

# Comprehensive Annual Financial Report



**PLAINVIEW, TX**  
*explore the opportunities*

For the Fiscal Year Ended  
September 30, 2010

City of Plainview, Texas

**CITY OF PLAINVIEW, TEXAS**  
**ANNUAL FINANCIAL REPORT**  
**for the Year Ended September 30, 2010**



CITY OF PLAINVIEW, TEXAS  
ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED SEPTEMBER 30, 2010  
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**PLAINVIEW, TX**  
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February 22, 2011

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

The City of Plainview's Comprehensive Annual Financial Report for the year ended September 30, 2010, 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 Davis Kinard & Co, PC, 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, 2010, 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, 2010, 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 a population of 22,194. 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 that was better than last year in terms of yield. The world demand for cotton is currently high and as a result the price per pound saw a significant improvement. With cotton as the major crop and the agriculture support industries as the backbone of the local economy, the short term outlook is positive.

An ethanol plant with a 110 million gallon annual production capacity east of the city which had suspended operations last year due to the economic environment driving down fuel prices is now back in operation and running at full production.

When considering these events, the local economy is proving to be resilient. Sales tax receipts though February are 3.98% over the same five month period last year. Property tax collections are .25% below last year as a percent of levy collected. The one revenue source that is still experiencing a decline is investment earnings and the downturn can be attributed to the broader national and world economy rather than the local economy.

*Long-term financial planning.* The City of Plainview continues to look forward in terms of infrastructure needs. In the past ten years the City has constructed a new wastewater treatment plant, renovated and expanded its water treatment facility, replace fifty-five mile of water distribution lines, reconstructed a major thoroughfare, and developed a new lined solid waste disposal cell at the City's Type I landfill. In 2010 the City Council continued the effort to meet the infrastructure needs of the community by issuing Certificates of Obligation to build two new water towers, relocate and upgrade water and sewer lines in Highway 70 in conjunction with the rebuilding of this highway by the Texas Department of Transportation, rebuilding two major sewer lift stations, and installing an emergency power backup generator at the City's wastewater treatment plant.

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 has been financed with CRMWA bonds and the debt will be serviced by the City's water and sewer utility enterprise fund.

*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

expired September 30, 2009 and both the City and Wells Fargo Bank have agreed to exercise the second of the two one-year provisions to continue the contract.

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 quarter of the current fiscal year the City held \$18.8 million in certificates of deposit with an average maturity of 156 days and an average yield of 1.11%.

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 N 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 Notes L and M 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, 2009. The funded ratio of actuarial accrued liability of this plan was 39.3%. As a matter of policy the City contributed 15% of firefighter salaries toward pension financing, while firefighters individually contributed 14%. January 1, 2011 the city increased the employer portion to 16.61%.

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, 2009 and

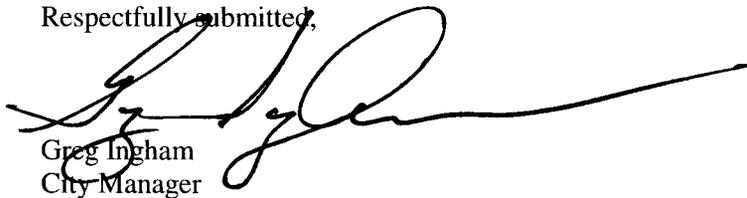
reported the funded ratio of accrued liability was 67.6%. The City's contribution rate at year end was 14.52% of payroll and the employees individually contribute 7%. TMRS has changed the Plan's actuarial cost method to the Projected Unit Credit method and, due to the resulting increase in contribution 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 S 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. We would like to express our 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, we express our appreciation to the Mayor, members of the City Council 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,



Greg Ingham  
City Manager



Sarianne Beversdorf, CPA, CGFO  
Director of Finance

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	7	RETIRED, BANKER
COUNCIL MEMBER DISTRICT 1	DR. CHARLES N. STARNES	1	EDUCATOR
COUNCIL MEMBER DISTRICT 2	CATHY WAGGONER	4	ASSISTANT, CUNNINGHAM CHIROPRACTIC
COUNCIL MEMBER DISTRICT 3	DAVID G. GARCIA	1	CORRECTIONAL OFFICER
COUNCIL MEMBER DISTRICT 4	VIRGINIO "V.O." ORTEGA	1	OPERATIONS MANAGER, ATMOS ENERGY
COUNCIL MEMBER DISTRICT 5	RON TRUSLER	6	CEO, MHMR
COUNCIL MEMBER DISTRICT 6	WENDELL DUNLAP	6	PAINT CONTRACTOR
COUNCIL MEMBER DISTRICT 7	ROLAND NASH	6	MECHANIC

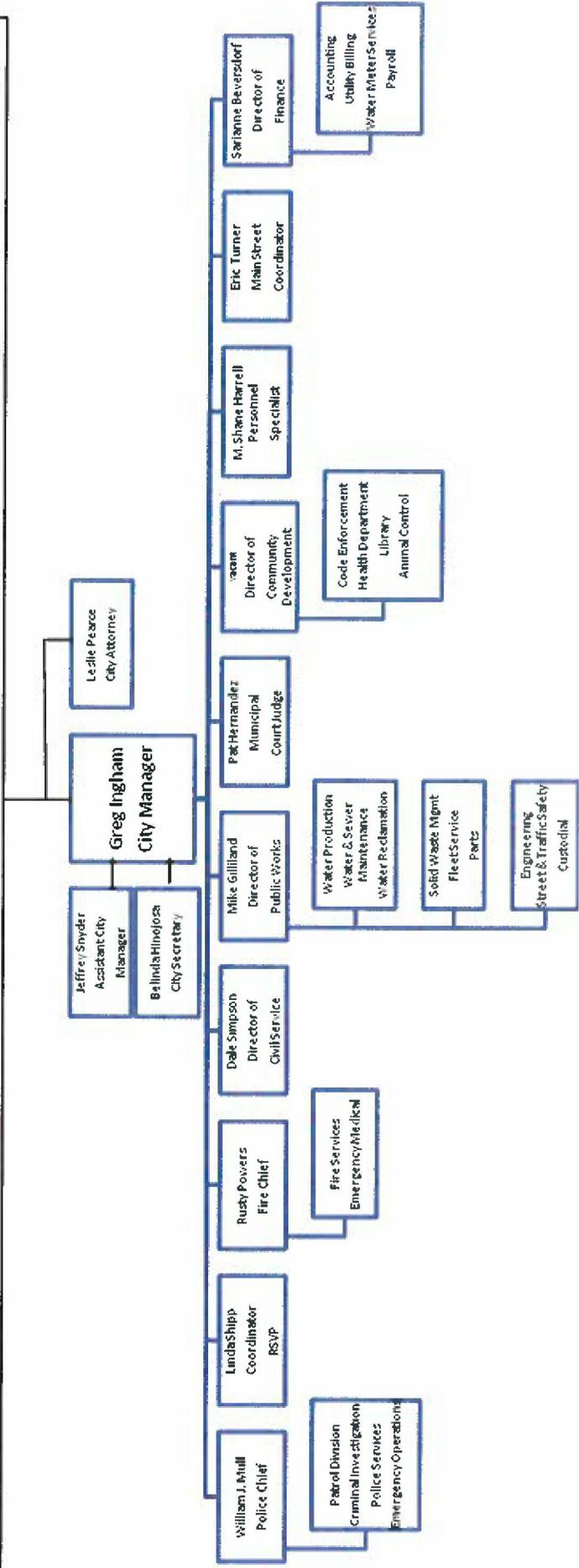
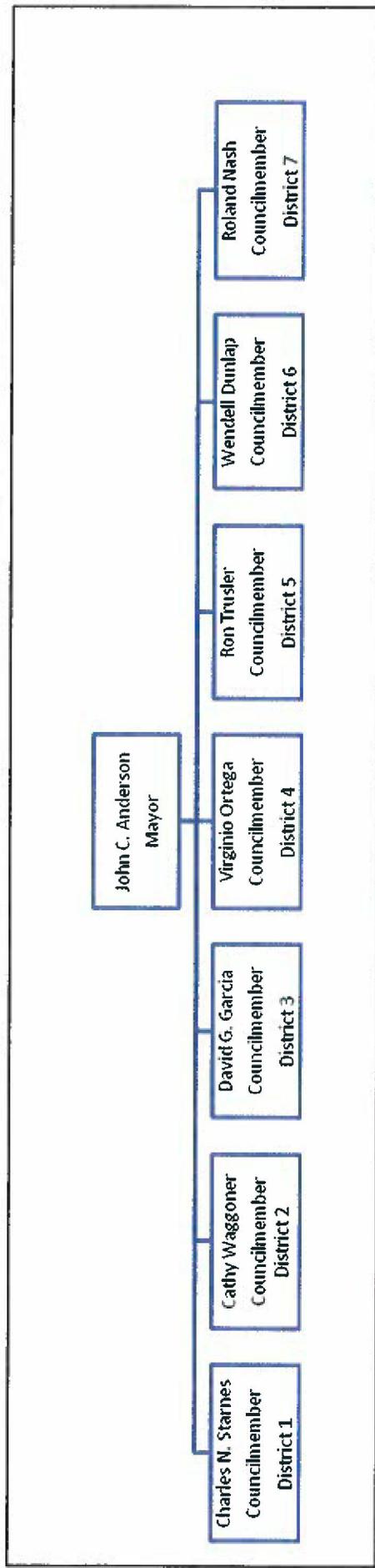
<u>CITY OFFICIALS</u>	<u>NAME</u>	<u># OF YEARS WITH CITY</u>	<u># OF YEARS THIS POSITION</u>
CITY MANAGER	GREG INGHAM	7	34
ASSISTANT CITY MANAGER	JEFFREY SNYDER	-	-
DIRECTOR OF FINANCE	SARIANNE BEVERSDORF	1	10
DIRECTOR PUBLIC WORKS	MIKE GILLILAND	2	2
DIRECTOR COMMUNITY SERVICES	VACANT	-	-
DIRECTOR FIRE SERVICES	RUSTY POWERS	21	2
DIRECTOR POLICE SERVICES	WILLIAM MULL	41	14
DIRECTOR OF CIVIL SERVICE	DALE SIMPSON	30	16
MUNICIPAL COURT JUDGE	PAT HERNANDEZ	26	13
CITY ATTORNEY	LESLIE PEARCE	5	11
CITY SECRETARY	BELINDA HINOJOSA	10	10

FINANCIAL CONSULTANT - SPECIALIZED PUBLIC FINANCE - AUSTIN, TEXAS

BOND COUNSEL - FULBRIGHT & JAWORSKI - DALLAS, TEXAS

INDEPENDENT AUDITORS - DAVIS KINARD & CO PC PLAINVIEW, TEXAS OFFICE

# City of Plainview Organizational Chart



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**Financial Section**

## 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, 2010, 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, 2010, 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 1, 2011, 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 53 through 56, 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.

*Davis Kinard & Co, PC*

**DAVIS KINARD & CO, PC**

Plainview, Texas  
February 1, 2011

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## 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, 2010. 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 \$77,901,460 at September 30, 2010 and \$75,682,766 at September 30, 2009, increasing 2.9%.
- Total liabilities were \$18,565,697 at September 30, 2010, an increase of 1.1% from September 30, 2009.
- The total assets of the City exceeded its liabilities at the close of the fiscal year by \$59,335,763, an increase of 3.4%. Of this amount, \$29,998,769 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 \$2,021,721.

#### Governmental Funds

- Total current assets were \$14,145,033 at September 30, 2010 and \$13,202,660 at September 30, 2009, increasing 7.2%.
- All combined governmental funds reported an ending fund balance of \$13,216,820, or a 9.2% increase from the previous year.
- For the period ended September 30, 2010, total revenues exceeded total expenditures by \$894,309.

#### Proprietary Funds

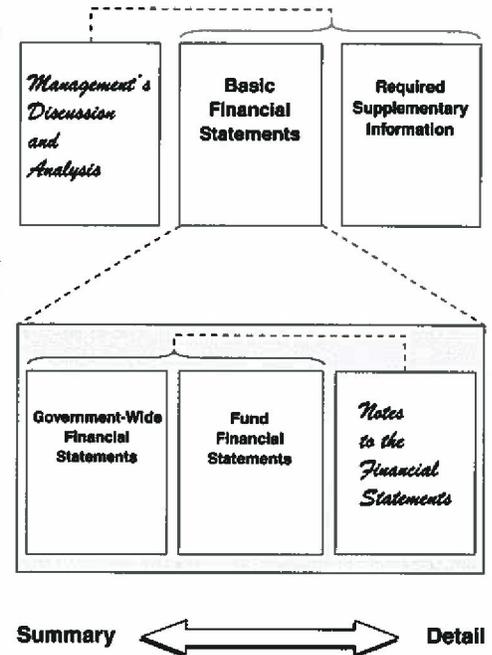
- Net assets for combined enterprise funds grew by 4.4% to \$31,652,327. Of this amount, \$11,902,389 is unrestricted and available to be used to meet the ongoing obligations to citizens and creditors.
- The change in net assets or net income generated from operations of the combined enterprise funds during the period ended September 30, 2010 is reported at \$1,319,899.
- A net increase in cash and cash equivalents of \$538,214 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. Major Features of the City's Government-wide and Fund Financial Statements

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.

Type of Statements	Fund Statements			
	Government-wide	Governmental Funds	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 \$59,335,763 at September 30, 2010, \$2.02 million higher than the prior year. (See Table A-1).

