUPANCY TAX FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2008

EXHIBIT G-2

	Budgeted Amounts		Actual Amounts on Budget Basis	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
Taxes:				
Selective Sales and Use Tax	\$ 215,000	\$ 215,000	\$ 293,850	\$ 78,850
Investment Earnings	11,500	11,500	9,595	(1,905)
Total Revenues	<u>226,500</u>	<u>226,500</u>	<u>303,445</u>	<u>76,945</u>
EXPENDITURES:				
Current:				
General Government - Administration:				
Non-Departmental	181,090	181,090	157,230	23,860
Capital Outlay:				
Capital Outlay	14,200	14,200	14,222	(22)
Total Expenditures	<u>195,290</u>	<u>195,290</u>	<u>171,452</u>	<u>23,838</u>
Excess of Revenues Over Expenditures	<u>31,210</u>	<u>31,210</u>	<u>131,993</u>	<u>100,783</u>
OTHER FINANCING SOURCES (USES):				
Transfers Out (Use)	<u>(31,000)</u>	<u>(31,000)</u>	<u>(31,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(31,000)</u>	<u>(31,000)</u>	<u>(31,000)</u>	<u>-</u>
Change in Fund Balance	210	210	100,993	100,783
Fund Balance - October 1 (Beginning)	<u>293,598</u>	<u>293,598</u>	<u>293,598</u>	<u>-</u>
Fund Balance - September 30 (Ending)	<u>\$ 293,808</u>	<u>\$ 293,808</u>	<u>\$ 394,591</u>	<u>\$ 100,783</u>

CITY OF PLAINVIEW, TEXAS
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - STREET IMPROVEMENT FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2008

EXHIBIT G-3

	Budgeted Amounts		Actual Amounts on Budget Basis	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
Investment Earnings	\$ 12,750	\$ 12,750	\$ 23,026	\$ 10,276
Other Revenue	-	-	13,712	13,712
Total Revenues	<u>12,750</u>	<u>12,750</u>	<u>36,738</u>	<u>23,988</u>
EXPENDITURES:				
Current:				
Capital Outlay:				
Capital Outlay	100,000	100,000	-	100,000
Total Expenditures	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>100,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(87,250)</u>	<u>(87,250)</u>	<u>36,738</u>	<u>123,988</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	-	100,000	100,000	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Change in Fund Balance	(87,250)	12,750	136,738	123,988
Fund Balance - October 1 (Beginning)	<u>356,961</u>	<u>356,961</u>	<u>356,961</u>	<u>-</u>
				-
Fund Balance - September 30 (Ending)	<u>\$ 269,711</u>	<u>\$ 369,711</u>	<u>\$ 493,699</u>	<u>\$ 123,988</u>

CITY OF PLAINVIEW, TEXAS
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - ECONOMIC DEVELOPMENT REVOLVING LOAN FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2008

EXHIBIT G-4

	Budgeted Amounts		Actual Amounts on Budget Basis	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
Investment Earnings	\$ 20,500	\$ 20,500	\$ 17,914	\$ (2,586)
Total Revenues	<u>20,500</u>	<u>20,500</u>	<u>17,914</u>	<u>(2,586)</u>
EXPENDITURES:				
Current:				
General Government - Administration:				
Non-Departmental	-	-	9,280	(9,280)
Total Expenditures	<u>-</u>	<u>-</u>	<u>9,280</u>	<u>(9,280)</u>
Change in Fund Balance	20,500	20,500	8,634	(11,866)
Fund Balance - October 1 (Beginning)	<u>399,707</u>	<u>399,707</u>	<u>399,707</u>	<u>-</u>
				-
Fund Balance - September 30 (Ending)	<u>\$ 420,207</u>	<u>\$ 420,207</u>	<u>\$ 408,341</u>	<u>\$ (11,866)</u>

CITY OF PLAINVIEW, TEXAS
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - POLICE SEIZURE FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2008

EXHIBIT G-5

	Budgeted Amounts		Actual Amounts on Budget Basis	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
Fines	\$ 500	\$ 500	\$ -	\$ (500)
Total Revenues	<u>500</u>	<u>500</u>	<u>-</u>	<u>(500)</u>
EXPENDITURES:				
Current:				
Capital Outlay:				
Capital Outlay	750	750	-	750
Total Expenditures	<u>750</u>	<u>750</u>	<u>-</u>	<u>750</u>
Change in Fund Balance	(250)	(250)	-	250
Fund Balance - October 1 (Beginning)	<u>2,264</u>	<u>2,264</u>	<u>2,264</u>	<u>-</u>
				-
Fund Balance - September 30 (Ending)	<u>\$ 2,014</u>	<u>\$ 2,014</u>	<u>\$ 2,264</u>	<u>\$ 250</u>

CITY OF PLAINVIEW, TEXAS
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - FEDERAL SHARED FORFEITED FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2008

EXHIBIT G-6

	Budgeted Amounts		Actual Amounts on Budget Basis	Variance With Final Budget Positive or (Negative)
	Original	Final		
EXPENDITURES:				
Current:				
Capital Outlay:				
Capital Outlay	\$ 4,000	\$ 4,000	\$ 1,770	\$ 2,230
Total Expenditures	4,000	4,000	1,770	2,230
Change in Fund Balance	(4,000)	(4,000)	(1,770)	2,230
Fund Balance - October 1 (Beginning)	4,188	4,188	4,188	-
				-
Fund Balance - September 30 (Ending)	\$ 188	\$ 188	\$ 2,418	\$ 2,230

CITY OF PLAINVIEW, TEXAS
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - RSVP FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2008

EXHIBIT G-7

	Budgeted Amounts		Actual Amounts on Budget Basis	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
Intergovernmental Revenue and Grants	\$ 89,160	\$ 89,160	\$ 90,395	\$ 1,235
Contributions & Donations	2,500	2,500	6,387	3,887
Total Revenues	<u>91,660</u>	<u>91,660</u>	<u>96,782</u>	<u>5,122</u>
EXPENDITURES:				
Current:				
General Government - Other:				
RSVP	91,660	91,660	94,442	(2,782)
Capital Outlay:				
Capital Outlay	-	-	2,340	(2,340)
Total Expenditures	<u>91,660</u>	<u>91,660</u>	<u>96,782</u>	<u>(5,122)</u>
Change in Fund Balance	-	-	-	-
Fund Balance - October 1 (Beginning)	-	-	-	-
	-	-	-	-
Fund Balance - September 30 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF PLAINVIEW, TEXAS
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - ECONOMIC DEVELOPMENT FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2008

EXHIBIT G-8

	Budgeted Amounts		Actual Amounts on Budget Basis	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
Investment Earnings	\$ 5,000	\$ 5,000	\$ 8,099	\$ 3,099
Total Revenues	5,000	5,000	8,099	3,099
EXPENDITURES:				
Current:				
General Government - Administration:				
Non-Departmental	75,000	75,000	35,443	39,557
Total Expenditures	75,000	75,000	35,443	39,557
Excess (Deficiency) of Revenues Over (Under) Expenditures	(70,000)	(70,000)	(27,344)	42,656
OTHER FINANCING SOURCES (USES):				
Transfers In	50,000	200,000	200,000	-
Total Other Financing Sources (Uses)	50,000	200,000	200,000	-
Change in Fund Balance	(20,000)	130,000	172,656	42,656
Fund Balance - October 1 (Beginning)	343,043	343,043	343,043	-
				-
Fund Balance - September 30 (Ending)	\$ 323,043	\$ 473,043	\$ 515,699	\$ 42,656

CITY OF PLAINVIEW, TEXAS
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - MUNICIPAL COURT SECURITY FEE FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2008

EXHIBIT G-9

	Budgeted Amounts		Actual Amounts on Budget Basis	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
Fines	\$ 5,000	\$ 5,000	\$ 8,366	\$ 3,366
Total Revenues	5,000	5,000	8,366	3,366
EXPENDITURES:				
Current:				
General Government - Other:				
Municipal Court	5,000	5,000	4,051	949
Total Expenditures	5,000	5,000	4,051	949
Change in Fund Balance	-	-	4,315	4,315
Fund Balance - October 1 (Beginning)	35,017	35,017	35,017	-
Fund Balance - September 30 (Ending)	\$ 35,017	\$ 35,017	\$ 39,332	\$ 4,315

CITY OF PLAINVIEW, TEXAS

EXHIBIT G-10

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - MUNICIPAL COURT TECHNOLOGY FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Budgeted Amounts		Actual Amounts on Budget Basis	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
Fines	\$ 6,000	\$ 6,000	\$ 10,912	\$ 4,912
Total Revenues	<u>6,000</u>	<u>6,000</u>	<u>10,912</u>	<u>4,912</u>
EXPENDITURES:				
Current:				
General Government - Other:				
Municipal Court	500	500	-	500
Capital Outlay:				
Capital Outlay	<u>4,500</u>	<u>4,500</u>	<u>-</u>	<u>4,500</u>
Total Expenditures	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Change in Fund Balance	1,000	1,000	10,912	9,912
Fund Balance - October 1 (Beginning)	<u>20,555</u>	<u>20,555</u>	<u>20,555</u>	<u>-</u>
				<u>-</u>
Fund Balance - September 30 (Ending)	<u>\$ 21,555</u>	<u>\$ 21,555</u>	<u>\$ 31,467</u>	<u>\$ 9,912</u>

CITY OF PLAINVIEW, TEXAS
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - TSLAC PAC HUG LIBRARY GRANT FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2008

EXHIBIT G-11

	Budgeted Amounts		Actual Amounts on Budget Basis	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
Investment Earnings	\$ 330	\$ 330	\$ 208	\$ (122)
Total Revenues	330	330	208	(122)
Change in Fund Balance	330	330	208	(122)
Fund Balance - October 1 (Beginning)	6,701	6,701	6,701	-
Fund Balance - September 30 (Ending)	\$ 7,031	\$ 7,031	\$ 6,909	\$ (122)

CITY OF PLAINVIEW, TEXAS
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - HOME PROGRAM 2006-0174
 FOR THE YEAR ENDED SEPTEMBER 30, 2008

EXHIBIT G-12

	Budgeted Amounts		Actual Amounts on Budget Basis	Variance With Final Budget Positive or (Negative)
	Original	Final		
EXPENDITURES:				
Current:				
General Government - Administration:				
Non-Departmental	\$ -	\$ -	\$ 1,379	\$ (1,379)
Total Expenditures	-	-	1,379	(1,379)
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(1,379)	(1,379)
OTHER FINANCING SOURCES (USES):				
Transfers In	-	34,000	34,000	-
Total Other Financing Sources (Uses)	-	34,000	34,000	-
Change in Fund Balance	-	34,000	32,621	(1,379)
Fund Balance - October 1 (Beginning)	-	-	-	-
Fund Balance - September 30 (Ending)	\$ -	\$ 34,000	\$ 32,621	\$ (1,379)

CITY OF PLAINVIEW, TEXAS
 COMBINING STATEMENT OF NET ASSETS
 INTERNAL SERVICE FUNDS
 SEPTEMBER 30, 2008

	Unemployment Compensation Fund	Equipment Replacement Fund
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 106,599	\$ 634,145
Investments - Current	-	1,124,802
Interest Receivable - Investments	-	1,489
Accounts Receivable-Net of Uncollectible Allowance	-	-
Due from Other Funds	-	-
Inventories	-	-
Total Current Assets	106,599	1,760,436
Noncurrent Assets:		
Capital Assets:		
Buildings	-	42,656
Accumulated Depreciation - Buildings	-	(3,469)
Machinery and Equipment	-	4,033,660
Accumulated Depreciation - Machinery & Equipment	-	(2,242,039)
Total Noncurrent Assets	-	1,830,808
Total Assets	106,599	3,591,244
LIABILITIES		
Current Liabilities:		
Accounts Payable	-	28,074
Wages and Salaries Payable	-	-
Compensated Absences Payable	-	-
Due to Other Funds	-	-
Total Current Liabilities	-	28,074
NonCurrent Liabilities:		
Compensated Absences Payable	-	-
Total Noncurrent Liabilities	-	-
Total Liabilities	-	28,074
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	-	1,830,808
Unrestricted Net Assets	106,599	1,732,362
Total Net Assets	\$ 106,599	\$ 3,563,170

Property Insurance Fund	Health Insurance Fund	Cafeteria Plan Fund	Service Center Fund	Total Internal Service Funds
\$ 739,841	\$ 1,577,041	\$ 28,529	\$ -	\$ 3,086,155
763,960	508,523	-	-	2,397,285
965	81	-	-	2,535
-	-	-	1,295	1,295
-	-	-	23,489	23,489
-	-	-	43,863	43,863
1,504,766	2,085,645	28,529	68,647	5,554,622
-	-	-	410,836	453,492
-	-	-	(341,869)	(345,338)
-	-	-	160,428	4,194,088
-	-	-	(145,896)	(2,387,935)
-	-	-	83,499	1,914,307
1,504,766	2,085,645	28,529	152,146	7,468,929
-	162,304	7,138	4,033	201,549
-	-	-	7,124	7,124
-	-	-	180	180
-	-	-	94,963	94,963
-	162,304	7,138	106,300	303,816
-	-	-	4,199	4,199
-	-	-	4,199	4,199
-	162,304	7,138	110,499	308,015
-	-	-	83,499	1,914,307
1,504,766	1,923,341	21,391	(41,852)	5,246,607
\$ 1,504,766	\$ 1,923,341	\$ 21,391	\$ 41,647	\$ 7,160,914

CITY OF PLAINVIEW, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
 INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Unemployment Compensation Fund	Equipment Replacement Fund
OPERATING REVENUES:		
Charges for Services	\$ 5,200	\$ 378,645
Other Revenue	-	-
Total Operating Revenues	<u>5,200</u>	<u>378,645</u>
OPERATING EXPENSES:		
Personnel Services - Salaries and Wages	-	-
Personnel Services - Employee Benefits	-	-
Purchased Professional & Technical Services	855	-
Purchased Property Services	-	39,552
Other Operating Expenses	9,213	-
Supplies	-	-
Depreciation and Amortization	-	370,863
Total Operating Expenses	<u>10,068</u>	<u>410,415</u>
Operating Income (Loss)	<u>(4,868)</u>	<u>(31,770)</u>
NON-OPERATING REVENUES (EXPENSES):		
Gain on Sale of Property	-	(140)
Investment Earnings	-	65,304
Total Non-operating Revenue (Expenses)	<u>-</u>	<u>65,164</u>
Income (Loss) Before Transfers	(4,868)	33,394
Transfers In	-	150,000
Change in Net Assets	(4,868)	183,394
Total Net Assets - October 1 (Beginning)	<u>111,467</u>	<u>3,379,776</u>
Total Net Assets - September 30 (Ending)	<u>\$ 106,599</u>	<u>\$ 3,563,170</u>

Property Insurance Fund	Health Insurance Fund	Cafeteria Plan Fund	Service Center Fund	Total Internal Service Funds
\$ 95,280	\$ 1,168,927	\$ 53,575	\$ 128,946	\$ 1,830,573
17,343	42,300	-	9	59,652
<u>112,623</u>	<u>1,211,227</u>	<u>53,575</u>	<u>128,955</u>	<u>1,890,225</u>
-	-	-	114,380	114,380
-	-	-	46,356	46,356
-	1,456	-	33	2,344
-	-	-	32,455	72,007
56,607	1,278,526	52,789	4,206	1,401,341
-	-	-	29,460	29,460
-	-	-	15,425	386,288
<u>56,607</u>	<u>1,279,982</u>	<u>52,789</u>	<u>242,315</u>	<u>2,052,176</u>
<u>56,016</u>	<u>(68,755)</u>	<u>786</u>	<u>(113,360)</u>	<u>(161,951)</u>
-	-	-	-	(140)
49,405	63,694	805	-	179,208
<u>49,405</u>	<u>63,694</u>	<u>805</u>	<u>-</u>	<u>179,068</u>
105,421	(5,061)	1,591	(113,360)	17,117
-	-	-	100,000	250,000
<u>105,421</u>	<u>(5,061)</u>	<u>1,591</u>	<u>(13,360)</u>	<u>267,117</u>
<u>1,399,345</u>	<u>1,928,402</u>	<u>19,800</u>	<u>55,007</u>	<u>6,893,797</u>
<u>\$ 1,504,766</u>	<u>\$ 1,923,341</u>	<u>\$ 21,391</u>	<u>\$ 41,647</u>	<u>\$ 7,160,914</u>

CITY OF PLAINVIEW, TEXAS
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Unemployment Compensation Fund	Equipment Replacement Fund
<u>Cash Flows from Operating Activities:</u>		
Cash Received from User Charges	\$ 5,200	\$ 378,645
Cash Payments to Employees for Services	-	-
Cash Payments for Suppliers	(10,068)	(20,208)
Other Operating Cash Receipts (Payments)	-	-
Net Cash Provided by (Used for) Operating Activities	<u>(4,868)</u>	<u>358,437</u>
<u>Cash Flows from Non-Capital Financing Activities:</u>		
Operating Transfers From (To) Other Funds	-	150,000
<u>Cash Flows from Capital & Related Financing Activities:</u>		
Acquisition of Capital Assets	-	(647,102)
<u>Cash Flows from Investing Activities:</u>		
Purchase of Certificates of Deposit	-	(1,124,802)
Interest and Dividends on Investments	-	63,815
Net Cash Provided by (Used for) Investing Activities	<u>-</u>	<u>(1,060,987)</u>
Net Increase(Decrease) in Cash and Cash Equivalents	(4,868)	(1,199,652)
Cash and Cash Equivalents at Beginning of the Year:	<u>111,467</u>	<u>1,833,797</u>
Cash and Cash Equivalents at the End of the Year:	<u>\$ 106,599</u>	<u>\$ 634,145</u>

Property Insurance Fund	Health Insurance Fund	Cafeteria Plan Fund	Service Center Fund	Total Internal Service Funds
\$ 95,280	\$ 1,168,927	\$ 53,575	\$ 138,549	\$ 1,840,176
-	-	-	(157,073)	(157,073)
(56,607)	(1,179,523)	(50,862)	(69,768)	(1,387,036)
17,343	42,300	-	(4,197)	55,446
<u>56,016</u>	<u>31,704</u>	<u>2,713</u>	<u>(92,489)</u>	<u>351,513</u>
-	-	-	100,000	250,000
-	-	-	(7,511)	(654,613)
(763,960)	(508,523)	-	-	(2,397,285)
48,440	63,613	805	-	176,673
<u>(715,520)</u>	<u>(444,910)</u>	<u>805</u>	<u>-</u>	<u>(2,220,612)</u>
(659,504)	(413,206)	3,518	-	(2,273,712)
1,399,345	1,990,247	25,011	-	5,359,867
<u>\$ 739,841</u>	<u>\$ 1,577,041</u>	<u>\$ 28,529</u>	<u>\$ -</u>	<u>\$ 3,086,155</u>