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

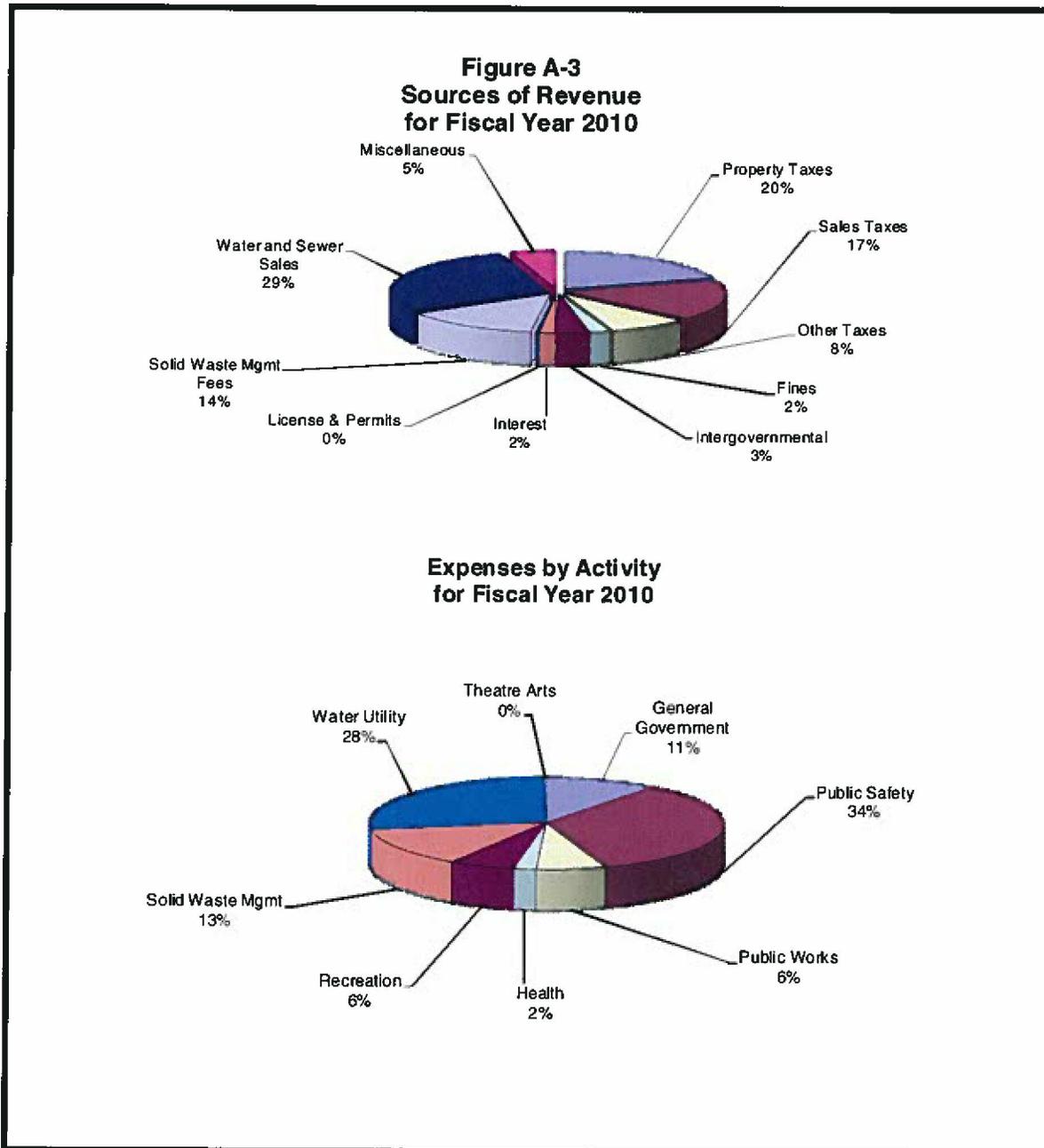
	Governmental Activities		Business -type Activities		Total		Total Percent Change
	2010	2009	2010	2009	2010	2009	
<b>Current assets</b>							
Cash and cash equivalents	\$ 8,020	\$ 6,413	\$ 4,555	\$ 3,642	\$ 12,575	\$ 10,055	25%
Investments	10,741	10,809	6,041	5,190	16,782	15,999	5%
Receivables	1,199	1,235	1,256	1,130	2,455	2,365	4%
Internal balances	30	34	(30)	(34)	-	-	0%
Inventories	77	87	127	153	204	240	-15%
<b>Total current assets</b>	<u>20,067</u>	<u>18,578</u>	<u>11,949</u>	<u>10,081</u>	<u>32,016</u>	<u>28,659</u>	12%
<b>Noncurrent assets</b>							
Capital assets	1,219	1,316	9,200	9,703	10,419	11,019	-5%
Less accumulated depreciation	(17,878)	(17,570)	(19,298)	(18,202)	(37,176)	(35,772)	4%
<b>Total assets</b>	<u>30,164</u>	<u>28,983</u>	<u>47,737</u>	<u>46,700</u>	<u>77,901</u>	<u>75,683</u>	3%
<b>Accounts payable and accrued liabilities</b>							
Deposits and escrow held	883	901	238	614	1,121	1,515	-26%
Deferred revenues	-	-	366	363	366	363	1%
Compensated absences	-	43	-	-	-	43	- %
Pension and OPEB obligations	887	838	70	70	957	908	5%
Water contract obligations	687	202	102	41	789	243	225%
Landfill closure/postclosure	-	-	6,380	5,822	6,380	5,822	10%
Bonds payable	-	-	1,089	1,022	1,089	1,022	7%
<b>Total liabilities</b>	<u>2,457</u>	<u>1,984</u>	<u>16,109</u>	<u>16,385</u>	<u>18,566</u>	<u>18,369</u>	1%
<b>Net assets</b>							
Invested in capital assets, net of related debt	8,878	9,088	19,455	19,353	28,333	28,441	0%
Restricted	709	859	295	261	1,004	1,120	-10%
Unrestricted	18,120	17,052	11,878	10,701	29,998	27,753	8%
<b>Total net assets</b>	<u>27,707</u>	<u>26,999</u>	<u>31,628</u>	<u>30,315</u>	<u>59,335</u>	<u>57,314</u>	4%

As noted earlier, net assets may serve, over time, as a useful indicator of a government's financial position. A large portion of the City's net assets (48 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, 2010 were \$21,019,340. A significant portion, 45 percent, of the City's revenue comes from taxes (See Figure A-3 ) while 43 percent comes from charges for utility services. The total cost of all programs and services was \$18,997,619.



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

	Governmental		Business-type		Total		Total Percent Change
	Activities		Activities		Total		
	2010	2009	2010	2009	2010	2009	
<b>Program revenues:</b>							
Charges for services	\$ 1,116	\$ 1,138	\$ 9,119	\$ 8,965	\$ 10,235	\$ 10,103	1%
Grants and contributions	646	425	58	42	704	467	51%
<b>General revenues:</b>							
Property taxes	4,197	4,149	-	-	4,197	4,149	1%
Other taxes	5,224	4,922	-	-	5,224	4,922	6%
Other	311	363	348	328	659	691	-5%
<b>Total revenues</b>	<b>11,494</b>	<b>10,997</b>	<b>9,525</b>	<b>9,335</b>	<b>21,019</b>	<b>20,332</b>	<b>3%</b>
<b>Expenses:</b>							
General government	1,967	1,814	-	-	1,967	1,814	8%
Public safety	6,498	6,174	-	-	6,498	6,174	5%
Public works	1,201	1,234	-	-	1,201	1,234	-3%
Recreation and culture	1,148	1,209	-	-	1,148	1,209	-5%
Health	400	423	-	-	400	423	-5%
Solid waste management	-	-	2,520	2,326	2,520	2,326	8%
Water and sewer	-	-	5,226	5,573	5,226	5,573	-6%
Theatre arts	-	-	38	39	38	39	-3%
<b>Total expenses</b>	<b>11,214</b>	<b>10,854</b>	<b>7,784</b>	<b>7,938</b>	<b>18,998</b>	<b>18,792</b>	<b>1%</b>
<b>Transfers</b>	<b>428</b>	<b>436</b>	<b>(428)</b>	<b>(436)</b>	<b>-</b>	<b>-</b>	<b>0%</b>
<b>Change in net assets</b>	<b>708</b>	<b>579</b>	<b>1,313</b>	<b>961</b>	<b>2,021</b>	<b>1,540</b>	<b>31%</b>
Net assets - beginning	26,999	26,420	30,315	29,354	57,314	55,774	3%
<b>Net assets - ending</b>	<b>27,707</b>	<b>26,999</b>	<b>31,628</b>	<b>30,315</b>	<b>59,335</b>	<b>57,314</b>	<b>4%</b>

Table A-2 above 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.

## Governmental Activities

As shown in Table A-2, governmental activities increased net assets by \$708 thousand accounting for 35% 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 remained unchanged from the prior year at .5685 per \$100 valuation. However, a moderate increase in valuations and favorable collections enabled an increase in property tax revenues of \$48 thousand, or 1.2%.
- The franchise tax on gas and electric utilities increased \$242 thousand, or 21%, and general sales tax increased \$44 thousand, or 1.3%.
- The cost of all *governmental* activities this year was \$11,214 thousand compared to the previous year of \$10,854 thousand, a 3.4% increase.
- The amount that our taxpayers paid for these activities through taxes was \$9,452 thousand.
- Some of the cost was paid by those who directly benefited from the programs, \$1,116 thousand, or by grants and contributions, \$646 thousand.

**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>2010</u>	<u>2009</u>		<u>2010</u>	<u>2009</u>	
General government	\$ 1,967	\$ 1,814	8%	\$ 1,401	\$ 1,308	7%
Public safety	6,498	6,174	5%	5,690	5,495	4%
Public works	1,201	1,234	-3%	1,201	1,234	-3%
Recreation and culture	1,148	1,209	-5%	1,085	1,141	-5%
Health	<u>400</u>	<u>423</u>	-5%	<u>75</u>	<u>113</u>	-34%
Total governmental activities	<u>11,214</u>	<u>10,854</u>	3%	<u>9,452</u>	<u>9,291</u>	2%

## Business-type Activities

Business-type activities increased the City's net assets by \$1,313 thousand accounting for 65% of the total increase in the government's net assets.

- Charges for services generated revenues of \$9,119 thousand for the period ended September 30, 2010 compared to \$8,965 thousand for the previous period. This 1.7% increase was derived from a 6.98% increase in the water base rate and 1.89% increase in the usage rate plus a 2.04% increase in the sewer rate. Solid waste collection rates stayed the same.
- Expenses totaled \$7,784 thousand for 2010 and \$7,938 thousand for 2009, a 1.9% decrease. The use of a higher percentage of less expensive locally produced ground water vs. water purchased from Canadian River Municipal Water Authority water was a contributor to the decrease.
- Transfers from business-type activities to support general government activities were \$428 thousand for the period, a 1.9% decrease 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 \$13,216,820, an increase of \$1,104,152. A combination of favorable budget variances for both general fund revenues and expenditures were the key elements of this increase. The general fund accounted for 92.2% of the increase after inter-fund transfers.
- Total assets of the General Fund increased 8.2%. This increase is mainly attributable to the increase in cash, cash equivalents and investments from \$8,683,552 at the end of the prior period to \$9,510,788 at the end of fiscal year 2010.
- Total liabilities decreased 14.8% from \$1,089,993 in 2009 to \$928,213 in 2010.
- Of the combined ending fund balance, approximately \$13 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 and activities for the government-wide financial statements. The internal service funds reflect a total net assets amount of \$7,570,712. Of this amount, \$2,244,287 is invested in capital assets and \$1,470,584 is for health benefits for the City's employees. The remainder of the unrestricted net assets are generally used for property insurance and to replace capital assets.

Of the combined unrestricted net assets of the enterprise funds at the end of fiscal year 2010, approximately \$11.9 million was unrestricted. 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).

- Significant budget amendments during the year included the following additional appropriations for interfund transfers:
  - \$300,000 to the Equipment Replacement internal service fund
  - \$200,000 to the Capital Improvement nonmajor governmental fund.
  - \$175,000 to the Economic Development nonmajor governmental fund.
  
- During the year, actual receipts exceeded budgeted revenues and expenditures were less than budgetary estimates, thus allowing the City Council to approve the aforementioned interfund transfers.

## 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, 2010 amounts to \$35,466,211 (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
	2010	2009	2010	2009	2010	2009	
Land	\$ 524	\$ 520	\$ 529	\$ 529	\$ 1,053	\$ 1,049	0%
Buildings	3,460	3,409	2,643	2,615	6,103	6,024	1%
System improvements	-	-	36,907	35,897	36,907	35,897	3%
Infrastructure	15,057	14,999	-	-	15,057	14,999	0%
Machinery and equipment	7,708	7,724	5,637	5,419	13,345	13,143	2%
Construction in progress	7	7	170	658	177	665	-73%
Totals at historical cost	26,756	26,659	45,886	45,118	72,642	71,777	1%
Accumulated depreciation	(17,878)	(17,571)	(19,298)	(18,202)	(37,176)	(35,773)	4%
Net capital assets	8,878	9,088	26,588	26,916	35,466	36,004	-1%

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 \$7,864 thousand outstanding in bonds and certificates of obligation outstanding. In addition, the City is one of 11 member cities of the Canadian River Municipal Water Authority, and is contractually obligated on its proportionate share of the Authority's debt (See Table A-5).

During the year the City issued \$6,875,000 of General Obligation Refunding Bonds, Series 2009 to advance refund \$6,635,000 of Certificates of Obligation, Series 2001. Also, subsequent to year end, the City issued \$8,685,000 of additional debt in the form of Tax and Waterworks and Sewer System (Limited Pledge) Revenue Certificates of Obligation, Series 2010. More detail on the City's long-term obligations may be found in the notes to the financial statements (Note J and Note S).

### Bond Ratings

The City's bonds presently carry "AA-" ratings from Standard & Poor's.

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

	Governmental Activities		Business-type Activities		Total		Total Percent Change
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	
Bonds and certificates of obligation	\$ -	\$ -	\$ 7,864	\$ 8,453	\$ 7,864	\$ 8,453	-7%
Water supply contract obligations	-	-	6,380	5,822	6,380	5,822	10%
Total outstanding debt	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,244</u>	<u>\$ 14,275</u>	<u>\$ 14,244</u>	<u>\$ 14,275</u>	0%

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The global economic contraction has been slow in coming to the southern high plains region of Texas and its effect on the City of Plainview has thus far been less severe than the rest of the State. The economy as a whole seems to be recovering. Taking general sales tax as an indicator, receipts for the fiscal year now ended were 1.27% more than receipts from the previous year. The previous year had shown a 1% decline. Through February of this current year sales tax receipts have increased 3.8% over the same period in 2010. Using the unemployment rate as another indicator, the unemployment rate increased from 5.9% in 2009 to a current rate in December of 6.9% while the State, as a whole, stayed at 8.0%. Also, considering the City of Plainview is located in a highly developed agricultural region and with this region harvesting above average crop yields along with good commodity prices is a factor in mitigating the effects of the global economic decline. Still, the economic outlook is uncertain.