CITY OF PLAINVIEW, TEXAS
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Unemployment Compensation Fund	Equipment Replacement Fund
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>		
<u>Provided By (Used For) Operating Activities:</u>		
Operating Income (Loss):	\$ (4,868)	\$ (31,770)
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used For) Operating Activities:		
Depreciation and Amortization	-	370,863
Effect of Increases and Decreases in Current Assets and Liabilities:		
Decrease (increase) in Receivables	-	-
Decrease (increase) in Inventories	-	-
Decrease (increase) in Interfund Receivables	-	-
Increase (decrease) in Accounts Payable	-	19,344
Increase (decrease) in Wages & Salaries Payable	-	-
Increase (decrease) in Comp. Absences Payable	-	-
Increase (decrease) in Interfund Payables	-	-
Net Cash Provided by (Used for) Operating Activities	<u>\$ (4,868)</u>	<u>\$ 358,437</u>
<u>Reconciliation of Total Cash and Cash Equivalents:</u>		
Cash & Cash Equiv. - Statement of Net Assets	<u>\$ 106,599</u>	<u>\$ 634,145</u>
<u>Noncash Investing, Capital and Financing Activities:</u>		
Book Value of Capital Asset Dispositons	-	(140)

Property Insurance Fund	Health Insurance Fund	Cafeteria Plan Fund	Service Center Fund	Total Internal Service Funds
\$ 56,016	\$ (68,755)	\$ 786	\$ (113,360)	\$ (161,951)
-	-	-	15,425	386,288
-	-	-	(1,104)	(1,104)
-	-	-	525	525
-	-	-	10,707	10,707
-	100,459	1,927	(1,333)	120,397
-	-	-	2,545	2,545
-	-	-	1,118	1,118
-	-	-	(7,012)	(7,012)
<u>\$ 56,016</u>	<u>\$ 31,704</u>	<u>\$ 2,713</u>	<u>\$ (92,489)</u>	<u>\$ 351,513</u>
<u>739,841</u>	<u>1,577,041</u>	<u>28,529</u>	<u>-</u>	<u>3,086,155</u>
-	-	-	-	(140)

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Compliance and Internal Control

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the City Council
City of Plainview, Texas

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Plainview, Texas (the City) as of and for the year ended September 30, 2008, which collectively comprise the City's basic financial statements, and have issued our report thereon dated February 9, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City's financial statements that is more than inconsequential will not be prevented or detected by the City's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the City Council, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Williams, Meriwether, Smith & Co., L.L.P.

February 9, 2009

CITY OF PLAINVIEW, TEXAS
 SCHEDULE OF FINDINGS AND RESPONSES
 FOR THE YEAR ENDED SEPTEMBER 30, 2008

A. Summary of Auditor's Results:

1. Financial Statements:

Type of auditor's report issued	Unqualified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

2. Federal Awards:

Internal control over major programs:	
Material weakness(es) identified?	Not applicable
Significant deficiencies identified that are not considered to be material weaknesses?	Not applicable
Type of auditor's report issued on compliance for major programs:	Not applicable
Any audit findings disclosed that are required to be reported in accordance with Section 501(a) of Circular A-133?	Not applicable
Identification of major programs:	
CFDA Number(s):	None
Name of Federal program or cluster:	None
Dollar threshold used to distinguish between type A and Type B programs:	\$500,000
Auditee qualified as low-risk auditee?	Not applicable

B. Financial Statement Findings:

None.

C. Federal Award Findings and Questioned Costs

Not applicable.

CITY OF PLAINVIEW, TEXAS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2008

None.

CITY OF PLAINVIEW, TEXAS
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED SEPTEMBER 30, 2008

Not applicable.

Capital Assets Used in the Operation of Governmental Funds

CITY OF PLAINVIEW, TEXAS
 SCHEDULE OF CAPITAL ASSETS USED IN THE OPERATION
 OF GOVERNMENTAL FUNDS BY SOURCES*
 SEPTEMBER 30, 2008

Capital Assets Used in the Operation of Governmental Funds:		
Land		\$ 519,919
Buildings		2,881,396
Improvements other than buildings		14,939,706
Machinery and equipment		3,349,139
Construction in progress		<u>6,760</u>
 Total		 <u>\$ 21,696,920</u>
Investment in Capital Assets:		
Acquired prior to October 1, 1990		\$ 10,676,209
Acquired after September 30, 1990		
General fund		
General revenues	\$ 2,855,249	
Special revenue funds		
Capital improvements	3,364,368	
Street improvements	4,030,735	
Hotel/Motel tax fund	489,641	
Police seizure	36,380	
RSVP fund	5,697	
Homeland security grant	127,678	
LLEBG grant	80,927	
Bio-terrorism grant	5,585	
Municipal court security fund	16,481	
Municipal court technology fund	<u>7,970</u>	
		<u>11,020,711</u>
 Total		 <u>\$ 21,696,920</u>

* This schedule presents only the capital assets related to governmental funds. Accordingly, the capital assets reported in the internal service funds are excluded from the above amounts. However, the capital assets of the internal service funds are included in the governmental activities column of the government-wide statement of net assets. Additionally, accumulated depreciation is not included in this schedule.

CITY OF PLAINVIEW, TEXAS
 SCHEDULE OF CAPITAL ASSETS USED IN THE OPERATION
 OF GOVERNMENTAL FUNDS BY FUNCTION AND ACTIVITY*
 FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Land	Buildings	Improvements Other Than Buildings	Machinery and Equipment	Construction in Progress	Total
From General Fund						
General government	\$ 448,904	\$ 346,553	\$ 7,265,413	\$ 189,561	\$ -	\$ 8,250,431
Police	-	247,676	-	430,179	-	677,855
Fire	-	246,793	10,423	550,595	-	807,811
Traffic and Safety	-	-	64,810	214,704	-	279,514
Animal control	-	149,754	11,739	16,207	-	177,700
Civil defense	-	-	-	10,604	-	10,604
Engineering	-	-	-	16,451	-	16,451
Street	-	16,223	-	812,691	-	828,914
Recreation	-	50,490	497,145	302,405	-	850,040
Library	-	298,435	-	206,468	-	504,903
Health	-	-	-	26,413	-	26,413
Emergency medical services	-	14,486	-	167,039	-	181,525
Total General Fund	<u>448,904</u>	<u>1,370,410</u>	<u>7,849,530</u>	<u>2,943,317</u>	<u>-</u>	<u>12,612,161</u>
From Special Revenue Funds						
Capital improvement fund	\$ 68,715	\$ 1,030,264	\$ 2,143,879	\$ 114,750	\$ 6,760	\$ 3,364,368
Street improvement fund	2,300	-	4,946,297	1,435	-	4,950,032
Hotel/Motel tax fund	-	473,729	-	15,912	-	489,641
Police seizure fund	-	800	-	35,580	-	36,380
RSVP fund	-	-	-	5,697	-	5,697
Homeland security grant	-	-	-	127,678	-	127,678
LLEBG grant	-	-	-	80,927	-	80,927
Bio-terrorism grant	-	-	-	5,585	-	5,585
Municipal court security fund	-	6,193	-	10,288	-	16,481
Municipal court technology fund	-	-	-	7,970	-	7,970
Total Special Revenue Funds	<u>\$ 71,015</u>	<u>\$ 1,510,986</u>	<u>\$ 7,090,176</u>	<u>\$ 405,822</u>	<u>\$ 6,760</u>	<u>\$ 9,084,759</u>
Total	<u>\$ 519,919</u>	<u>\$ 2,881,396</u>	<u>\$ 14,939,706</u>	<u>\$ 3,349,139</u>	<u>\$ 6,760</u>	<u>\$ 21,696,920</u>

* This schedule presents only the capital assets related to governmental funds. Accordingly, the capital assets reported in the internal service funds are excluded from the above amounts. However, the capital assets of the internal service funds are included in the governmental activities column of the government-wide statement of net assets. Additionally, accumulated depreciation is not included in this schedule.

CITY OF PLAINVIEW, TEXAS
SCHEDULE OF CHANGES IN CAPITAL ASSETS USED IN THE OPERATION
OF GOVERNMENTAL FUNDS BY FUNCTION AND ACTIVITY*
FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Capital Assets 9/30/07	Additions (Deletions)	Capital Assets 9/30/08
From General Fund			
General government	\$ 8,246,405	\$ 4,026	\$ 8,250,431
Police	671,885	5,970	677,855
Fire	776,586	31,225	807,811
Traffic and safety	279,514		279,514
Animal control	177,970	(270)	177,700
Civil defense	2,809	7,795	10,604
Engineering	16,451		16,451
Street	828,914		828,914
Recreation	854,194	(4,154)	850,040
Library	534,527	(29,624)	504,903
Health	26,413		26,413
Emergency medical services	150,107	31,418	181,525
Total General Fund	\$ 12,565,775	\$ 46,386	\$ 12,612,161
From Special Revenue Funds			
Capital improvements	\$ 2,031,679	\$ 1,332,689	\$ 3,364,368
Street improvements	4,950,032		4,950,032
Hotel/Motel tax fund	475,419	14,222	489,641
Police seizure fund	34,610	1,770	36,380
RSVP fund	3,357	2,340	5,697
Homeland security grant	127,678		127,678
LLEBG grant	80,927		80,927
Bio-terrorism grant	5,585		5,585
Municipal court security fund	16,481		16,481
Municipal court technology fund	7,970	-	7,970
Total Special Revenue Funds	\$ 7,733,738	\$ 1,351,021	\$ 9,084,759
Total	\$ 20,299,513	\$ 1,397,407	\$ 21,696,920

* This schedule presents only the capital assets related to governmental funds. Accordingly, the capital assets reported in the internal service funds are excluded from the above amounts. However, the capital assets of the internal service funds are included in the governmental activities column of the government-wide statement of net assets. Additionally, accumulated depreciation is not included in this schedule.

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Debt Service Requirements - Schedules of Maturities

CITY OF PLAINVIEW, TEXAS
 SOLID WASTE MANAGEMENT ENTERPRISE FUND
 COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2008
 DEBT SERVICE REQUIREMENTS
 SCHEDULE OF MATURITIES
 2008-2015

Fiscal Year	Outstanding Debt Beginning of Year	Principal	Interest	Total
2008	\$ -	\$ -	\$ -	\$ -
2009	1,550,000	190,000	59,967	249,967
2010	1,360,000	205,000	44,012	249,012
2011	1,155,000	215,000	36,662	251,662
2012	940,000	225,000	28,963	253,963
2013	715,000	230,000	21,000	251,000
2014	485,000	240,000	12,775	252,775
2015	245,000	245,000	4,288	249,288
Total		<u>\$ 1,550,000</u>	<u>\$ 207,667</u>	<u>\$ 1,757,667</u>
Annual average requirements		\$ 221,429	\$ 29,667	\$ 251,096

CITY OF PLAINVIEW, TEXAS
WATER AND SEWER ENTERPRISE FUND
TAX AND WATERWORKS AND SEWER SYSTEM SURPLUS
REVENUE CERTIFICATES OF OBLIGATION, SERIES 2001
DEBT SERVICE REQUIREMENTS
SCHEDULE OF MATURITIES
2008-2021

Fiscal Year	Outstanding Debt Beginning of Year	Principal	Interest	Total
2008	\$ 7,925,000	\$ 410,000	\$ 371,511	\$ 781,511
2009	7,515,000	430,000	351,459	781,459
2010	7,085,000	450,000	331,121	781,121
2011	6,635,000	470,000	310,422	780,422
2012	6,165,000	490,000	288,699	778,699
2013	5,675,000	515,000	265,642	780,642
2014	5,160,000	540,000	241,043	781,043
2015	4,620,000	565,000	214,792	779,792
2016	4,055,000	595,000	186,804	781,804
2017	3,460,000	625,000	157,062	782,062
2018	2,835,000	655,000	125,375	780,375
2019	2,180,000	690,000	91,750	781,750
2020	1,490,000	725,000	56,375	781,375
2021	765,000	765,000	19,125	784,125
Total		<u>\$ 7,925,000</u>	<u>\$ 3,011,180</u>	<u>\$ 10,936,180</u>
Annual average requirements		\$ 566,071	\$ 215,084	\$ 781,155

CITY OF PLAINVIEW, TEXAS
 WATER AND SEWER ENTERPRISE FUND
 WATER SUPPLY CONTRACT OBLIGATION
 SALINITY CONTROL, SERIES 1999
 DEBT SERVICE REQUIREMENTS
 SCHEDULE OF MATURITIES
 2008-2010

Fiscal Year	Outstanding Debt Beginning of Year	Principal	Interest	Total
2008	\$ 39,841	\$ 16,080	\$ 1,724	\$ 17,804
2009	23,761	16,697	1,039	17,736
2010	7,064	<u>7,064</u>	<u>746</u>	<u>7,810</u>
Total		<u>\$ 39,841</u>	<u>\$ 3,509</u>	<u>\$ 43,350</u>
Annual average requirements		\$ 13,280	\$ 1,170	\$ 14,450

CITY OF PLAINVIEW, TEXAS
 WATER AND SEWER ENTERPRISE FUND
 WATER SUPPLY CONTRACT OBLIGATION
 USBR, SERIES 1999
 DEBT SERVICE REQUIREMENTS
 SCHEDULE OF MATURITIES
 2008-2018

Fiscal Year	Outstanding Debt Beginning of Year	Principal	Interest	Total
2008	\$ 560,075	\$ 40,384	\$ 26,110	\$ 66,494
2009	519,691	42,151	24,394	66,545
2010	477,540	43,917	22,560	66,477
2011	433,623	45,937	20,606	66,543
2012	387,686	47,956	18,516	66,472
2013	339,730	50,228	16,308	66,536
2014	289,502	52,751	13,974	66,725
2015	236,751	55,023	11,494	66,517
2016	181,728	57,799	8,881	66,680
2017	123,929	60,576	6,136	66,712
2018	63,353	<u>63,353</u>	<u>3,168</u>	<u>66,521</u>
Total		<u>\$ 560,075</u>	<u>\$ 172,147</u>	<u>\$ 732,222</u>
Annual average requirements		\$ 50,916	\$ 15,650	\$ 66,566

CITY OF PLAINVIEW, TEXAS
 WATER AND SEWER ENTERPRISE FUND
 WATER SUPPLY CONTRACT OBLIGATION
 1999 GROUNDWATER, SECOND SERIES (PARTIALLY REFUNDED IN 2005)
 DEBT SERVICE REQUIREMENTS
 SCHEDULE OF MATURITIES
 2008-2020

Fiscal Year	Outstanding Debt Beginning of Year	Principal	Interest	Total
2008	\$ 2,186,423	\$ 150,503	\$ 105,425	\$ 255,928
2009	2,035,920	158,320	98,022	256,342
2010	1,877,600	165,766	90,126	255,892
2011	1,711,834	173,113	83,049	256,162
2012	1,538,721	181,350	75,219	256,569
2013	1,357,371	189,959	66,908	256,867
2014	1,167,412	199,780	57,837	257,617
2015	967,632	178,258	47,611	225,869
2016	789,374	164,381	38,527	202,908
2017	624,993	172,742	30,191	202,933
2018	452,251	181,351	10,325	191,676
2019	270,900	190,132	13,138	203,270
2020	80,768	80,768	4,116	84,884
Total		<u>\$ 2,186,423</u>	<u>\$ 720,494</u>	<u>\$ 2,906,917</u>
Annual average requirements		\$ 168,186	\$ 55,423	\$ 223,609

CITY OF PLAINVIEW, TEXAS
 WATER AND SEWER ENTERPRISE FUND
 WATER SUPPLY CONTRACT OBLIGATION
 CONTRACT REVENUE BONDS, SERIES 2005
 CONJUNCTIVE USE GROUNDWATER SUPPLY PROJECT
 DEBT SERVICE REQUIREMENTS
 SCHEDULE OF MATURITIES
 2008-2025

Fiscal Year	Outstanding Debt Beginning of Year	Principal	Interest	Total
2008	\$ 1,768,875	\$ -	\$ 91,263	\$ 91,263
2009	1,768,875	-	91,263	91,263
2010	1,768,875	-	91,263	91,263
2011	1,768,875	-	91,263	91,263
2012	1,768,875	-	91,263	91,263
2013	1,768,875	-	91,263	91,263
2014	1,768,875	-	91,263	91,263
2015	1,768,875	-	91,263	91,263
2016	1,768,875	50,430	89,939	140,369
2017	1,718,445	53,362	87,215	140,577
2018	1,665,083	56,294	84,336	140,630
2019	1,608,789	59,226	81,304	140,530
2020	1,549,563	62,158	78,117	140,275
2021	1,487,405	267,399	69,466	336,865
2022	1,220,006	281,765	55,051	336,816
2023	938,241	297,012	39,858	336,870
2024	641,229	312,551	24,248	336,799
2025	328,678	328,678	8,217	336,895
Total		<u>\$ 1,768,875</u>	<u>\$ 1,347,855</u>	<u>\$ 3,116,730</u>
Annual Average Requirements		\$ 98,271	\$ 74,881	\$ 173,152

CITY OF PLAINVIEW, TEXAS
WATER AND SEWER ENTERPRISE FUND
WATER SUPPLY CONTRACT OBLIGATION
CONTRACT REVENUE BONDS, SERIES 2006
CONJUNCTIVE USE GROUNDWATER SUPPLY PROJECT
DEBT SERVICE REQUIREMENTS
SCHEDULE OF MATURITIES
2008-2027