The General Fund expenditure budget for the upcoming year increased by 2% and the ad valorem property tax rate of .5685 per \$100 valuation was increased to .5785. There is no budgeted reduction of services. Many of the costs such as fuel, materials and supplies have increased. There was an increase in certification pay and a small cost of living salary increase for the workforce. The City's Comprehensive Plan has not been updated since 1989 and funds have been budgeted to begin this process. There is no budgeted reduction of General Fund reserves.

The City is extending the long-term water planning process. The City has issued debt of 8.685 million in 2010/2011 for construction of two new water towers, the relocation and replacement of water and sewer lines in conjunction with TxDOT's reconstruction of Hwy 70 and sewer lift station improvements and replacements. The water and sewer rates were increased to meet future debt payments on the bonds. Also the rates for water and sewer were increased to cover the increased costs of operation and cost of water purchased from Canadian River Municipal Water Authority. At the present time the water being sold to the city is all ground water and more expensive than lake water acquired from Lake Meredith.

The 2010/2011 budget for the solid waste management operation was increased by 3.5% from the year before and collection and disposal fees were increased by 3%. 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: Sarianne Beversdorf, CPA, Director of Finance, 121 West 7<sup>th</sup>, Plainview, Texas 79072, call (806) 296-1130, or e-mail [sbeversdorf@ci.plainview.tx.us](mailto:sbeversdorf@ci.plainview.tx.us).

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**Basic Financial  
Statements**

CITY OF PLAINVIEW, TEXAS  
STATEMENT OF NET ASSETS  
SEPTEMBER 30, 2010

EXHIBIT A-1

	Primary Government		Total
	Governmental Activities	Business Type Activities	
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 8,020,394	\$ 4,554,860	\$ 12,575,254
Investments - Current	10,740,824	6,040,663	16,781,487
Receivables (net of allowance for uncollectibles)	1,198,953	1,256,448	2,455,401
Internal Balances	30,070	(30,070)	-
Inventories	77,159	127,036	204,195
Investments - Joint Venture	1,218,737	-	1,218,737
Restricted Assets:			
Restricted Cash and Cash Equivalents	-	1,208,601	1,208,601
Capital Assets:			
Land	523,999	529,367	1,053,366
Infrastructure, net	4,197,038	-	4,197,038
Buildings, net	1,599,117	653,943	2,253,060
Improvements other than Buildings, net	-	22,791,007	22,791,007
Machinery and Equipment, net	2,551,014	2,443,503	4,994,517
Construction in Progress	6,934	170,289	177,223
Unamortized Water Contract Costs and Other Assets	-	7,991,574	7,991,574
Total Assets	<u>30,164,239</u>	<u>47,737,221</u>	<u>77,901,460</u>
<b>LIABILITIES</b>			
Accounts Payable	699,898	218,568	918,466
Intergovernmental Payable	182,933	-	182,933
Accrued Interest Payable	-	19,136	19,136
Payable from Restricted Assets	-	366,335	366,335
Noncurrent Liabilities			
Due Within One Year	-	1,072,602	1,072,602
Due in More Than One Year	1,574,098	14,432,127	16,006,225
Total Liabilities	<u>2,456,929</u>	<u>16,108,768</u>	<u>18,565,697</u>
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt	8,878,102	19,454,647	28,332,749
Restricted for:			
Restricted for Debt Service	-	295,291	295,291
Restricted for Tourism	434,157	-	434,157
Restricted for Economic Development	114,758	-	114,758
Restricted for Law Enforcement	58,938	-	58,938
Restricted for Municipal Court	101,101	-	101,101
Unrestricted Net Assets	18,120,254	11,878,515	29,998,769
Total Net Assets	<u>\$ 27,707,310</u>	<u>\$ 31,628,453</u>	<u>\$ 59,335,763</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, 2010

	Program Revenues			
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary Government:</b>				
<b>GOVERNMENTAL ACTIVITIES:</b>				
General Government - Administration	\$ 1,327,095	\$ 8,851	\$ 189,900	\$ 11,960
General Government - Other	639,729	251,702	103,306	-
Public Safety	6,498,010	660,570	12,905	134,936
Public Works	1,200,917	-	-	-
Health	400,138	139,729	185,308	-
Recreation and Culture	1,148,095	54,859	7,751	-
Total Governmental Activities:	11,213,984	1,115,711	499,170	146,896
<b>BUSINESS-TYPE ACTIVITIES:</b>				
Solid Waste Management Fund	2,520,166	2,999,883	-	58,000
Water and Sewer Fund	5,226,035	6,097,265	-	-
Theatre Arts Fund	37,434	22,697	-	-
Total Business-Type Activities:	7,783,635	9,119,845	-	58,000
<b>TOTAL PRIMARY GOVERNMENT:</b>	\$ 18,997,619	\$ 10,235,556	\$ 499,170	\$ 204,896

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

Transfers In (Out)

Total General Revenues 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
\$ (1,116,384)	\$ -	\$ (1,116,384)
(284,721)	-	(284,721)
(5,689,599)	-	(5,689,599)
(1,200,917)	-	(1,200,917)
(75,101)	-	(75,101)
(1,085,485)	-	(1,085,485)
(9,452,207)	-	(9,452,207)
-	537,717	537,717
-	871,230	871,230
-	(14,737)	(14,737)
-	1,394,210	1,394,210
(9,452,207)	1,394,210	(8,057,997)
4,121,886	-	4,121,886
3,533,785	-	3,533,785
296,271	-	296,271
1,393,606	-	1,393,606
75,093	-	75,093
107,740	228,396	336,136
203,399	119,542	322,941
428,343	(428,343)	-
10,160,123	(80,405)	10,079,718
707,916	1,313,805	2,021,721
26,999,394	30,314,648	57,314,042
\$ 27,707,310	\$ 31,628,453	\$ 59,335,763

CITY OF PLAINVIEW, TEXAS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2010

	General Fund	Other Funds	Total Governmental Funds
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 1,463,417	\$ 3,487,718	\$ 4,951,135
Investments - Current	8,047,371	-	8,047,371
Interest Receivable - investments	5,431	-	5,431
Taxes Receivable	1,224,516	25,095	1,249,611
Allowance for Uncollectible Taxes (credit)	(319,955)	-	(319,955)
Receivables (Net)	120,963	34	120,997
Intergovernmental Receivables	47,459	2,761	50,220
Inventories	40,223	-	40,223
<b>Total Assets</b>	<b>\$ 10,629,425</b>	<b>\$ 3,515,608</b>	<b>\$ 14,145,033</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts Payable	\$ 370,105	\$ 24,651	\$ 394,756
Wages and Salaries Payable	82,805	971	83,776
Compensated Absences Payable	5,241	-	5,241
Intergovernmental Payable	-	182,933	182,933
Due to Other Funds	7,138	-	7,138
Deferred Revenues	254,369	-	254,369
<b>Total Liabilities</b>	<b>719,658</b>	<b>208,555</b>	<b>928,213</b>
<b>Fund Balances:</b>			
<b>Reserved For:</b>			
Inventories	40,223	-	40,223
<b>Unreserved and Undesignated:</b>			
Reported in the General Fund	9,869,544	-	9,869,544
Reported in the Special Revenue Fund	-	3,307,053	3,307,053
<b>Total Fund Balances</b>	<b>9,909,767</b>	<b>3,307,053</b>	<b>13,216,820</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 10,629,425</b>	<b>\$ 3,515,608</b>	<b>\$ 14,145,033</b>

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, 2010

<b>Total Fund Balances - Governmental Funds</b>	\$	13,216,820
 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.		7,594,586
 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 \$21,484,664 and the accumulated depreciation was \$14,850,849.		6,633,815
 The City's investment in joint venture is not reported in the governmental funds but is included in the statement of net assets.		1,218,737
 Other adjustments are necessary to convert from the modified accrual basis of accounting to the accrual basis of accounting. Net property taxes receivable of \$254,369 and net fines receivable of \$79,784 were unavailable to pay for current period expenditures and are deferred in the governmental funds but included in the statement of net assets.		334,153
 Long-term liabilities for compensated absences of \$882,738 and net pension obligation of \$408,063 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.		(1,290,801)
 <b>Net Assets of Governmental Activities</b>	<b>\$</b>	<u><u>27,707,310</u></u>

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, 2010

	General Fund	Other Funds	Total Governmental Funds
<b>REVENUES:</b>			
Taxes:			
Property Taxes	\$ 4,118,245	\$ -	\$ 4,118,245
General Sales and Use Taxes	3,533,785	-	3,533,785
Selective Sales and Use Tax	32,338	263,933	296,271
Franchise Tax	1,393,606	-	1,393,606
Penalty and Interest on Taxes	75,093	-	75,093
Licenses and Permits	53,328	-	53,328
Intergovernmental Revenue and Grants	208,480	410,392	618,872
Charges for Services	654,049	-	654,049
Fines	378,921	23,563	402,484
Investment Earnings	141,617	13,191	154,808
Rents and Royalties	360	-	360
Contributions & Donations	-	15,234	15,234
Other Revenue	57,074	1,398	58,472
Total Revenues	10,646,896	727,711	11,374,607
<b>EXPENDITURES:</b>			
Current:			
General Government - Administration	602,402	704,658	1,307,060
General Government - Other	423,030	106,534	529,564
Public Safety	6,062,813	-	6,062,813
Public Works	904,783	-	904,783
Health	389,144	-	389,144
Recreation and Culture	995,397	-	995,397
Capital Outlay:			
Capital Outlay	49,558	241,979	291,537
Total Expenditures	9,427,127	1,053,171	10,480,298
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,219,769	(325,460)	894,309
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers In	566,162	451,742	1,017,904
Transfers Out (Use)	(767,500)	(40,561)	(808,061)
Total Other Financing Sources (Uses)	(201,338)	411,181	209,843
Net Change in Fund Balances	1,018,431	85,721	1,104,152
Fund Balance - October 1 (Beginning)	8,891,336	3,221,332	12,112,668
Fund Balance - September 30 (Ending)	\$ 9,909,767	\$ 3,307,053	\$ 13,216,820

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, 2010

<b>Total Net Change in Fund Balances - Governmental Funds</b>	\$	1,104,152
The city uses internal service funds to charge the costs of certain activities primarily to the governmental funds. The change in net assets of those activities not allocated to business-type activities is reported with the governmental activities.		296,259
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.		291,537
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources.		(541,192)
Capital assets contributed to the City by private parties are not reported in the governmental funds.		11,960
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.		(2,414)
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.		(97,577)
The increase in the long-term liability for compensated absences of \$(49,016) and the increase in the net pension obligation liability of \$(315,283) are not reported in the governmental funds but are included in the statement of activities.		(364,299)
Various reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing certain deferred revenues 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 \$3,641 and a net increase in fine revenues of \$5,849.		9,490
<b>Change in Net Assets of Governmental Activities</b>	<b>\$</b>	<b>707,916</b>

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, 2010

	Business-Type Activities -	
	Solid Waste Management Fund	Water and Sewer Fund
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and Cash Equivalents	\$ 1,720,535	\$ 2,728,505
Investments - Current	2,866,386	3,174,277
Interest Receivable - Investments	1,831	2,158
Accounts Receivable-Net of Uncollectible Allowance	397,470	854,985
Due from Other Funds	-	-
Inventories	-	126,732
Total Current Assets	4,986,222	6,886,657
<b>Noncurrent Assets:</b>		
Restricted Assets - Noncurrent:		
Restricted Cash and Cash Equivalents	531,208	677,393
Capital Assets:		
Land	400,000	124,367
Buildings	319,902	2,273,867
Accumulated Depreciation - Buildings	(119,320)	(1,861,412)
Improvements other than Buildings	5,485,862	31,421,495
Accumulated Depreciation - Other Improvements	(3,706,992)	(10,409,358)
Machinery and Equipment	4,686,240	936,997
Accumulated Depreciation - Machinery & Equipment	(2,468,077)	(716,025)
Construction in Progress	-	170,289
Unamortized Water Supply Contract Costs	-	7,791,787
Unamortized Bond Issuance Costs	43,182	156,605
Total Noncurrent Assets	5,172,005	30,566,005
Total Assets	10,158,227	37,452,662

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

		Governmental Activities -	
Nonmajor Enterprise Funds	Total Enterprise Funds	Total Internal Service Funds	
\$ 105,820	\$ 4,554,860	\$ 3,069,259	
-	6,040,663	2,693,453	
-	3,989	1,838	
4	1,252,459	11,026	
-	-	13,335	
304	127,036	36,936	
106,128	11,979,007	5,825,847	
-	1,208,601	-	
5,000	529,367	-	
48,682	2,642,451	496,284	
(7,776)	(1,988,508)	(374,315)	
-	36,907,357	-	
-	(14,116,350)	-	
13,473	5,636,710	4,775,519	
(9,105)	(3,193,207)	(2,653,201)	
-	170,289	-	
-	7,791,787	-	
-	199,787	-	
50,274	35,788,284	2,244,287	
156,402	47,767,291	8,070,134	

CITY OF PLAINVIEW, TEXAS  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
SEPTEMBER 30, 2010