Fiscal Year	Outstanding Debt Beginning of Year	Principal	Interest	Total
2008	\$ 1,816,810	\$ 58,545	\$ 89,739	\$ 148,284
2009	1,758,265	60,995	87,313	148,308
2010	1,697,270	63,556	84,665	148,221
2011	1,633,714	66,525	81,685	148,210
2012	1,567,189	69,839	78,361	148,200
2013	1,497,350	73,342	74,858	148,200
2014	1,424,008	77,034	71,199	148,233
2015	1,346,974	80,914	67,348	148,262
2016	1,266,060	84,982	63,304	148,286
2017	1,181,078	89,239	59,057	148,296
2018	1,091,839	93,685	54,590	148,275
2019	998,154	98,318	49,907	148,225
2020	899,836	103,251	44,991	148,242
2021	796,585	108,450	39,829	148,279
2022	688,135	113,838	34,404	148,242
2023	574,297	119,525	28,715	148,240
2024	454,772	125,588	22,742	148,330
2025	329,184	131,919	16,461	148,380
2026	197,265	138,438	9,865	148,303
2027	58,827	58,827	2,943	61,770
Total		<u>\$ 1,816,810</u>	<u>\$ 1,061,976</u>	<u>\$ 2,878,786</u>
Annual average requirements		\$ 90,841	\$ 53,099	\$ 143,940

General Information

Schedule 1
City of Plainview
Net Assets by Component
Last Six Fiscal Years

(accrual basis of accounting)

	2003	2004	2005	2006	2007	2008
Governmental activities						
Invested in capital assets, net of related debt	\$ 8,147,031	\$ 7,805,176	\$ 7,702,738	\$ 8,148,900	\$ 7,922,852	\$ 9,159,664
Restricted	822,054	470,807	627,451	673,728	762,030	885,322
Unrestricted	9,682,284	11,581,894	12,599,869	13,068,762	14,859,033	16,374,882
Total governmental activities net assets	\$ 18,651,369	\$ 19,857,877	\$ 20,930,058	\$ 21,891,390	\$ 23,543,915	\$ 26,419,868
Business-type activities						
Invested in capital assets, net of related debt	\$ 17,166,111	\$ 17,326,054	\$ 17,768,845	\$ 18,330,951	\$ 19,118,182	\$ 19,280,212
Restricted	620,675	243,921	249,644	259,615	269,494	249,382
Unrestricted	5,625,024	6,843,537	7,379,322	8,198,944	8,782,742	9,824,587
Total business-type activities net assets	\$ 23,411,810	\$ 24,413,512	\$ 25,397,811	\$ 26,789,510	\$ 28,170,418	\$ 29,354,181
Primary government						
Invested in capital assets, net of related debt	\$ 25,313,142	\$ 25,131,230	\$ 25,471,583	\$ 26,479,851	\$ 27,041,034	\$ 28,439,876
Restricted	1,442,729	714,728	877,095	933,343	1,031,524	1,134,704
Unrestricted	15,307,308	18,425,431	19,979,191	21,267,706	23,641,775	26,199,469
Total primary government net assets	\$ 42,063,179	\$ 44,271,389	\$ 46,327,869	\$ 48,680,900	\$ 51,714,333	\$ 55,774,049

Note: the city began to report accrual information when it implemented GASB 34 in fiscal year 2003.

Schedule 2
City of Plainview
Changes in Net Assets, Last Six Fiscal Years
(accrual basis of accounting)

	2003	2004	2005	2006	2007	2008
Expenses						
Governmental activities						
General government	\$ 1,477,223	\$ 1,359,098	\$ 1,340,761	\$ 1,260,970	\$ 1,204,382	\$ 1,364,075
Public safety	5,099,977	4,875,499	5,056,519	5,298,067	5,570,288	5,975,267
Public works	909,308	996,242	1,155,224	1,249,822	1,193,044	1,197,307
Recreation	584,359	580,855	532,765	596,726	547,645	638,924
Library	320,478	329,461	366,102	370,077	363,743	374,174
Health	342,184	320,044	326,638	351,502	335,592	386,649
Total governmental activities expenses	<u>8,733,529</u>	<u>8,461,199</u>	<u>8,778,009</u>	<u>9,127,164</u>	<u>9,214,694</u>	<u>9,936,396</u>
Business-type activities						
Solid waste management	1,963,684	1,934,292	1,997,364	1,991,817	1,957,093	2,201,151
Water and sewer	3,751,350	4,786,631	4,682,119	5,170,010	5,025,576	5,379,624
Theatre arts	76,685	51,908	37,130	31,848	38,315	32,388
Total business-type activities expenses	<u>5,791,719</u>	<u>6,772,831</u>	<u>6,716,613</u>	<u>7,193,675</u>	<u>7,020,984</u>	<u>7,613,163</u>
Total primary government expenses	<u>\$ 14,525,248</u>	<u>\$ 15,234,030</u>	<u>\$ 15,494,622</u>	<u>\$ 16,320,839</u>	<u>\$ 16,235,678</u>	<u>\$ 17,549,559</u>
Program revenues						
Governmental activities						
Charges for services	\$ 220,379	\$ 237,434	\$ 190,086	\$ 181,134	\$ 184,703	\$ 205,781
General government	521,984	425,066	615,622	534,098	560,576	701,235
Public safety	3,522	-	-	-	-	-
Public works	33,308	36,533	42,552	43,576	40,607	44,047
Recreation	17,126	12,632	7,348	9,153	8,362	9,666
Library	127,204	138,774	127,251	134,345	120,623	140,023
Health	290,609	309,221	407,355	263,039	277,027	294,822
Operating grants and contributions	-	305,363	290,667	86,062	35,628	-
Capital grants and contributions	1,214,132	1,465,023	1,680,881	1,251,407	1,227,526	1,395,574
Total governmental activities program revenues						
Business-type activities						
Charges for services	2,400,063	2,303,587	2,412,223	2,434,545	2,591,363	2,731,076
Solid waste management	4,759,243	5,093,875	4,969,225	5,656,733	5,435,089	5,852,233
Water and sewer	31,664	21,376	14,457	11,320	21,449	20,158
Theatre arts	61,925	4,180	220	1,000	-	1,000
Operating grants and contributions	-	177,125	167,927	79,296	11,390	-
Capital grants and contributions	7,252,895	7,600,143	7,564,052	8,182,894	8,059,291	8,604,467
Total business-type activities program revenues						
Total primary government program revenues	<u>\$ 8,467,027</u>	<u>\$ 9,065,166</u>	<u>\$ 9,244,933</u>	<u>\$ 9,434,301</u>	<u>\$ 9,286,817</u>	<u>\$ 10,000,041</u>

Schedule 2 (continued)
City of Plainview
Changes in Net Assets, Last Six Fiscal Years
(accrual basis of accounting)

	2003	2004	2005	2006	2007	2008
Net (expenses) / revenues						
Governmental activities	\$ (7,519,397)	\$ (6,996,176)	\$ (7,097,128)	\$ (7,875,757)	\$ (7,987,168)	\$ (8,540,822)
Business-type activities	1,461,176	827,312	847,439	989,219	1,038,307	991,304
Total primary government net expense	<u>\$ (6,058,221)</u>	<u>\$ (6,168,864)</u>	<u>\$ (6,249,689)</u>	<u>\$ (6,886,538)</u>	<u>\$ (6,948,861)</u>	<u>\$ (7,549,518)</u>
General revenues and other changes in net assets						
Governmental activities						
Taxes						
Property taxes	\$ 2,804,542	\$ 2,994,774	\$ 3,213,515	\$ 3,459,565	\$ 3,751,688	\$ 3,777,277
Sales taxes	2,874,628	2,993,451	3,024,917	3,066,386	3,428,664	3,523,496
Franchise taxes	779,683	815,836	874,902	1,012,923	923,477	1,391,824
Penalty and interest	55,672	47,639	60,141	57,051	60,334	61,680
Other taxes	212,526	217,864	246,688	249,567	292,902	322,021
Miscellaneous	33,900	33,136	109,604	99,221	30,416	39,827
Investment earnings	370,828	404,997	363,218	650,117	769,389	567,919
Special item	-	444,757	-	-	-	1,272,713
Transfers	342,234	250,231	276,625	242,260	362,803	460,018
Total governmental activities	<u>7,474,013</u>	<u>8,202,685</u>	<u>8,169,310</u>	<u>8,837,090</u>	<u>9,639,693</u>	<u>11,416,775</u>
Business-type activities						
Investment earnings	217,678	176,913	228,151	384,840	445,198	319,079
Miscellaneous	-	247,710	185,333	259,902	280,206	333,397
Special and extraordinary items	(1,592,019)	-	-	-	-	-
Transfers	<u>(342,234)</u>	<u>(250,231)</u>	<u>(276,625)</u>	<u>(242,260)</u>	<u>(362,803)</u>	<u>(460,018)</u>
Total business-type activities	<u>(1,716,575)</u>	<u>174,392</u>	<u>136,859</u>	<u>402,482</u>	<u>342,601</u>	<u>192,458</u>
Total primary government	<u>\$ 5,757,438</u>	<u>\$ 8,377,077</u>	<u>\$ 8,306,169</u>	<u>\$ 9,239,572</u>	<u>\$ 9,982,294</u>	<u>\$ 11,609,233</u>
Change in net assets						
Governmental activities	\$ (45,384)	\$ 1,206,509	\$ 1,072,182	\$ 961,333	\$ 1,652,525	\$ 2,875,953
Business-type activities	<u>(255,399)</u>	<u>1,001,704</u>	<u>984,298</u>	<u>1,391,701</u>	<u>1,380,908</u>	<u>1,183,762</u>
Total primary government	<u>\$ (300,783)</u>	<u>\$ 2,208,213</u>	<u>\$ 2,056,480</u>	<u>\$ 2,353,034</u>	<u>\$ 3,033,433</u>	<u>\$ 4,059,715</u>

Note: The city began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

Schedule 3
City of Plainview
Fund Balances, Governmental Funds
Last Six Fiscal Years

(modified accrual basis of accounting)

	2003	2004	2005	2006	2007	2008
General fund						
Reserved	\$ 41,852	\$ 38,782	\$ 38,224	\$ 44,973	\$ 44,460	\$ 49,183
Unreserved	4,790,805	5,354,055	5,887,583	6,533,987	7,478,159	8,406,128
Total general fund	\$ 4,832,657	\$ 5,392,837	\$ 5,925,807	\$ 6,578,960	\$ 7,522,619	\$ 8,455,311
All other governmental funds						
Reserved	\$ 822,054	\$ 162,440	\$ 154,005	\$ 286,989	\$ 249,385	\$ 211,258
Unreserved, reported in						
Special revenue funds:						
Capital improvement fund	434,816	438,739	550,629	518,775	661,069	880,611
Hotel occupancy tax fund	-	57,932	197,332	239,413	293,598	394,591
Street improvement fund	-	362,635	367,311	361,966	356,961	493,699
Revolving loan fund	-	183,188	206,875	91,542	150,322	197,083
Police seizure funds	-	19,177	19,240	8,243	6,452	4,682
Local law enforcement block grants	-	11,642	7,605	-	-	-
Economic development fund	70,806	94,387	117,915	145,333	343,043	515,699
RSVP fund	(430)	(339)	(339)	60	-	-
Court security fee fund	-	33,274	34,103	29,573	35,017	39,332
Court technology fee fund	-	3,154	8,291	11,614	20,555	31,467
TLSAC library grant fund	-	-	-	6,354	6,701	6,909
Home program grant fund	-	-	-	-	-	32,621
Total all other governmental funds	\$ 1,327,246	\$ 1,366,229	\$ 1,662,967	\$ 1,699,862	\$ 2,123,103	\$ 2,807,952

Note: The city has elected to begin this schedule with the implementation of GASB Statement 34 in fiscal year 2003.

Schedule 4
City of Plainview
Changes in Fund Balances, Governmental Funds
Last Six Fiscal Years

(modified accrual basis of accounting)

	2003	2004	2005	2006	2007	2008
Revenues						
Taxes (see Schedule 5)	\$ 6,722,502	\$ 7,051,986	\$ 7,411,970	\$ 7,854,623	\$ 8,440,707	\$ 9,067,033
Licenses and permits	36,613	107,659	76,844	57,398	50,425	48,800
Intergovernmental	378,680	309,222	533,698	264,301	268,840	288,410
Charges for services	478,275	497,985	690,488	606,311	605,751	742,441
Fines	283,683	244,796	215,528	238,595	258,696	305,692
Investment earnings	254,988	285,868	242,723	433,018	518,355	388,711
Rents and Royalties	-	360	360	360	360	360
Contributions and donations	-	7,468	4,736	4,988	8,186	6,412
Other revenues	567,258	18,085	105,531	26,368	25,774	40,527
Total revenues	8,721,999	8,523,429	9,281,878	9,485,962	10,177,094	10,888,386
Expenditures						
General Government	1,670,414	1,238,733	1,293,466	1,220,384	1,196,732	1,314,345
Public safety	4,724,521	4,714,896	4,982,170	5,157,281	5,478,839	5,828,529
Public works	848,996	701,590	832,083	833,754	814,880	830,318
Health	339,149	329,416	329,285	357,498	341,897	381,296
Recreation	523,083	544,814	509,707	573,553	534,328	592,958
Library	294,725	314,809	336,188	354,903	351,835	362,202
Capital outlay	532,211	88,554	195,895	431,418	225,289	171,215
Total expenditures	8,933,099	7,932,812	8,478,794	8,928,791	8,943,800	9,480,863
Excess of revenues over (under) expenditures	(211,100)	590,617	803,084	557,171	1,233,294	1,407,523
Other financing sources (uses)						
Sale of property	-	-	-	2,037	802	-
Transfers in	451,983	347,389	437,625	716,847	863,804	1,000,018
Transfers out	(109,649)	(338,843)	(411,000)	(586,007)	(731,000)	(790,000)
Total other financing sources (uses)	342,334	8,546	26,625	132,877	133,606	210,018
Net change in fund balances	\$ 131,134	\$ 599,163	\$ 829,709	\$ 690,048	\$ 1,366,900	\$ 1,617,541
Debt service as a percentage of noncapital expenditures	0%	0%	0%	0%	0%	0%

Note: The city has elected to begin this schedule with the implementation of GASB Statement 34 in fiscal year 2003.

Schedule 5
City of Plainview
Tax Revenues by Source, Governmental Funds
Last Six Fiscal Years

(modified accrual basis of accounting)

Fiscal Year	Property	Sales & Use	Franchise	Occupancy	Mixed Beverage	Interest and Penalty	Total
2003	\$ 2,804,541	\$ 2,874,628	\$ 779,683	\$ 195,392	\$ 17,134	\$ 51,124	\$ 6,722,502
2004	2,977,196	2,993,451	815,836	201,739	16,125	47,639	7,051,986
2005	3,205,622	3,024,917	874,602	224,569	22,119	60,141	7,411,970
2006	3,468,696	3,066,386	1,012,923	226,650	22,917	57,051	7,854,623
2007	3,735,310	3,428,684	923,477	265,952	26,950	60,334	8,440,707
2008	3,768,012	3,523,496	1,391,824	293,850	28,171	61,680	9,067,033

Percent Change							
2003-2008	34.4%	22.6%	78.5%	50.4%	64.4%	20.6%	34.9%

**Schedule 6
City of Plainview
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Years**

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
1999	\$ 303,193,854	\$ 238,059,410	\$ 88,981,066	\$ 96,642,006	\$ 533,592,324	0.4506
2000	310,058,683	239,473,508	98,714,231	96,774,881	551,471,541	0.4424
2001	324,643,158	242,840,657	103,670,313	95,804,069	575,350,059	0.4375
2002	333,353,142	255,540,831	101,960,096	94,702,000	596,152,069	0.4375
2003	342,674,242	278,188,351	100,231,426	99,750,644	621,343,375	0.4575
2004	352,513,111	278,401,661	99,207,870	104,002,515	626,120,127	0.4775
2005	370,111,441	265,003,476	108,632,079	106,244,000	637,502,996	0.5049
2006	382,502,242	278,304,888	123,162,726	106,684,498	677,285,358	0.5149
2007	399,663,677	285,629,500	128,627,118	110,398,777	703,521,518	0.5349
2008	415,014,003	264,587,043	140,502,431	111,708,240	708,395,237	0.5342

Source: Hale County Appraisal District.

Note: Property in Hale County is reassessed once every three years on average. State statute requires all property to be appraised at 100% of assumed market value. The tax rates are per \$100 of assessed value.

Schedule 7
City of Plainview
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

(rate per \$100 of assessed value)

	City Direct Rates			Overlapping Rates		
	Operating & Maintenance	General Obligation Debt Service	Total Direct Rate	Plainview Independent School District	High Plains Water District	Hale County
1999	0.4506	-	0.4506	1.2800	0.00835	0.463760
2000	0.4424	-	0.4424	1.2800	0.00840	0.460900
2001	0.4375	-	0.4375	1.3100	0.00840	0.463205
2002	0.4375	-	0.4375	1.3100	0.00830	0.463205
2003	0.4575	-	0.4575	1.3700	0.00840	0.463205
2004	0.4775	-	0.4775	1.3700	0.00830	0.463205
2005	0.5049	-	0.5049	1.4500	0.00830	0.483205
2006	0.5149	-	0.5149	1.5000	0.00830	0.495219
2007	0.5349	-	0.5349	1.3700	0.00830	0.492519
2008	0.5342	-	0.5342	1.0400	0.00794	0.495219

Source: Hale County Appraisal District

**Schedule 8
City of Plainview
Principal Property Tax Payers
Current Year and Nine Years Ago**

	2008			1999		
	Taxable Assessed Value	Rank	Percent of Taxable Assessed Value	Taxable Assessed Value	Rank	Percent of Taxable Assessed Value
Wal-Mart - Inventory	\$ 87,989,710	1	12.42	\$ 82,538,170	1	15.47
Wal-Mart Distribution	16,421,900	2	2.32	9,885,905	2	1.85
Acher Daniels Midland	13,149,281	3	1.86	3,452,111	6	0.65
Wal-Mart Stores	8,102,218	4	1.14	2,675,330	9	0.50
Wal-Mart Stores - Inventory	7,685,296	5	1.08	4,115,293	5	0.77
Excel Energy	4,710,482	6	0.66	8,223,152	3	1.54
Southwestern Bell	4,234,417	7	0.60	6,211,812	4	1.16
BNSF Railway	3,689,126	8	0.52	-	-	-
Stonegate Center	3,400,860	9	0.48	-	-	-
Westview Center	3,080,602	10	0.43	2,697,885	8	0.51
Kmart - Inventory				2,872,222	7	0.54
Hale County State Bank				2,543,216	10	0.48
Total	\$ 152,463,892		21.52	\$ 125,215,096		23.47