	Business-Type Activities -	
	Solid Waste Management Fund	Water and Sewer Fund
<b>LIABILITIES</b>		
<b>Current Liabilities:</b>		
Accounts Payable	55,448	128,765
Wages and Salaries Payable	10,191	15,988
Compensated Absences Payable - Current	3,008	2,475
Net OPEB Obligation - Current	-	-
Due to Other Funds	3,973	2,223
Accrued Interest Payable	3,369	15,767
Bonds Payable - Current:		
Bonds & Certificates of Obligation	215,000	540,000
Water Contract Obligations	-	317,602
Total Current Liabilities	290,989	1,022,820
<b>NonCurrent Liabilities:</b>		
Bonds Payable - Non-Current:		
Bonds & Certificates of Obligation	940,000	6,180,000
Water Contract Obligations	-	6,061,983
Accrued Landfill Closure/Postclosure Costs	1,089,178	-
Unamortized Premiums (Discounts) on Bonds	6,504	(17,046)
Net OPEB Obligation - Noncurrent	-	-
Net Pension Obligation	39,440	61,486
Payable from Restricted Assets - Noncurrent:		
Deposits and Escrow	-	366,335
Compensated Absences Payable - Noncurrent	26,598	43,408
Total Noncurrent Liabilities	2,101,720	12,696,166
Total Liabilities	2,392,709	13,718,986
<b>NET ASSETS</b>		
Invested in Capital Assets, Net of Related Debt	4,010,501	15,393,872
Restricted for Debt Service	-	295,291
Unrestricted Net Assets	3,755,017	8,044,513
Total Net Assets	\$ 7,765,518	\$ 23,733,676
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 Funds	Total Enterprise Funds	Governmental Activities -
		Total Internal Service Funds
2,543	186,756	168,257
150	26,329	1,617
-	5,483	33
-	-	46,218
-	6,196	-
-	19,136	-
-	755,000	-
-	317,602	-
2,693	1,316,502	216,125
-	7,120,000	-
-	6,061,983	-
-	1,089,178	-
-	(10,542)	-
-	-	272,696
576	101,502	6,419
-	366,335	-
-	70,006	4,182
576	14,798,462	283,297
3,269	16,114,964	499,422
50,274	19,454,647	2,244,287
-	295,291	-
102,859	11,902,389	5,326,425
\$ 153,133	\$ 31,652,327	\$ 7,570,712
	(23,874)	
	\$ 31,628,453	

CITY OF PLAINVIEW, TEXAS  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Business-Type Activities -	
	Solid Waste Management Fund	Water and Sewer Fund
<b>OPERATING REVENUES:</b>		
Charges for Services	\$ 2,999,883	\$ 6,097,265
Other Revenue	126,112	96,223
Total Operating Revenues	<u>3,125,995</u>	<u>6,193,488</u>
<b>OPERATING EXPENSES:</b>		
Personnel Services - Salaries and Wages	647,715	954,764
Personnel Services - Employee Benefits	310,455	439,559
Purchased Professional & Technical Services	249,365	524,101
Purchased Property Services	209,944	402,533
Other Operating Expenses	190,114	663,106
Supplies	280,405	606,390
Depreciation & Amortization	551,764	1,012,425
Total Operating Expenses	<u>2,439,762</u>	<u>4,602,878</u>
Operating Income (Loss)	<u>686,233</u>	<u>1,590,610</u>
<b>NON-OPERATING REVENUES (EXPENSES):</b>		
Gain on Sale of Property	3,811	-
Investment Earnings	55,440	63,834
Bond Premium Accretion	1,369	859
(Loss) on Sale of Property	-	(3,183)
Interest Expense	(40,683)	(626,566)
Bond Issuance Cost Amortization	(9,091)	(17,944)
Total Non-operating Revenue (Expenses)	<u>10,846</u>	<u>(583,000)</u>
Income (Loss) Before Contributions & Transfers	697,079	1,007,610
Capital Contributions	58,000	-
Transfers In	18,301	26,144
Transfers Out	(167,740)	(336,048)
Change in Net Assets	605,640	697,706
Total Net Assets - October 1 (Beginning)	<u>7,159,878</u>	<u>23,035,970</u>
Total Net Assets - September 30 (Ending)	<u>\$ 7,765,518</u>	<u>\$ 23,733,676</u>
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 Funds	Total Enterprise Funds	Governmental Activities -	
		Total Internal Service Funds	
\$ 22,697	\$ 9,119,845	\$ 2,217,875	
22	222,357	54,931	
<u>22,719</u>	<u>9,342,202</u>	<u>2,272,806</u>	
9,155	1,611,634	98,701	
3,264	753,278	46,604	
-	773,466	6,031	
6,049	618,526	43,562	
4,021	857,241	1,554,509	
11,348	898,143	38,731	
3,597	1,567,786	512,917	
<u>37,434</u>	<u>7,080,074</u>	<u>2,301,055</u>	
<u>(14,715)</u>	<u>2,262,128</u>	<u>(28,249)</u>	
-	3,811	60,207	
268	119,542	48,591	
-	2,228	-	
-	(3,183)	(8,882)	
-	(667,249)	-	
-	(27,035)	-	
<u>268</u>	<u>(571,886)</u>	<u>99,916</u>	
<u>(14,447)</u>	<u>1,690,242</u>	<u>71,667</u>	
-	58,000	-	
31,000	75,445	386,696	
-	(503,788)	(168,198)	
<u>16,553</u>	<u>1,319,899</u>	<u>290,165</u>	
<u>136,580</u>	<u>30,332,428</u>	<u>7,280,547</u>	
<u>\$ 153,133</u>	<u>\$ 31,652,327</u>	<u>\$ 7,570,712</u>	
	<u>(6,094)</u>		
	<u>\$ 1,313,805</u>		

CITY OF PLAINVIEW, TEXAS  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Business-Type Activities	
	Solid Waste Management Fund	Water and Sewer Fund
<b><u>Cash Flows from Operating Activities:</u></b>		
Cash Received from User Charges	\$ 2,972,003	\$ 5,994,882
Cash from Operating Transactions - Other Funds	-	-
Cash Payments to Employees for Services	(962,663)	(1,405,136)
Cash Payments for Goods and Services	(1,153,634)	(2,178,581)
Other Operating Cash Receipts	126,112	96,223
Net Cash Provided by (Used for) Operating Activities	<u>981,818</u>	<u>2,507,388</u>
<b><u>Cash Flows from Non-Capital Financing Activities:</u></b>		
Increase(decrease) in Deposits and Escrow Held	-	3,326
Transfers from Other Funds	18,301	26,144
Transfers to Other Funds	(167,740)	(336,048)
Repayment of Interfund Payable	-	-
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>(149,439)</u>	<u>(306,578)</u>
<b><u>Cash Flows from Capital &amp; Related Financing Activities:</u></b>		
Acquisition of Capital Assets	(719,496)	(384,624)
Capital Grants Received	58,000	-
Principal and Interest Paid on Long-Term Debt	(246,281)	(1,380,726)
Net Proceeds from Bond Issuance	-	9,109
Proceeds from Sale of Capital Assets	-	-
Net Cash Provided by (Used for) Capital & Related Financing Activities	<u>(907,777)</u>	<u>(1,756,241)</u>
<b><u>Cash Flows from Investing Activities:</u></b>		
Proceeds from Investments	23,430	26,077
Interest on Investments	57,202	62,887
Net Cash Provided by Investing Activities	<u>80,632</u>	<u>88,964</u>
Net Increase(Decrease) in Cash and Cash Equivalents	5,234	533,533
Cash and Cash Equivalents at Beginning of the Year:	2,246,509	2,872,365
Cash and Cash Equivalents at the End of the Year:	<u>\$ 2,251,743</u>	<u>\$ 3,405,898</u>

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

Nonmajor Enterprise Funds	Total Enterprise Funds	Governmental Activities -
		Total Internal Service Funds
\$ 24,093	\$ 8,990,978	\$ -
-	-	2,216,770
(12,491)	(2,380,290)	(140,144)
(21,568)	(3,353,783)	(1,420,785)
22	222,357	54,931
<u>(9,944)</u>	<u>3,479,262</u>	<u>710,772</u>
-	3,326	-
31,000	75,445	386,696
-	(503,788)	(168,198)
-	-	(41,799)
<u>31,000</u>	<u>(425,017)</u>	<u>176,699</u>
(21,877)	(1,125,997)	(551,670)
-	58,000	-
-	(1,627,007)	-
-	9,109	-
-	-	60,207
<u>(21,877)</u>	<u>(2,685,895)</u>	<u>(491,463)</u>
-	49,507	13,983
268	120,357	49,741
<u>268</u>	<u>169,864</u>	<u>63,724</u>
(553)	538,214	459,732
106,373	5,225,247	2,609,527
<u>\$ 105,820</u>	<u>\$ 5,763,461</u>	<u>\$ 3,069,259</u>

CITY OF PLAINVIEW, TEXAS  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Business-Type Activities	
	Solid Waste Management Fund	Water and Sewer Fund
<b>Reconciliation of Operating Income (Loss) to Net Cash</b>		
<b><u>Provided By (Used For) Operating Activities:</u></b>		
Operating Income (Loss):	\$ 686,233	\$ 1,590,610
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used For) Operating Activities:		
Depreciation and Amortization	551,764	1,012,425
Landfill Closure/Postclosure	66,956	-
Effect of Increases and Decreases in Current Assets and Liabilities:		
Decrease (increase) in Receivables	(27,880)	(102,383)
Decrease (increase) in Inventories	-	26,138
Decrease (increase) in Interfund Receivables	-	-
Increase (decrease) in Accounts Payable	(280,358)	(8,800)
Increase (decrease) in Wages & Salaries Payable	(29,922)	(45,596)
Increase (decrease) in Net OPEB Obligation	-	-
Increase (decrease) in Net Pension Obligation	23,970	36,338
Increase (decrease) in Comp. Absences Payable	1,459	(1,555)
Increase (decrease) in Interfund Payables	(10,404)	211
Net Cash Provided by (Used for) Operating Activities	<u>\$ 981,818</u>	<u>\$ 2,507,388</u>
<b><u>Reconciliation of Total Cash and Cash Equivalents:</u></b>		
Cash & Cash Equiv. - Statement of Net Assets	\$ 1,720,535	\$ 2,728,505
Restricted Cash - Statement of Net Assets	531,208	677,393
Total Cash and Cash Equivalents	<u>\$ 2,251,743</u>	<u>\$ 3,405,898</u>
<b><u>Noncash Investing, Capital and Financing Activities:</u></b>		
Refunding Bonds Issued	\$ -	\$ 6,875,000
Bond Premium	-	10,305
Interest Earned on Refunding Escrow	-	2,902
Defeased Bond Principal and Interest	-	(6,795,498)
Bond Issuance Costs	-	(83,600)
Water Supply Contract Obligation Issued	-	778,986
Refunding Water Supply Contract Obligations Issued	-	839,500
Water Supply Contract Acquisition	-	(778,986)
Defeased Water Supply Contract Obligations	-	(760,790)
Refunding Costs-Water Supply Contract Obligations	-	(78,710)
Bond Issuance Premium Accretion	1,369	859
Debt Issuance Cost Amortization	(9,091)	(17,944)
Capital Asset Trade-in Allowances	25,000	-
Book Value of Capital Asset Dispositions	(21,189)	(3,183)

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

Nonmajor Enterprise Funds	Total Enterprise Funds	Governmental Activities -
		Total Internal Service Funds
\$ (14,715)	\$ 2,262,128	\$ (28,249)
3,597	1,567,786	512,917
-	66,956	-
(4)	(130,267)	(9,155)
(75)	26,063	5,726
-	-	8,050
1,325	(287,833)	53,849
(415)	(75,933)	(4,452)
-	-	168,199
343	60,651	3,733
-	(96)	154
-	(10,193)	-
<u>\$ (9,944)</u>	<u>\$ 3,479,262</u>	<u>\$ 710,772</u>
\$ 105,820	\$ 4,554,860	\$ 3,069,259
-	1,208,601	-
<u>\$ 105,820</u>	<u>\$ 5,763,461</u>	<u>\$ 3,069,259</u>
\$ -	\$ 6,875,000	\$ -
-	10,305	-
-	2,902	-
-	(6,795,498)	-
-	(83,600)	-
-	778,986	-
-	839,500	-
-	(778,986)	-
-	(760,790)	-
-	(78,710)	-
-	2,228	-
-	(27,035)	-
-	25,000	3,000
-	(24,372)	(15,605)

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CITY OF PLAINVIEW, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010

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

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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.

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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 FASB pronouncements issued after November 30, 1989.

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.

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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.

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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, 2010, 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, 2010, and for the year then ended, the City had no investments other than nonmarketable certificates of deposit.

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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, 2010:

<u>Description</u>	<u>Receivable</u>	<u>Allowance</u>	<u>Amount</u>
<b>Governmental Activities:</b>			
Property Taxes	\$ 574,324	\$ (319,955)	\$ 254,369
Sales Taxes	279,439	-	279,439
Franchise Taxes	354,619	-	354,619
Special Assessments	92,226	(92,226)	-
Other Taxes	41,228		41,228
<b>Accounts:</b>			
Emergency Medical Services	213,423	(119,517)	93,906
Municipal Court Fines	531,894	(452,110)	79,784
Other	38,119	-	38,119
Accrued Interest Receivable	7,269	-	7,269
Intergovernmental	50,220	-	50,220
Economic Development Loans	121,428	(121,428)	-
Total	<u>\$ 2,304,189</u>	<u>\$ (1,105,236)</u>	<u>\$ 1,198,953</u>
<b>Business-type Activities:</b>			
Accounts	\$ 1,258,302	\$ (5,843)	\$ 1,252,459
Accrued Interest Receivable	3,989	-	3,989
Total	<u>\$ 1,262,291</u>	<u>\$ (5,843)</u>	<u>\$ 1,256,448</u>
<b>Total</b>	<u>\$ 3,566,480</u>	<u>\$ (1,111,079)</u>	<u>\$ 2,455,401</u>

Significant net receivables that are not expected to be collected within one year include property taxes receivable, accounts receivable and notes receivable amounting to approximately \$298,000.

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, 2010, consisted of the following:

<u>Due To Fund</u>	<u>Due From Fund</u>	<u>Amount</u>	<u>Purpose</u>
Internal Service Fund	General Fund	\$ 7,138	Internal services
Internal Service Fund	Solid Waste Management Fund	3,974	Internal services
Internal Service Fund	Water and Sewer Fund	2,223	Internal services
	Total	<u>\$ 13,335</u>	

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

An additional \$23,874 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.