Source: Hale County Appraisal District

**Schedule 9
City of Plainview
Property Tax Levies and Collections
Last Ten Fiscal Years**

Fiscal Year Ended Sept 30	Taxes Levied for the Fiscal Year	Adjustments	Total Adjusted Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections To Date	
	Fiscal Year			Amount	Percentage of Levy		Amount	Percentage of Levy
1999	\$ 2,404,367	\$ (565)	\$ 2,403,802	\$ 2,342,648	97.43	\$ 54,798	\$ 2,397,446	99.74
2000	2,439,130	(5,193)	2,433,937	2,359,379	96.73	67,848	2,427,227	99.72
2001	2,517,949	(10,955)	2,506,994	2,441,579	96.97	56,704	2,498,283	99.65
2002	2,606,560	(7,813)	2,598,747	2,520,523	96.70	68,754	2,589,277	99.64
2003	2,841,513	(27,272)	2,814,241	2,730,645	96.10	70,731	2,801,376	99.54
2004	2,992,076	2,284	2,994,360	2,908,427	97.20	69,964	2,978,391	99.47
2005	3,217,884	(15,799)	3,202,085	3,125,829	97.14	51,925	3,177,754	99.24
2006	3,574,242	(91,256)	3,482,986	3,393,539	94.94	49,647	3,443,186	98.86
2007	3,762,550	(5,180)	3,757,370	3,667,112	97.46	37,021	3,704,133	98.58
2008	3,784,098	(2,885)	3,781,213	3,691,589	97.56	-	3,691,589	97.63

Source: Hale County Appraisal District

**Schedule 10
City of Plainview
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years**

Fiscal Year	Governmental Activities			Business-type Activities					Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Certificates of Obligation Bonds	Revenue Bonds	General		Water Authority Indebtedness	Total				
				Obligation Refunding Bonds	Bonds						
1999	\$ -	\$ -	\$ 3,235,000	\$ -	\$ 2,253,083	\$ 5,488,083	0.73%	239			
2000	-	-	2,910,000	-	3,976,691	6,886,691	0.91%	308			
2001	-	-	12,565,000	-	3,826,014	16,391,014	2.12%	737			
2002	-	-	11,895,000	-	3,669,141	15,564,141	1.98%	707			
2003	-	-	9,375,000	1,830,000	3,505,700	14,710,700	1.85%	666			
2004	-	-	9,040,000	1,400,000	3,334,951	13,774,951	1.73%	628			
2005	-	-	8,685,000	950,000	4,942,495	14,577,495	1.74%	666			
2006	-	-	8,315,000	485,000	6,603,975	15,403,975	1.82%	704			
2007	-	-	7,925,000	-	6,372,024	14,297,024	N/A	660			
2008	-	-	9,065,000	-	6,106,514	15,171,514	N/A	711			

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.
 Water authority indebtedness is the city's proportionate share of revenue bonds issued by the Canadian River Municipal Water Authority.
 Personnel income data for fiscal years 2007 and 2008 are unavailable.
 See Schedule of Demographic and Economic Statistics for Population data.

**Schedule 11
City of Plainview
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years**

Fiscal Year	General Bonded Debt Outstanding			Total	Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Certificates of Obligation Bonds				
1999	\$ -	\$ -	\$ -	-	%	\$ -
2000	-	-	-	-	-	-
2001	-	-	-	-	-	-
2002	-	-	-	-	-	-
2003	-	-	-	-	-	-
2004	-	-	-	-	-	-
2005	-	-	-	-	-	-
2006	-	-	-	-	-	-
2007	-	-	-	-	-	-
2008	-	-	-	-	-	-

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.
See Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.
See Schedule of Demographic and Economic Statistics for Population data.

**Schedule 12
City of Plainview
Direct and Overlapping Governmental Activities Debt
As of September 30, 2008**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Debt repaid with property taxes			
Plainview Independent School District	\$ -	76.443 %	\$ -
County of Hale	-	50.947	-
Other debt			
Plainview Independent School District	2,157,131	76.443	1,648,976
County of Hale	-	50.947	-
Subtotal overlapping debt			<u>1,648,976</u>
City direct debt			<u>-</u>
Total direct and overlapping debt			<u>\$ 1,648,976</u>

Sources: Assessed value data used to estimate applicable percentages provided by the Hale County Appraisal District. Debt outstanding data provided by each governmental unit.

Notes: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Plainview. This process recognizes that, when considering the city's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account.

Schedule 13
City of Plainview
Pledged-Revenue Coverage
Last Ten Fiscal Years

Fiscal Year	Water and Sewer Revenue Bonds										Solid Waste Management Revenue Bonds								
	Utility Operating Revenues					Less: Operating Expenses					Net Available Revenue					Debt Service			Coverage
	Operating Revenues	Utility Charges	Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage	Utility Charges	Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage						
1999	\$ 3,586,095	\$ 2,283,003	\$ 2,649,855	\$ 936,240	\$ 122,000	\$ 70,800	4.86	\$ 2,283,003	\$ 1,266,140	\$ 1,016,863	\$ 183,000	\$ 106,200	3.52						
2000	4,196,258	2,081,394	2,779,499	1,416,759	130,000	64,700	7.28	2,081,394	1,730,691	350,703	195,000	97,050	1.20						
2001	4,423,240	1,986,117	3,179,329	1,243,911	138,000	58,200	6.34	1,986,117	1,399,022	587,095	207,000	87,300	1.99						
2002	4,584,714	2,063,420	3,344,269	1,240,445	451,000	538,389	1.25	2,063,420	1,861,426	201,994	219,000	76,950	0.68						
2003	4,759,242	2,400,063	3,212,067	1,547,175	488,000	494,301	1.58	2,400,063	1,544,349	855,714	252,000	36,600	2.97						
2004	5,184,875	2,401,145	3,556,553	1,628,322	507,000	472,089	1.66	2,401,145	1,496,362	904,783	258,000	30,300	3.14						
2005	5,043,446	2,508,308	3,480,034	1,563,412	535,000	448,814	1.59	2,508,308	1,563,551	944,757	270,000	23,850	3.22						
2006	5,731,970	2,527,008	3,981,831	1,750,139	556,000	424,376	1.79	2,527,008	1,597,849	929,159	279,000	17,100	3.14						
2007	5,495,629	2,692,496	3,874,419	1,621,210	584,000	397,896	1.65	2,692,496	1,606,164	1,086,332	291,000	8,730	3.62						
2008	5,912,084	2,858,367	4,241,912	1,670,172	410,000	371,511	2.14	2,858,367	1,742,492	1,115,875	-	-	-						

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.
Operating expenses include the annual payments on the city's proportionate share of Canadian River Municipal Water Authority indebtedness.
Operating expenses include an accrual for future landfill closure and postclosure costs.
Operating expenses do not include bond interest, depreciation or amortization expenses.

**Schedule 14
City of Plainview
Demographic and Economic Statistics
Last Ten Calendar Years**

Calendar Year	City Population		County Population	County Personal Income		County Per Capita Personal Income	School Enrollment	County Unemployment Rate
	Population	Population	Population	Personal Income	Income	Income	Enrollment	Rate
1999	23,000	36,638	36,638	751,945,000	20,524	20,524	6,255	5.1%
2000	22,336	36,602	36,602	756,827,000	20,677	20,677	6,167	4.5%
2001	22,234	35,961	35,961	772,701,000	21,487	21,487	5,951	4.7%
2002	22,011	35,710	35,710	774,876,000	21,699	21,699	5,906	5.7%
2003	22,084	36,605	36,605	795,007,000	21,719	21,719	5,858	6.3%
2004	21,935	36,303	36,303	796,747,000	21,947	21,947	6,085	6.1%
2005	21,893	36,171	36,171	836,282,000	23,120	23,120	6,058	5.4%
2006	21,887	35,862	35,862	847,210,000	23,624	23,624	6,028	5.3%
2007	21,656	35,731	35,731	N/A	N/A	N/A	5,942	4.4%
2008	21,324	35,326	35,326	N/A	N/A	N/A	5,784	4.9%

Sources: Bureau of Economic Analysis, Texas State Data Center, Texas Workforce Commission, and Plainview Independent School District.

Note: Personal income data for calendar years 2007 and 2008 are unavailable.

**Schedule 15
City of Plainview
Principal Employers *
Last Nine Years ****

2000	2001	2002	2003
Azteca Milling	Azteca Milling	Azteca Milling	Azteca Milling
Central Plains MH-MR Center			
City of Plainview	City of Plainview	City of Plainview	City of Plainview
Excell Corporation	Excell Corporation	Excell Corporation	Excell Corporation
Methodist Hospital	Methodist Hospital	Methodist Hospital	Methodist Hospital
Plainview Independent School District			
Texas Department of Criminal Justice			
United Supermarkets	United Supermarkets	United Supermarkets	United Supermarkets
Wal-Mart Associates	Wal-Mart Associates	Wal-Mart Associates	Wal-Mart Associates
Wayland Baptist University	Wayland Baptist University	Wayland Baptist University	Wayland Baptist University
2004	2005	2006	2007
Azteca Milling	Azteca Milling	Azteca Milling	Azteca Milling
Cargill Meat Solutions	Cargill Meat Solutions	Cargill Meat Solutions	Cargill Meat Solutions
Central Plains MH-MR Center			
City of Plainview	City of Plainview	City of Plainview	City of Plainview
Covenant Hospital	Covenant Hospital	Covenant Hospital	Covenant Hospital
Plainview Independent School District			
Texas Department of Criminal Justice			
United Supermarkets	United Supermarkets	United Supermarkets	United Supermarkets
Wal-Mart Associates	Wal-Mart Associates	Wal-Mart Associates	Wal-Mart Associates
Wayland Baptist University	Wayland Baptist University	Wayland Baptist University	Wayland Baptist University
2008			
Azteca Milling			
Cargill Meat Solutions			
Central Plains MH-MR Center			
City of Plainview			
Covenant Hospital			
Plainview Independent School District			
Texas Department of Criminal Justice			
United Supermarkets			
Wal-Mart Associates			
Wayland Baptist University			

* Employers are listed alphabetically with no ranking intended. The number of employees is not disclosed due to confidentiality.
 ** The years prior to 2000 are not available.
 Sources: Texas Workforce Commission.