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2. Transfers To and From Other Funds

Transfers to and from other funds for the year ended September 30, 2010, consisted of the following:

<u>Transfers From</u>	<u>Transfers To</u>	<u>Amount</u>	<u>Reason</u>
General Fund	Non-major Governmental Fund	\$ 200,000	Capital improvements
General Fund	Non-major Governmental Fund	25,000	Street improvements
General Fund	Non-major Governmental Fund	200,000	Economic development
General Fund	Internal Service Fund	42,500	Service center operations
General Fund	Internal Service Fund	300,000	Equipment replacement
Water and Sewer Fund	General Fund	292,298	Transfer in lieu of taxes
Water and Sewer Fund	Non-major Governmental Fund	25,000	Economic development
Water and Sewer Fund	Internal Service Fund	18,750	Service center operations
Solid Waste Mgmt. Fund	General Fund	148,990	Transfer in lieu of taxes
Solid Waste Mgmt. Fund	Internal Service Fund	18,750	Service center operations
Internal Service Fund	General Fund	118,523	Health insurance
Internal Service Fund	Non-major Governmental Fund	1,743	Health insurance
Internal Service Fund	Internal Service Fund	3,486	Health insurance
Internal Service Fund	Solid Waste Mgmt. Fund	18,301	Health insurance
Internal Service Fund	Water and Sewer Fund	26,145	Health insurance
Non-major Governmental Fund	General Fund	6,351	Home program
Non-major Governmental Fund	Internal Service Fund	3,210	Equipment replacement
Non-major Governmental Fund	Non-major Busn. Type Activities	31,000	Theatre arts
	Total	<u>\$ 1,480,047</u>	

E. Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents consisted of the following at September 30, 2010:

<u>Description</u>	<u>Amount</u>
<b>Business-type Activities:</b>	
Water and Sewer Fund	
Debt Service	\$ 311,058
Customer Deposits/Escrow	366,335
	<u>677,393</u>
Solid Waste Management Fund	
Capital Projects (Unspent Bond Proceeds)	531,208
Total	<u>\$ 1,208,601</u>

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F. Capital Assets

Capital asset activity for the period ended September 30, 2010 was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
<u>Governmental activities:</u>				
Capital assets not being depreciated:				
Land	\$ 519,919	\$ 4,080	\$ -	\$ 523,999
Construction in progress	<u>6,760</u>	<u>174</u>	<u>-</u>	<u>6,934</u>
Total capital assets not being depreciated	<u>\$ 526,679</u>	<u>\$ 4,254</u>	<u>\$ -</u>	<u>\$ 530,933</u>
Capital assets being depreciated:				
Buildings and improvements	\$ 3,409,066	\$ 51,728	\$ 800	\$ 3,459,994
Machinery and equipment	7,724,054	743,375	759,056	7,708,373
Infrastructure	<u>14,999,106</u>	<u>58,810</u>	<u>750</u>	<u>15,057,166</u>
Total capital assets being depreciated	<u>\$ 26,132,226</u>	<u>\$ 853,913</u>	<u>\$ 760,606</u>	<u>\$ 26,225,533</u>
Less accumulated depreciation for:				
Buildings and improvements	\$ (1,766,545)	\$ (94,589)	\$ (257)	\$ (1,860,877)
Machinery and equipment	(5,278,111)	(625,260)	(746,012)	(5,157,359)
Infrastructure	<u>(10,525,909)</u>	<u>(334,260)</u>	<u>(41)</u>	<u>(10,860,128)</u>
Total accumulated depreciation	<u>\$ (17,570,565)</u>	<u>\$ (1,054,109)</u>	<u>\$ (746,310)</u>	<u>\$ (17,878,364)</u>
Total capital assets being depreciated, net	<u>\$ 8,561,661</u>	<u>\$ (200,196)</u>	<u>\$ 14,296</u>	<u>\$ 8,347,169</u>
Governmental activities capital assets, net	<u>\$ 9,088,340</u>	<u>\$ (195,942)</u>	<u>\$ 14,296</u>	<u>\$ 8,878,102</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	<u>657,819</u>	<u>165,725</u>	<u>653,255</u>	<u>170,289</u>
Total capital assets not being depreciated	<u>\$ 1,187,186</u>	<u>\$ 165,725</u>	<u>\$ 653,255</u>	<u>\$ 699,656</u>
Capital assets being depreciated:				
Buildings and improvements	\$ 2,615,300	\$ 27,151	\$ -	\$ 2,642,451
Improvements and system	35,897,030	1,010,327	-	36,907,357
Machinery and equipment	<u>5,418,939</u>	<u>601,049</u>	<u>383,278</u>	<u>5,636,710</u>
Total capital assets being depreciated	<u>\$ 43,931,269</u>	<u>\$ 1,638,527</u>	<u>\$ 383,278</u>	<u>\$ 45,186,518</u>
Less accumulated depreciation for:				
Buildings and improvements	\$ (1,934,814)	\$ (53,694)	\$ -	\$ (1,988,508)
Improvements and system	(13,186,603)	(929,747)	-	(14,116,350)
Machinery and equipment	<u>(3,081,313)</u>	<u>(470,801)</u>	<u>(358,907)</u>	<u>(3,193,207)</u>
Total accumulated depreciation	<u>\$ (18,202,730)</u>	<u>\$ (1,454,242)</u>	<u>\$ (358,907)</u>	<u>\$ (19,298,065)</u>
Total capital assets being depreciated, net	<u>\$ 25,728,539</u>	<u>\$ 184,285</u>	<u>\$ 24,371</u>	<u>\$ 25,888,453</u>
Business-type activities capital assets, net	<u>\$ 26,915,725</u>	<u>\$ 350,010</u>	<u>\$ 677,626</u>	<u>\$ 26,588,109</u>

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Depreciation was charged to functions as follows:

Governmental Activities:	
General Government - Administration	\$ 27,787
General Government - Other	502
Public Safety	107,381
Public Works	267,867
Health	1,827
Recreation and Culture	135,828
Depreciation for capital assets of internal service funds is allocated to various functions based on usage of the assets	<u>512,917</u>
Total Depreciation - Governmental Activities	<u>\$ 1,054,109</u>
Business-type Activities:	
Solid Waste Management	\$ 551,764
Water and Sewer	898,881
Theatre Arts	<u>3,597</u>
Total Depreciation - Business-type Activities	<u>\$ 1,454,242</u>

G. Other Assets

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

	Solid Waste Management Fund	Water and Sewer Fund	Total
Water Supply Contract Costs (Note J)	\$ -	\$ 9,651,239	\$ 9,651,239
(Less) Accumulated Amortization	<u>-</u>	<u>(1,859,452)</u>	<u>(1,859,452)</u>
Water Supply Contract Costs, net	<u>-</u>	<u>7,791,787</u>	<u>7,791,787</u>
Bond Issuance Costs	63,637	179,388	243,025
(Less) Accumulated Amortization	<u>(20,455)</u>	<u>(22,783)</u>	<u>(43,238)</u>
Unamortized Bond Issuance Costs	<u>43,182</u>	<u>156,605</u>	<u>199,787</u>
Total	<u>\$ 43,182</u>	<u>\$ 7,948,392</u>	<u>\$ 7,991,574</u>

H. Deferred Revenues

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

Description	Fund	Deferred Amount
Property Taxes	General Fund	<u>\$ 254,369</u>

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I. Liabilities Payable from Restricted Assets

Liabilities payable from restricted assets consisted of the following as of September 30, 2010:

<u>Description</u>	<u>Amount</u>
Business-type Activities:	
Water and Sewer Fund	
Customer Deposits/Escrow	\$ 366,335

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, 2010 are as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<u>Governmental activities:</u>					
Compensated absences	\$ 843,252	\$ 48,942	\$ -	\$ 892,194	\$ 5,274
Net pension obligation	95,466	319,016	-	414,482	-
Net OPEB obligation	150,715	168,199	-	318,914	46,218
Total governmental activities	<u>\$ 1,089,433</u>	<u>\$ 536,157</u>	<u>\$ -</u>	<u>\$ 1,625,590</u>	<u>\$ 51,492</u>
<u>Business-type activities:</u>					
Certificates of obligation and bonds	\$ 8,445,000	\$ 6,875,000	\$ 7,445,000	\$ 7,875,000	\$ 755,000
Bond premium, net	7,874	10,305	2,228	15,951	-
Deferred refunding loss, net	-		26,493	(26,493)	-
Water contract obligations	5,821,287	1,618,486	1,060,188	6,379,585	317,602
Accrued landfill closure/ postclosure costs	1,022,222	66,956	-	1,089,178	
Compensated absences	75,583	-	94	75,489	5,483
Net pension obligation	40,850	60,652	-	101,502	-
Total business-type activities	<u>\$ 15,412,816</u>	<u>\$ 8,631,399</u>	<u>\$ 8,534,003</u>	<u>\$ 15,510,212</u>	<u>\$ 1,078,085</u>

The funds primarily used to liquidate liabilities for compensated absences, net pension obligations and net OPEB obligations are as follows:

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

2. Refunding – Defeased Debt

On October 22, 2009, the City issued \$6,875,000 of General Obligation Refunding Bonds, Series 2009 (2009 Bonds) with interest rates ranging from 2.0% to 3.625% to refund the 2001 Tax and Revenue Certificates of Obligation (2001 Certificates of Obligation) with interest rates ranging from 4.5% to 5.0%. The 2001 Certificates of Obligation were to mature on March 1, 2021, but were callable on March 1, 2010, when the outstanding principal balance was \$6,635,000 after the scheduled March 1, 2010 principal payment was applied. The 2009 Bonds were issued at a slight

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reoffering premium and, after paying issuance costs of \$133,745, the net proceeds were \$6,812,361, of which \$19,765 was deposited to the City's debt service fund and \$6,792,596 was used to purchase U.S. Government Securities. Such U.S. Government Securities were deposited into an irrevocable trust with an escrow agent to provide for payment of the bonds when they were called on March 1, 2010. As a result of the debt defeasance the 2001 Certificates of Obligation were removed from the City's financial statements in fiscal year 2010 and were no longer outstanding.

As the result of the refunding, the City reduced its total debt service requirements by \$654,171, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$530,235.

3. Debt Service Requirements

Debt service requirements for long-term debt as of September 30, 2010 are as follows:

Year Ended September 30,	Business-type Activities		
	Principal	Interest	Total
2011	\$ 1,072,602	\$ 524,987	\$ 1,597,589
2012	1,112,800	473,675	1,586,475
2013	1,134,775	453,328	1,588,103
2014	1,170,635	418,173	1,588,808
2015	1,204,232	379,703	1,583,935
2016-2020	5,304,828	1,330,063	6,634,891
2021-2025	2,846,000	412,929	3,258,929
2026-2030	408,713	30,078	438,791
Totals	<u>\$ 14,254,585</u>	<u>\$ 4,022,936</u>	<u>\$ 18,277,521</u>

4. Interest Costs Incurred

Long-term debt interest cost incurred for Business-type Activities for the year ended September 30, 2010 was as follows:

Interest Charged to Expense	\$ 667,249
Interest Capitalized	<u>2,732</u>
Total Interest Cost Incurred	<u>\$ 669,981</u>

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

5. Refunding Bonds and Tax and Revenue Certificates of Obligation

While the 2009 General Obligation Refunding Bonds and the 2008 Tax and Revenue Certificates of Obligation are secured by ad valorem taxes levied by the City, the City intends to service the debts entirely from the net revenues of the Enterprise Funds. Accordingly, the liabilities for the debt are recorded in the Business-type Activities rather than the Governmental Activities of the City.

The 2008 Tax and Revenue Certificates of Obligation are additionally secured by a limited pledge of the net revenues of the City's Water and Sewer and Sanitation systems.

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

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Details pertaining to the outstanding Certificates of Obligation and Bonds as of September 30, 2010 are as follows:

Description	Purpose	Maturity	Interest Rates	Balance
2008 Tax and Revenue Certificates of Obligation	Landfill cell and water and sewer system improvements	03/01/2015	3.50%	\$ 1,155,000
2009 General Obligation Refunding Bonds	Refunding - waste water treatment plant bonds	03/01/2021	2.0% to 3.625%	<u>6,720,000</u>
				<u>\$ 7,875,000</u>

6. Additional Debt Issued – Subsequent Event

As more fully discussed at Note S, subsequent to the fiscal year end, on October 26, 2010, the City issued \$8,685,000 of additional debt in the form of Tax and Waterworks and Sewer System (Limited Pledge) Revenue Certificates of Obligation, Series 2010.

7. 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.

8. 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
Refunding Series 2005 (CUA)	02/15/2020	3.0 to 5.0%	\$ 1,448,087
Refunding Series 2010 (CUA)	02/15/2020	3.0 to 3.5%	293,878
Refunding Series 2010 (BUREC)	10/01/2018	3.0 to 5.0%	474,007
Series 2005	02/15/2025	4.4985	1,768,876
Series 2006	02/15/2027	4.25 to 5.0%	1,633,714
Series 2009	02/15/2029	4.1649	<u>761,023</u>
Total			<u>\$ 6,379,585</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.

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The financial statements of CRMWA as of September 30, 2010, and for the year then ended, reflect the following:

	9/30/2010
Assets:	
Current assets	\$ 20,750,202
Noncurrent assets	414,691,293
Liabilities:	
Current liabilities	12,912,109
Noncurrent liabilities	149,073,986
Net Assets:	
Invested in capital assets, net of related debt	91,429,117
Restricted	169,457,455
Unrestricted	12,568,828
Total Net Assets	273,455,400
Operating revenues	11,331,680
Operating expenses	13,924,774
Nonoperating revenues and expenses, net	2,065,777
Contributions from member cities	23,072,772
Transfer from reserve	(152,094)
Increase (decrease) in net assets	22,393,361

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, 2010:

Costs of operations	\$ 180,908
Water pumping and chemical costs	128,360
Debt service	602,089
Total	\$ 911,357

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, 2010 are as follows:

Capitalized contract costs	\$ 9,651,239
Accumulated amortization	(1,859,452)
Net unamortized costs	\$ 7,791,787

**K. Employee Retirement Benefits**

*1. Texas Municipal Retirement System*

**Plan Description:**

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

CITY OF PLAINVIEW, TEXAS  
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TMRS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information (RSI) for TMRS; the report also provides detailed explanations of the contributions, benefits and actuarial methods and assumptions used by the System. This report may be obtained by writing to TMRS, P.O. Box 149153, Austin, TX 78714-9153 or by calling 800-924-8677; in addition, the report is available on TMRS' website at [www.TMRS.com](http://www.TMRS.com).

The plan provisions adopted by the City were as follows:

	Plan Year <u>2009</u>	Plan Year <u>2010</u>
Employee deposit rate	7%	7%
Matching ratio (City to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service retirement eligibility (expressed as age/years of service)	60/5, 0/25	60/5, 0/25
Updated service credit	100% Repeating, Transfers	100% Repeating, Transfers
Annuity increase to retirees	70% of CPI Repeating	70% of CPI Repeating

Contributions:

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

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

The annual pension cost and net pension obligation/(asset) are as follows:

	<u>9/30/2010</u>
Annual Required Contribution (ARC)	\$ 983,166
Interest on Net Pension Obligation	10,224
Adjustment to ARC	<u>(8,324)</u>
Annual Pension Cost (APC)	985,066
Contributions made	<u>(780,300)</u>
Increase (decrease) in net pension	204,766
Net Pension Obligation/(Asset), beginning of year	<u>136,316</u>
Net Pension Obligation/(Asset), end of year	<u><u>\$ 341,082</u></u>

CITY OF PLAINVIEW, TEXAS  
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Three-year trend information is as follows:

Fiscal Year Ended	Annual Pension Cost (APC)	Actual Contribution Made	Percentage of APC Contributed	Net Pension Obligation (NPO)
09/30/08	\$ 645,695	\$ 645,695	100%	\$ -
09/30/09	879,248	742,932	84%	136,316
09/30/10	985,066	780,300	79%	204,766
Total NPO				<u>\$ 341,082</u>

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

	<u>12/31/2007</u>	<u>12/31/2008</u>	<u>12/31/2009</u>
Actuarial cost method	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
Amortization method	Level percent of payroll	Level percent of payroll	Level percent of payroll
GASB 25 equivalent single amortization period	30 years; closed period	29 years; closed period	28 years; closed period
Amortization period for new gains/losses	30 years	30 years	30 years
Asset valuation method	Amortized cost	Amortized cost	Amortized cost
Actuarial assumptions:			
Investment rate of return*	7%	7.5%	7.5%
Projected salary increases*	Varies by age and service	Varies by age and service	Varies by age and service
*Includes Inflation at	3.0%	3.0%	3.0%
Cost-of-living adjustments	2.1%	2.1%	2.1%

The funded status as of December 31, 2009, the most recent actuarial valuation date, is as follows:

Actuarial value of assets	\$ 14,635,017
Actuarial accrued liability (AAL)	\$ 21,638,907
Funded ratio	67.6%
Unfunded (over-funded) AAL (UAAL)	\$ 7,003,890
Covered payroll	\$ 5,487,198
UAAL as a percentage of covered payroll	127.6%

The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability of benefits.

CITY OF PLAINVIEW, TEXAS  
 NOTES TO THE FINANCIAL STATEMENTS  
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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 effective October 1, 2009. The table below summarizes the membership of the Plan included in the actuarial valuation as of December 31, 2009, which is the date of the latest actuarial valuation.

Retirees and beneficiaries currently receiving benefits	25
Vested terminated members	4
Active members:	
Electing DROP	-
Vested	7
Nonvested	<u>28</u>
Total membership	<u>64</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, 2009 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", plus a "longevity" benefit equal to \$78 per month for each whole year of service in excess of 20 years, subject to a 15 year maximum.

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.

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Schedule of Actuarial Liabilities and Funding Progress:

Actuarial valuation date	<u>12/31/2009</u>
Actuarial value of assets	\$ 4,458,483
Actuarial accrued liability	\$ 11,352,123
Percentage funded	39.3%
Unfunded (over-funded) actuarial accrued liability (UAAL)	\$ 6,893,640
Annual covered payroll	\$ 1,660,058
UAAL as a percentage of covered payroll	415.3%
-----	
	<u>9/30/2010</u>
Net pension obligation (NPO) at the beginning of period	\$ -
Annual pension cost:	
Annual required contribution (ARC)	417,453
Contributions made	<u>(242,551)</u>
NPO at the end of period	<u>\$ 174,902</u>

Annual Contribution Requirement:

Employer:

Fiscal Year Ended	Annual Pension Cost (APC)	Amount of Contribution Made	Percentage of APC Contributed	Net Pension Obligation NPO
09/30/08	\$ 225,061	\$ 225,061	100%	\$ -
09/30/09	242,062	242,062	100%	-
09/30/10	417,453	242,551	58%	174,902

Employees:

Currently active members are required to contribute 14% of covered pay. For the fiscal year ended September 30, 2010, the employees contributed \$226,381 in addition to the employer 15% matching contribution shown above.

Actuarial assumptions were as follows:

Actuarial Cost Method	Variation of Aggregate Entry Age Normal Method
Amortization Method	Level Percentage of Pay
Remaining Amortization Period	123.2 Years
Asset Valuation Method	As of 12/31/09: 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	5.00%
Amortization Increase	4.00%
Cost of Living Adjustments	None

3. 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

CITY OF PLAINVIEW, TEXAS  
 NOTES TO THE FINANCIAL STATEMENTS  
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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 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 Balance</u>	<u>Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Ending Balance</u>
9/30/08	\$ 32,357	\$ 1,027,206	\$ (979,826)	\$ 79,737
9/30/09	79,737	1,195,849	(1,240,752)	34,834
9/30/10	34,834	983,400	(957,634)	60,600

The City contributes \$418 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 \$1,326,123. 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, 2010.

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. Other Postemployment Benefits – GASB Statement No. 45

The City prospectively adopted the provisions of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, during the year ended September 30, 2009 for its single-employer health care plan.

Plan Participants:

Full-time employees, their spouse, and dependents, and retirees, their spouse, and dependents are eligible to participate in the City's health care plan. Eligible retirees choosing to participate in the plan pay premiums to the plan.

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Normal Retirement Benefit Eligibility:

*Firefighters:*

Hires before October 1, 1994 – age 50 with 20 years of service

Hires at and after October 1, 1994 – age 53 with 20 years of service

*TMRS Full-time Employees, Other than Firefighters:*

Age 60 with 5 years of service or 25 years of service at any age

Health Care Benefits Provided by Plan:

80%/20% Medical with \$500 Deductible and \$1,500 OOP

\$10, \$20, \$30 Co-pay Drug Program

Duty and Non-Duty Death in Service Retirement Benefits:

Surviving spouse and dependents are eligible to participate in the group health care plan if the deceased employee meets the eligibility requirements for normal retirement from either the Firemen's Relief and Retirement Fund or TMRS and if the surviving spouse and dependents are current participants in the group health plan. Eligibility to participate ceases if surviving spouse re-marries. Eligibility to participate as a dependent extends to age 25 if not married.

Non-Duty Disabled Retirement Benefits:

To participate in the group health plan, the employee must meet the requirements for disability retirement from either the Firemen's Relief and Retirement Fund or TMRS.

Duty Disabled Retirement Benefits:

To participate in the group health plan the employee must meet the requirements for disability retirement from either the Firemen's Relief and Retirement Fund or TMRS.

Benefits for Spouses of Retired Employees:

Surviving spouse of retired employee may continue to participate in the group health plan provided the spouse was an enrolled participant at the time the employee retired and remained so at the time of the retiree's death.

Retiree Opt-Out:

At the time an employee separates from service with the City and begins to receive pension benefits the employee must exercise an option to either participate in the group health plan or not participate. This option extends to spouse and dependents. If at any time the retiree, spouse or dependents elect not to participate, they cannot return to the plan at any time in the future.

CITY OF PLAINVIEW, TEXAS  
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 FOR THE YEAR ENDED SEPTEMBER 30, 2010

Schedule of Monthly Premiums:

<u>Category</u>	<u>Monthly Premium</u>	<u>Paid by:</u>
Retiree (under 65)	\$ 337	Retiree
Retiree (65+)	272	Retiree
Active Employee	418	City
Spouse	307	Employee
1 Child	180	Employee
2+ Children	248	Employee
Full Family	510	Employee
COBRA	418	Former Employee

Funding Policy and Annual OPEB Cost:

The City's annual other post employment benefits (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameter of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The City currently funds the plan on a pay-as-you-go basis. The City had its first OPEB actuarial valuation performed for the fiscal year beginning October 1, 2008 as required by GASB. The City's annual OPEB cost for the current year is as follows:

Annual required contribution (ARC)	\$ 196,151
Interest on OPEB obligation	6,782
Adjustment to ARC	<u>(6,284)</u>
Annual OPEB cost at end of year	196,649
Net employer contributions	<u>(28,450)</u>
Increase in net OPEB obligation	168,199
Net OPEB obligation at beginning of year	<u>150,715</u>
Net OPEB obligation at end of year	<u>\$ 318,914</u>

The funded status of the City's retiree health care plan, under GASB Statement No. 45 was as follows:

	Actuarial	Actuarial	Unfunded	Funded
Actuarial	Value of	Liability	AAL	Ratio
Valuation	Assets	(AAL)	(UAAL)	Ratio
<u>Date</u>	<u>(a)</u>	<u>(b)</u>	<u>(b-a)</u>	<u>(a/b)</u>
12/31/2007	\$ -	\$ 2,630,977	\$ 2,630,977	0%
12/31/2009	\$ -	\$ 3,036,824	\$ 3,036,824	0%

Under the reporting parameters, the City's retiree health care plan is 0% funded with an estimated actuarial accrued liability exceeding actuarial assets by \$3,036,824 at December 31, 2009.

Actuarial methods and assumptions:

The Projected Unit Credit actuarial cost method is used to calculate the GASB ARC for the City's retiree health care plan. Using the plan benefits, the present health premiums and a set of actuarial assumptions, the anticipated future payments are

CITY OF PLAINVIEW, TEXAS  
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projected. The projected unit credit method then provides for a systematic funding for these anticipated payments. The yearly ARC is computed to cover the cost of benefits being earned by covered members as well as to amortize a portion of the unfunded accrued liability.

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

*Actuarial Methods and Assumptions:*

Investment rate of return	4.5%, net of expenses
Actuarial cost method	Projected Unit Credit Cost Method
Amortization method	Level as a percentage of employee payroll
Salary growth rate	3.0% per year

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status and the annual required contributions of the City's retiree health care plan are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information (RSI) following the notes to the financial statements provides multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. The plan does not issue separate stand-alone financial statements.

N. 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 2010, 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 \$1,326,123 under its contract with Blue Cross and Blue Shield of Texas for group health insurance.

O. Contingencies and Litigation

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, 2010

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.

P. 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 \$1,089,178 reported as landfill closure and postclosure care liability as of September 30, 2010, represents the cumulative amount reported to date based on the use of 18.55 percent of the estimated capacity of the landfill. The City will recognize the remaining estimated cost of closure and postclosure of \$4,782,401 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2010. The City expects to close the landfill in the year 2089. 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 cash and investments equal to the recorded liability for landfill closure and postclosure costs, which amounted to \$1,089,178 as of September 30, 2010.

Q. 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.

Year Ending Date	<u>12/31/2009</u>
Total current assets	\$ 78,505
Total property and equipment	2,359,302
Total current liabilities	333
Net assets invested in capital assets, net of related debt	2,359,302
Unrestricted net assets	78,172
Total net assets	2,437,474
Total operating revenues	54,343
Total operating expenses	231,158
Non-operating revenues	130
Net increase (decrease) in net assets	(176,685)
City's 50% share of increase (decrease) in net assets	(88,343)
Adjustment to prior year capital contribution	<u>(9,234)</u>
Total decrease in investment in joint venture for the year	<u>\$ (97,577)</u>

CITY OF PLAINVIEW, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010

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

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

Transactions with the Plainview/Hale County Airport for the year ended September 30, 2010 included 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.

R. Commitments

The City plans to expend approximately \$8,685,000 for improvements and extensions to the waterworks and sewer system. As discussed in Note S, the City issued \$8,685,000 of Tax and Waterworks and Sewer System (Limited Pledge) Revenue Certificates of Obligation, Series 2010 on October 26, 2010, which was subsequent to the City's fiscal year end. Additionally, the City has \$531,208 of unexpended debt proceeds from the 2008 Tax and Revenue Certificates of Obligation that it plans to spend for the construction of public works.