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**Schedule 16
City of Plainview
Full-time-Equivalent City Government Employees by Function/Program,
Last Ten Fiscal Years**

Function/Program	Full-time-Equivalent Employees as of September 30									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Government										
City Manager	2	2	2	2	2	2	2	2	2	2
Legal	2	2	2	2	2	2	2	2	2	2
Finance	2	2	2	2	2	1	1	1	1	1
Human Resources	2	2	2	2	1	1	1	1	1	1
Civil Service	1	1	1	1	1	1	1	1	1	1
Municipal Court	3	3	3	3	3	3	3	3	3	3
Community Development	2	2	2	2	2	2	2	2	2	2
Code Enforcement	3	3	3	3	3	3	3	3	3	3
Main Street	1	1	1	1	1	1	1	1	1	1
RSVP					3	3	2	2	2	2
Public Safety										
Police	45	45	45	44	44	44	44	45	45	45
Fire / EMS	37	37	37	37	36	36	36	36	36	36
Traffic Control	4	4	4	4	4	4	4	3	3	3
Animal Control	2	3	3	3	3	2	2	2	2	2
Public Works										
Public Works	3	3	3	3	3	3	3	3	3	3
Street Cleaning	2	2	2	2	2	2	2	2	2	2
Street Department	8	8	8	8	7	7	7	7	7	7
Custodial Services	2	2	2	2	2	2	2	2	2	2
Health	7	7	7	7	7	6	6	6	6	7
Recreation and Culture										
Parks	11	12	12	12	12	12	12	12	12	12
Library	6	6	6	6	6	6	6	6	5	5
Convention and Tourism										1

Solid Waste Management	12	12	12	12	11	11	11	11	11	11
Collection	12	12	12	12	11	11	11	11	11	11
Landfill	8	8	8	8	8	8	8	8	8	8
Recycling	1	1	1	1	1	1	1	1	1	1
Vector Mowing	1	1	1	1	1	1	1	1	1	1
Vector Spraying	1	1	1	1	1	1	1	1	1	1
Water & Sewer										
Utility Accounting	5	5	5	6	6	6	6	6	6	6
Meter Services	3	3	3	3	3	3	3	3	3	3
Water Production	7	7	7	7	7	7	7	7	7	7
Wastewater Treatment	5	5	5	5	5	5	5	5	5	5
Water Distribution	7	7	7	7	7	6	6	6	6	6
Water Collection	3	3	3	3	3	3	3	3	3	3
Electrical Maintenance	1									
Service Center	6	6	6	6	5	5	5	5	4	4
Theatre Arts				1	1	1				
Total	204	205	206	205	202	200	199	197	199	199

Source: City of Plainview Annual Budget Personnel Summary

Notes: A full-time employee is scheduled to work 2,080 hours per year (including vacation and sick leave). Full-time-equivalent employment is calculated by dividing total labor hours by 2,080

Schedule 17
City of Plainview
Operating Indicators by Function/Program
Last Ten Years

Function/Program	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General government										
Building permits issued	285	268	243	240	228	220	290	182	140	184
Building inspections	5,691	5,993	5,289	4,233	5,003	6,019	6,030	4,695	4,059	2,284
Public safety										
Police										
Calls for service	19,804	19,947	19,577	19,342	18,797	19,492	16,815	15,796	14,898	13,997
Citations issued	5,378	4,656	6,015	3,617	4,589	3,255	2,767	3,363	3,052	4,290
Arrests	2,420	2,496	2,625	2,366	2,248	1,690	1,474	1,493	1,570	1,712
Fire/EMS										
Ambulance calls	1,508	1,663	1,731	1,828	1,859	1,985	2,094	1,916	1,841	2,027
Fire calls	914	1,093	1,204	1,270	1,249	1,400	1,492	1,509	1,400	1,634
Inspections	-	200	200	400	400	400	400	400	237	96
Public works										
Street seal coating (lane miles)	37.12	36.73	36.24	39.42	42.74	53.31	49.53	36.17	25.32	23.08
Street patch material used (tons)	337.9	316.4	263.9	237.5	234.9	300.5	366.4	222.4	490.0	487.0
Health										
Immunizations	3,653	5,966	5,510	5,835	6,379	4,340	4,205	3,952	3,379	5,462
Inspections	632	380	352	332	321	318	302	300	302	288
Recreation and culture										
Parks										
Shelter house permits	167	178	172	189	170	179	156	173	177	216
Library										
Volumes in collection	44,100	49,371	48,530	50,034	50,670	52,119	51,512	46,763	50,661	52,109
Volumes borrowed	59,321	55,371	49,530	52,299	48,390	53,464	51,775	53,231	47,925	51,418
Visitors	79,495	74,188	76,131	82,937	85,604	85,606	88,286	89,781	85,545	88,993

Solid waste management										
Refuse collected (annual tonnage)	36,347	28,301	27,555	32,098	27,435	27,768	29,243	27,461	29,218	30,390
Recyclables collected (annual tonnage)	1,329	1,646	1,630	1,331	1,353	1,583	1,440	1,255	1,971	592
Water										
New connections	31	43	54	36	46	44	24	107	18	12
Main line repairs	N/A	280	151	62	70	52	103	97	103	86
Average daily production (thousands of gallons)	4,043	4,745	4,601	4,735	5,257	4,517	4,438	4,964	4,297	4,298
Peak daily production (thousands of gallons)	8,828	8,884	11,037	9,757	10,761	8,557	9,572	9,422	8,017	10,659
Wastewater										
Average daily sewage treatment (thousands of gallons)	1,785	1,840	1,850	1,880	1,890	1,970	2,020	2,090	2,200	2,000
Theatre										
Events scheduled	N/A	N/A	N/A	N/A	30	34	51	53	97	108
Attendees	N/A	N/A	N/A	N/A	4,925	4,446	8,061	5,703	10,554	13,623

Sources: Various city departments

Notes: No Fire Marshall was on staff during fiscal years 1998 and 1999.

Data for street patching material usage for fiscal year 1998 is unavailable.

Main line repair data for fiscal years beginning before 2000 are unavailable.

The operation of the Fair Theatre became a city function in fiscal year 2001.

Operating indicators for fiscal years 2001 and 2002 for the Theatre function are unavailable.

**Schedule 18
City of Plainview
Capital Asset Statistics by Function/Program
Last Ten Years**

Function/Program	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	22	22	22	22	22	22	22	22	22	22
Staff and detective units	12	12	12	12	12	12	12	12	12	12
Fire/EMS										
Stations	2	3	3	3	3	3	3	3	3	3
Ambulances	2	2	2	2	2	2	2	2	2	2
Public works										
Paved streets (miles)	130	130	130	130	130	130	136	137	137	137
Streetlights	1,330	1,333	1,333	1,337	1,337	1,337	1,337	1,337	1,337	1,337
Traffic signals	27	27	23	23	23	23	22	22	22	23
Recreation and culture										
Parks										
Developed parks acreage	286	286	286	286	286	286	286	286	286	286
Open spaces acreage	243	243	243	243	243	243	243	243	243	243
Playgrounds	14	14	14	14	14	14	14	14	14	14
Baseball/softball diamonds	19	19	19	19	19	19	19	19	19	19
Football/soccer fields	3	3	3	3	3	3	3	3	3	3
Multi-purpose athletic courts	6	6	6	6	6	6	6	6	6	6
Community centers and open pavilions	5	5	5	5	5	5	5	5	5	5
Library										
Internet access workstations	6	10	10	10	10	10	10	10	11	15
Solid waste management										
Residential collection trucks	3	3	3	3	3	3	3	3	3	3
Commercial collection trucks	2	2	2	2	2	2	2	2	2	2
Recyclables collection trucks	2	2	2	2	2	2	2	2	2	2
Landfill remaining capacity										

(thousands of cubic yards)	8,596	11,244	11,147	11,067	10,972	10,818	10,836	10,756	10,674	10,593
Water										
Water mains (miles)	179	179	193	193	193	193	193	201	201	201
Fire hydrants	733	733	745	745	745	745	745	745	745	745
Storage capacity (thousands of gallons)	7,590	7,590	7,590	7,590	7,590	7,590	7,590	7,590	7,590	7,590
Wastewater										
Collection lines (miles)	122	123	135	135	135	135	135	140	140	140
Treatment capacity (thousands of gallons per day)	3,000	3,000	3,000	3,000	3,300	3,300	3,300	3,300	3,300	3,300

Sources: Various city departments

Notes: No capital asset indicators are available for the general government, health or Theatre function.