S. Subsequent Event – Debt Issuance

On October 26, 2010, the City issued \$8,685,000 of Tax and Waterworks and Sewer System (Limited Pledge) Revenue Certificates of Obligation, Series 2010 (Certificates) with interest rates ranging from 3.0% to 3.8%. The proceeds from the issuance of the Certificates will be expended for improvements and extensions to the waterworks and sewer system. The debt service requirements for the Certificates will be as follows:

<u>Year Ended September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ -	\$ -	\$ -
2012	70,000	551,699	621,699
2013	360,000	274,355	634,355
2014	380,000	263,255	643,255
2015	380,000	251,855	631,855
2016-2020	2,060,000	1,079,425	3,139,425
2021-2025	2,445,000	741,452	3,186,452
2026-2030	2,990,000	284,715	3,274,715
Totals	<u>\$ 8,685,000</u>	<u>\$ 3,446,756</u>	<u>\$ 12,131,756</u>

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**Required Supplementary  
Information**

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, 2010

EXHIBIT E-1

	Budgeted Amounts		Actual Amounts	Adjustments	Actual Amounts	Variance With
	Original	Final	on GAAP Basis	to Budget Basis	on Budget Basis	Final Budget Positive or (Negative)
<b>REVENUES:</b>						
Taxes:						
Property Taxes	\$ 4,056,600	\$ 4,056,600	\$ 4,118,245	-	\$ 4,118,245	\$ 61,645
General Sales and Use Taxes	3,300,000	3,300,000	3,533,785	-	3,533,785	233,785
Selective Sales and Use Tax	26,000	26,000	32,338	-	32,338	6,338
Franchise Tax	1,240,700	1,240,700	1,393,606	-	1,393,606	152,906
Penalty and Interest on Taxes	53,000	53,000	75,093	-	75,093	22,093
Licenses and Permits	40,250	40,250	53,328	-	53,328	13,078
Intergovernmental Revenue and Grants	211,620	220,757	208,480	-	208,480	(12,277)
Charges for Services	632,280	632,280	654,049	-	654,049	21,769
Fines	271,925	271,925	378,921	-	378,921	106,996
Investment Earnings	130,000	130,000	141,617	-	141,617	11,617
Rents and Royalties	360	360	360	-	360	-
Contributions & Donations	100	100	-	-	-	(100)
Other Revenue	702,830	709,330	57,074	697,030	754,104	44,774
<b>Total Revenues</b>	<b>10,665,665</b>	<b>10,681,302</b>	<b>10,646,896</b>	<b>697,030</b>	<b>11,343,926</b>	<b>662,624</b>
<b>EXPENDITURES:</b>						
Current:						
General Government - Administration:						
City Council	57,470	57,470	(324)	49,540	49,216	8,254
City Manager	252,660	252,660	80,922	163,100	244,022	8,638
Non-Departmental	377,405	412,405	261,396	-	261,396	151,009
Legal	197,510	197,510	77,051	117,195	194,246	3,264
Finance	61,030	61,030	(54,549)	110,030	55,481	5,549
Human Resources	65,720	65,720	61,714	-	61,714	4,006
Civil Service	79,690	79,690	78,055	-	78,055	1,635
Property Tax Appraisal/Collection	94,750	94,750	98,137	-	98,137	(3,387)
General Government - Other:						
Municipal Court	177,295	177,295	174,734	-	174,734	2,561
Community Development	132,485	132,485	40,630	-	40,630	91,855
Code Enforcement	165,835	165,835	150,502	-	150,502	15,333
Main Street	90,465	102,965	57,164	40,325	97,489	5,476
Airport	5,000	5,000	-	-	-	5,000
Public Safety:						
Police	3,088,175	3,088,175	2,928,002	-	2,928,002	160,173
Fire	2,207,050	2,212,187	2,068,597	-	2,068,597	143,590
Emergency Medical Services	621,145	621,145	589,513	-	589,513	31,632
Traffic Control	185,125	185,125	181,463	-	181,463	3,662
Emergency Operations Center	3,265	3,265	1,808	-	1,808	1,457
Street Lighting	180,000	180,000	175,174	-	175,174	4,826
Animal Control	119,770	119,770	118,256	-	118,256	1,514
Public Works:						
Public Works - General	268,635	268,635	(49,618)	216,840	167,222	101,413
Street Cleaning	174,290	174,290	166,888	-	166,888	7,402
Streets - Other	748,710	748,710	693,221	-	693,221	55,489
Building Operations	94,220	94,220	92,549	-	92,549	1,671
Custodial Services	-	-	1,743	-	1,743	(1,743)
Health:						
City-County Health Department	185,910	185,910	165,557	-	165,557	20,353
Health OPHP/LPHS (BRHLO)	79,905	79,905	70,484	-	70,484	9,421
Health TDH-IMM	196,110	196,110	153,103	-	153,103	43,007
Recreation and Culture:						
Parks	719,240	719,240	602,314	-	602,314	116,926
Swimming Pool	22,000	22,000	21,429	-	21,429	571
Library	386,325	386,325	371,654	-	371,654	14,671
Capital Outlay:						
Capital Outlay	24,500	28,500	49,558	-	49,558	(21,058)
<b>Total Expenditures</b>	<b>11,061,690</b>	<b>11,118,327</b>	<b>9,427,127</b>	<b>697,030</b>	<b>10,124,157</b>	<b>994,170</b>

CITY OF PLAINVIEW, TEXAS  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - GENERAL FUND  
 FOR THE YEAR ENDED SEPTEMBER 30, 2010

EXHIBIT E-1 (Cont'd)

	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	(396,025)	(437,025)	1,219,769	-	1,219,769	1,656,794
<b>OTHER FINANCING SOURCES (USES):</b>						
Sale of Real and Personal Property	1,000	1,000	-	-	-	(1,000)
Transfers In	420,025	426,376	566,162	-	566,162	139,786
Transfers Out (Use)	(25,000)	(767,500)	(767,500)	-	(767,500)	-
<b>Total Other Financing Sources (Uses)</b>	<b>396,025</b>	<b>(340,124)</b>	<b>(201,338)</b>	<b>-</b>	<b>(201,338)</b>	<b>138,786</b>
Change in Fund Balance	-	(777,149)	1,018,431	-	1,018,431	1,795,580
Fund Balance - October 1 (Beginning)	8,891,336	8,891,336	8,891,336	-	8,891,336	-
Fund Balance - September 30 (Ending)	\$ 8,891,336	\$ 8,114,187	\$ 9,909,767	\$ -	\$ 9,909,767	\$ 1,795,580

CITY OF PLAINVIEW, TEXAS  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF FUNDING PROGRESS - PENSION AND OPEB PLANS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2010

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 PENSION PLAN:						
12/31/07	\$ 14,823,076	\$ 20,891,460	\$ 6,068,384	71.0%	\$ 5,045,994	120.3%
12/31/08	14,721,858	21,421,436	6,699,578	68.7%	5,252,377	127.6%
12/31/09	14,635,017	21,638,907	7,003,890	67.6%	5,489,367	127.6%
FIREMEN'S RELIEF AND RETIREMENT FUND PENSION PLAN:						
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%
12/31/09	4,458,483	11,352,123	6,893,640	39.3%	1,660,058	415.3%
CITY OF PLAINVIEW RETIREE HEALTH CARE OPEB PLAN:						
12/31/07	\$ -	\$ 2,630,977	\$ 2,630,977	0.0%	N/A	N/A
12/31/09	\$ -	\$ 3,036,824	\$ 3,036,824	0.0%	N/A	N/A

CITY OF PLAINVIEW, TEXAS  
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
 FOR THE YEAR ENDED SEPTEMBER 30, 2010

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	\$ 10,646,896
Interfund Reimbursements	<u>697,030</u>
Total Revenues, Budget Basis	<u>\$ 11,343,926</u>
Total Expenditures, GAAP Basis	\$ 9,427,127
Interfund Reimbursements	<u>697,030</u>
Total Expenditures, Budget Basis	<u>\$ 10,124,157</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 \$300,000 transfer from the General Fund to the Equipment Replacement Fund Internal Service Fund, for a \$200,000 transfer from the General Fund to the Capital Improvement Special Revenue Fund, and for an additional \$175,000 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 &  
Budget Comparisons**

**Combining Statements and Budget Comparisons  
as Supplementary Information**

CITY OF PLAINVIEW, TEXAS  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 SEPTEMBER 30, 2010

	Capital Improvement Fund	Hotel-Motel Occupancy Tax Fund	Street Improvement Fund
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 1,309,522	\$ 411,369	\$ 529,185
Taxes Receivable	-	25,095	-
Receivables (Net)	-	10	-
Intergovernmental Receivables	-	-	-
Total Assets	<u>\$ 1,309,522</u>	<u>\$ 436,474</u>	<u>\$ 529,185</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts Payable	\$ 6,749	\$ 2,239	\$ -
Wages and Salaries Payable	-	78	-
Intergovernmental Payable	-	-	-
Total Liabilities	<u>6,749</u>	<u>2,317</u>	<u>-</u>
<b>Fund Balances:</b>			
<b>Unreserved and Undesignated:</b>			
Reported in the Special Revenue Fund	<u>1,302,773</u>	<u>434,157</u>	<u>529,185</u>
Total Fund Balances	<u>1,302,773</u>	<u>434,157</u>	<u>529,185</u>
Total Liabilities and Fund Balances	<u>\$ 1,309,522</u>	<u>\$ 436,474</u>	<u>\$ 529,185</u>

Economic Dev. Revolving Loan Fund	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
\$ 297,691	\$ 56,520	\$ 2,418	\$ 3,985	\$ 8,209	\$ 1,392	\$ 766,326	\$ 48,875
-	-	-	-	-	-	-	-
-	-	-	-	24	-	-	-
-	-	-	-	2,761	-	-	-
<u>\$ 297,691</u>	<u>\$ 56,520</u>	<u>\$ 2,418</u>	<u>\$ 3,985</u>	<u>\$ 10,994</u>	<u>\$ 1,392</u>	<u>\$ 766,326</u>	<u>\$ 48,875</u>
\$ -	\$ -	\$ -	\$ 3,985	\$ 10,101	\$ 1,392	\$ 185	\$ -
-	-	-	-	893	-	-	-
182,933	-	-	-	-	-	-	-
<u>182,933</u>	<u>-</u>	<u>-</u>	<u>3,985</u>	<u>10,994</u>	<u>1,392</u>	<u>185</u>	<u>-</u>
114,758	56,520	2,418	-	-	-	766,141	48,875
<u>114,758</u>	<u>56,520</u>	<u>2,418</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>766,141</u>	<u>48,875</u>
<u>\$ 297,691</u>	<u>\$ 56,520</u>	<u>\$ 2,418</u>	<u>\$ 3,985</u>	<u>\$ 10,994</u>	<u>\$ 1,392</u>	<u>\$ 766,326</u>	<u>\$ 48,875</u>

CITY OF PLAINVIEW, TEXAS  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 SEPTEMBER 30, 2010

	Municipal Court Tech. Fund	Home Program 1000846 Fund	JAG ARRA SB-B9-1602 Fund	JAG Federal 2009-DJ-BX 1207 Fund
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 52,226	\$ -	\$ -	\$ -
Taxes Receivable	-	-	-	-
Receivables (Net)	-	-	-	-
Intergovernmental Receivables	-	-	-	-
Total Assets	<u>\$ 52,226</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Wages and Salaries Payable	-	-	-	-
Intergovernmental Payable	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Unreserved and Undesignated:				
Reported in the Special Revenue Fund	<u>52,226</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>52,226</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 52,226</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

JAG ARRA SU 09A102204701 Fund	-	Total Nonmajor Governmental Funds
\$	-	\$ 3,487,718
	-	25,095
	-	34
	-	2,761
<hr/>		
\$	-	\$ 3,515,608
<hr/>		
\$	-	\$ 24,651
	-	971
	-	182,933
<hr/>		
	-	208,555
<hr/>		
	-	3,307,053
<hr/>		
	-	3,307,053
<hr/>		
\$	-	\$ 3,515,608
<hr/>		

CITY OF PLAINVIEW, TEXAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Capital Improvement Fund	Hotel-Motel Occupancy Tax Fund	Street Improvement Fund
<b>REVENUES:</b>			
Taxes:			
Selective Sales and Use Tax	\$ -	\$ 263,933	\$ -
Intergovernmental Revenue and Grants	-	-	-
Fines	-	-	-
Investment Earnings	2,922	1,023	6,926
Contributions & Donations	-	-	-
Other Revenue	-	10	1,334
Total Revenues	<u>2,922</u>	<u>264,966</u>	<u>8,260</u>
<b>EXPENDITURES:</b>			
Current:			
General Government - Administration	1,467	207,398	-
General Government - Other	-	-	-
Capital Outlay:			
Capital Outlay	90,812	3,992	-
Total Expenditures	<u>92,279</u>	<u>211,390</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(89,357)</u>	<u>53,576</u>	<u>8,260</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers In	200,000	871	25,000
Transfers Out (Use)	-	(31,000)	-
Total Other Financing Sources (Uses)	<u>200,000</u>	<u>(30,129)</u>	<u>25,000</u>
Net Change in Fund Balance	110,643	23,447	33,260
Fund Balance - October 1 (Beginning)	<u>1,192,130</u>	<u>410,710</u>	<u>495,925</u>
Fund Balance - September 30 (Ending)	<u>\$ 1,302,773</u>	<u>\$ 434,157</u>	<u>\$ 529,185</u>

Economic Dev. Revolving Loan Fund	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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	88,072	-	-	-
-	2,032	-	-	-	-	-	9,329
762	-	-	-	-	-	1,558	-
-	-	-	-	15,234	-	-	-
-	-	-	-	54	-	-	-
<u>762</u>	<u>2,032</u>	<u>-</u>	<u>-</u>	<u>103,360</u>	<u>-</u>	<u>1,558</u>	<u>9,329</u>
182,933	-	-	-	-	-	84,206	-
-	-	-	-	104,231	-	-	2,303
-	12,239	-	-	-	-	-	-
<u>182,933</u>	<u>12,239</u>	<u>-</u>	<u>-</u>	<u>104,231</u>	<u>-</u>	<u>84,206</u>	<u>2,303</u>
<u>(182,171)</u>	<u>(10,207)</u>	<u>-</u>	<u>-</u>	<u>(871)</u>	<u>-</u>	<u>(82,648)</u>	<u>7,026</u>
-	-	-	-	871	-	225,000	-
-	-	-	-	-	-	-	-
-	-	-	-	871	-	225,000	-
(182,171)	(10,207)	-	-	-	-	142,352	7,026
296,929	66,727	2,418	-	-	-	623,789	41,849
<u>\$ 114,758</u>	<u>\$ 56,520</u>	<u>\$ 2,418</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 766,141</u>	<u>\$ 48,875</u>

CITY OF PLAINVIEW, TEXAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Municipal Court Tech. Fund	Home Program 1000846 Fund	JAG ARRA SB-B9-1602 Fund	JAG Federal 2009-DJ-BX 1207 Fund
<b>REVENUES:</b>				
Taxes:				
Selective Sales and Use Tax	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenue and Grants	-	187,384	42,949	10,447
Fines	12,202	-	-	-
Investment Earnings	-	-	-	-
Contributions & Donations	-	-	-	-
Other Revenue	-	-	-	-
<b>Total Revenues</b>	<u>12,202</u>	<u>187,384</u>	<u>42,949</u>	<u>10,447</u>
<b>EXPENDITURES:</b>				
Current:				
General Government - Administration	-	228,654	-	-
General Government - Other	-	-	-	-
Capital Outlay:				
Capital Outlay	-	-	42,949	10,447
<b>Total Expenditures</b>	<u>-</u>	<u>228,654</u>	<u>42,949</u>	<u>10,447</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>12,202</u>	<u>(41,270)</u>	<u>-</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	-	-	-	-
Transfers Out (Use)	-	(6,351)	-	(3,210)
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>(6,351)</u>	<u>-</u>	<u>(3,210)</u>
Net Change in Fund Balance	12,202	(47,621)	-	(3,210)
Fund Balance - October 1 (Beginning)	<u>40,024</u>	<u>47,621</u>	<u>-</u>	<u>3,210</u>
Fund Balance - September 30 (Ending)	<u>\$ 52,226</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

JAG ARRA SU 09A102204701 Fund	Total Nonmajor Governmental Funds
\$ -	\$ 263,933
81,540	410,392
-	23,563
-	13,191
-	15,234
-	1,398
<u>81,540</u>	<u>727,711</u>
-	704,658
-	106,534
81,540	241,979
<u>81,540</u>	<u>1,053,171</u>
-	<u>(325,460)</u>
-	451,742
-	(40,561)
-	<u>411,181</u>
-	85,721
-	<u>3,221,332</u>
<u>\$ -</u>	<u>\$ 3,307,053</u>

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, 2010

EXHIBIT G-1

	Budgeted Amounts		Actual on Budget Basis	Variance With Final Budget Positive or (Negative)
	Original	Final		
<b>REVENUES:</b>				
Investment Earnings	\$ 1,200	\$ 1,200	\$ 2,922	\$ 1,722
Total Revenues	1,200	1,200	2,922	1,722
<b>EXPENDITURES:</b>				
Current:				
General Government - Administration:				
Non-Departmental	27,000	27,000	1,467	25,533
Capital Outlay:				
Capital Outlay	945,105	945,105	90,812	854,293
Total Expenditures	972,105	972,105	92,279	879,826
Excess (Deficiency) of Revenues Over (Under) Expenditures	(970,905)	(970,905)	(89,357)	881,548
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	-	200,000	200,000	-
Total Other Financing Sources (Uses)	-	200,000	200,000	-
Change in Fund Balance	(970,905)	(770,905)	110,643	881,548
Fund Balance - October 1 (Beginning)	1,192,130	1,192,130	1,192,130	-
Fund Balance - September 30 (Ending)	\$ 221,225	\$ 421,225	\$ 1,302,773	\$ 881,548

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, 2010

EXHIBIT G-2

	Budgeted Amounts		Actual on Budget Basis	Variance With Final Budget Positive or (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes:				
Selective Sales and Use Tax	\$ 237,000	\$ 237,000	\$ 263,933	\$ 26,933
Investment Earnings	1,500	1,500	1,023	(477)
Other Revenue	800	800	10	(790)
Total Revenues	<u>239,300</u>	<u>239,300</u>	<u>264,966</u>	<u>25,666</u>
<b>EXPENDITURES:</b>				
Current:				
General Government - Administration:				
Non-Departmental	205,800	205,800	207,398	(1,598)
Capital Outlay:				
Capital Outlay	2,500	15,500	3,992	11,508
Total Expenditures	<u>208,300</u>	<u>221,300</u>	<u>211,390</u>	<u>9,910</u>
Excess of Revenues Over Expenditures	<u>31,000</u>	<u>18,000</u>	<u>53,576</u>	<u>35,576</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	-	-	871	871
Transfers Out (Use)	(31,000)	(31,000)	(31,000)	-
Total Other Financing Sources (Uses)	<u>(31,000)</u>	<u>(31,000)</u>	<u>(30,129)</u>	<u>871</u>
Change in Fund Balance	-	(13,000)	23,447	36,447
Fund Balance - October 1 (Beginning)	<u>410,710</u>	<u>410,710</u>	<u>410,710</u>	<u>-</u>
Fund Balance - September 30 (Ending)	<u>\$ 410,710</u>	<u>\$ 397,710</u>	<u>\$ 434,157</u>	<u>\$ 36,447</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, 2010

EXHIBIT G-3

	Budgeted Amounts		Actual on Budget Basis	Variance With Final Budget Positive or (Negative)
	Original	Final		
<b>REVENUES:</b>				
Investment Earnings	\$ 1,100	\$ 1,100	\$ 6,926	\$ 5,826
Other Revenue	-	-	1,334	1,334
Total Revenues	<u>1,100</u>	<u>1,100</u>	<u>8,260</u>	<u>7,160</u>
<b>EXPENDITURES:</b>				
Current:				
Capital Outlay:				
Capital Outlay	190,000	190,000	-	190,000
Total Expenditures	<u>190,000</u>	<u>190,000</u>	<u>-</u>	<u>190,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(188,900)</u>	<u>(188,900)</u>	<u>8,260</u>	<u>197,160</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	-	25,000	25,000	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>25,000</u>	<u>25,000</u>	<u>-</u>
Change in Fund Balance	(188,900)	(163,900)	33,260	197,160
Fund Balance - October 1 (Beginning)	495,925	495,925	495,925	-
Fund Balance - September 30 (Ending)	<u>\$ 307,025</u>	<u>\$ 332,025</u>	<u>\$ 529,185</u>	<u>\$ 197,160</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, 2010

EXHIBIT G-4

	Budgeted Amounts		Actual on Budget Basis	Variance With Final Budget Positive or (Negative)
	Original	Final		
<b>REVENUES:</b>				
Investment Earnings	\$ 6,625	\$ 6,625	\$ 762	\$ (5,863)
Total Revenues	6,625	6,625	762	(5,863)
<b>EXPENDITURES:</b>				
Current:				
General Government - Administration:				
Non-Departmental	165,000	165,000	182,933	(17,933)
Total Expenditures	165,000	165,000	182,933	(17,933)
Change in Fund Balance	(158,375)	(158,375)	(182,171)	(23,796)
Fund Balance - October 1 (Beginning)	296,929	296,929	296,929	-
Fund Balance - September 30 (Ending)	\$ 138,554	\$ 138,554	\$ 114,758	\$ (23,796)

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, 2010

EXHIBIT G-5

	Budgeted Amounts		Actual on Budget Basis	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
Fines	\$ 100	\$ 100	\$ 2,032	\$ 1,932
Total Revenues	100	100	2,032	1,932
EXPENDITURES:				
Current:				
Capital Outlay:				
Capital Outlay	58,000	58,000	12,239	45,761
Total Expenditures	58,000	58,000	12,239	45,761
Change in Fund Balance	(57,900)	(57,900)	(10,207)	47,693
Fund Balance - October 1 (Beginning)	66,727	66,727	66,727	-
Fund Balance - September 30 (Ending)	\$ 8,827	\$ 8,827	\$ 56,520	\$ 47,693

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, 2010

EXHIBIT G-6

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

CITY OF PLAINVIEW, TEXAS  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - RSVP FUND  
 FOR THE YEAR ENDED SEPTEMBER 30, 2010

EXHIBIT G-7

	Budgeted Amounts		Actual on GAAP Basis	Variance With Final Budget Positive or (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental Revenue and Grants	\$ 88,760	\$ 88,760	\$ 88,072	\$ (688)
Contributions & Donations	44,125	44,125	15,234	(28,891)
Other Revenue	-	-	54	54
Total Revenues	132,885	132,885	103,360	(29,525)
<b>EXPENDITURES:</b>				
Current:				
General Government - Other:				
RSVP	132,885	137,885	104,231	33,654
Total Expenditures	132,885	137,885	104,231	33,654
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(5,000)	(871)	4,129
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	-	-	871	871
Total Other Financing Sources (Uses)	-	-	871	871
Change in Fund Balance	-	(5,000)	-	5,000
Fund Balance - October 1 (Beginning)	-	-	-	-
Fund Balance - September 30 (Ending)	\$ -	\$ (5,000)	\$ -	\$ 5,000

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, 2010

EXHIBIT G-8

	Budgeted Amounts		Actual on GAAP Basis	Variance With Final Budget Positive or (Negative)
	Original	Final		
<b>REVENUES:</b>				
Investment Earnings	\$ 1,300	\$ 1,300	\$ 1,558	\$ 258
Total Revenues	1,300	1,300	1,558	258
<b>EXPENDITURES:</b>				
Current:				
General Government - Administration:				
Non-Departmental	75,000	110,000	84,206	25,794
Total Expenditures	75,000	110,000	84,206	25,794
Excess (Deficiency) of Revenues Over (Under) Expenditures	(73,700)	(108,700)	(82,648)	26,052
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	50,000	225,000	225,000	-
Total Other Financing Sources (Uses)	50,000	225,000	225,000	-
Change in Fund Balance	(23,700)	116,300	142,352	26,052
Fund Balance - October 1 (Beginning)	623,789	623,789	623,789	-
Fund Balance - September 30 (Ending)	\$ 600,089	\$ 740,089	\$ 766,141	\$ 26,052

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, 2010

EXHIBIT G-9

	Budgeted Amounts		Actual on GAAP Basis	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
Fines	\$ 7,500	\$ 7,500	\$ 9,329	\$ 1,829
Total Revenues	7,500	7,500	9,329	1,829
EXPENDITURES:				
Current:				
General Government - Other:				
Municipal Court	10,000	10,000	2,303	7,697
Total Expenditures	10,000	10,000	2,303	7,697
Change in Fund Balance	(2,500)	(2,500)	7,026	9,526
Fund Balance - October 1 (Beginning)	41,849	41,849	41,849	-
Fund Balance - September 30 (Ending)	\$ 39,349	\$ 39,349	\$ 48,875	\$ 9,526

CITY OF PLAINVIEW, TEXAS  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - MUNICIPAL COURT TECHNOLOGY FUND  
 FOR THE YEAR ENDED SEPTEMBER 30, 2010

EXHIBIT G-10

	Budgeted Amounts		Actual on GAAP Basis	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
Fines	\$ 9,000	\$ 9,000	\$ 12,202	\$ 3,202
Total Revenues	9,000	9,000	12,202	3,202
EXPENDITURES:				
Current:				
General Government - Other:				
Municipal Court	1,000	1,000	-	1,000
Capital Outlay:				
Capital Outlay	9,000	9,000	-	9,000
Total Expenditures	10,000	10,000	-	10,000
Change in Fund Balance	(1,000)	(1,000)	12,202	13,202
Fund Balance - October 1 (Beginning)	40,024	40,024	40,024	-
Fund Balance - September 30 (Ending)	\$ 39,024	\$ 39,024	\$ 52,226	\$ 13,202

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, 2010

EXHIBIT G-11

	Budgeted Amounts		Actual on GAAP Basis	Variance With Final Budget Positive or (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental Revenue and Grants	\$ 312,000	\$ 312,000	\$ 187,384	\$ (124,616)
Contributions & Donations	21,270	21,270	-	(21,270)
Total Revenues	333,270	333,270	187,384	(145,886)
<b>EXPENDITURES:</b>				
Current:				
General Government - Administration:				
Non-Departmental	362,970	362,970	228,654	134,316
Total Expenditures	362,970	362,970	228,654	134,316
Excess (Deficiency) of Revenues Over (Under) Expenditures	(29,700)	(29,700)	(41,270)	(11,570)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers Out (Use)	-	(6,351)	(6,351)	-
Total Other Financing Sources (Uses)	-	(6,351)	(6,351)	-
Change in Fund Balance	(29,700)	(36,051)	(47,621)	(11,570)
Fund Balance - October 1 (Beginning)	47,621	47,621	47,621	-
Fund Balance - September 30 (Ending)	\$ 17,921	\$ 11,570	\$ -	\$ (11,570)

CITY OF PLAINVIEW, TEXAS  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - JAG-ARRA-SB-B9-1602  
 FOR THE YEAR ENDED SEPTEMBER 30, 2010

EXHIBIT G-12

	Budgeted Amounts		Actual on GAAP Basis	Variance With Final Budget Positive or (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental Revenue and Grants	\$ 42,950	\$ 42,950	\$ 42,949	\$ (1)
Total Revenues	42,950	42,950	42,949	(1)
<b>EXPENDITURES:</b>				
Current:				
Public Safety:				
Police	300	300	-	300
Capital Outlay:				
Capital Outlay	42,650	42,650	42,949	(299)
Total Expenditures	42,950	42,950	42,949	1
Change in Fund Balance	-	-	-	-
Fund Balance - October 1 (Beginning)	-	-	-	-
Fund Balance - September 30 (Ending)	\$ -	\$ -	\$ -	\$ -

CITY OF PLAINVIEW, TEXAS  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - JAG-FED-2009-DJ-BX-1207  
 FOR THE YEAR ENDED SEPTEMBER 30, 2010

EXHIBIT G-13

	Budgeted Amounts		Actual on GAAP Basis	Variance With Final Budget Positive or (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental Revenue and Grants	\$ 10,450	\$ 10,450	\$ 10,447	\$ (3)
Total Revenues	10,450	10,450	10,447	(3)
<b>EXPENDITURES:</b>				
Current:				
Capital Outlay:				
Capital Outlay	13,660	13,660	10,447	3,213
Total Expenditures	13,660	13,660	10,447	3,213
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,210)	(3,210)	-	3,210
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers Out (Use)	-	(3,210)	(3,210)	-
Total Other Financing Sources (Uses)	-	(3,210)	(3,210)	-
Change in Fund Balance	(3,210)	(6,420)	(3,210)	3,210
Fund Balance - October 1 (Beginning)	3,210	3,210	3,210	-
Fund Balance - September 30 (Ending)	\$ -	\$ (3,210)	\$ -	\$ 3,210

CITY OF PLAINVIEW, TEXAS  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - JAG-ARRA SU-09A102204701  
 FOR THE YEAR ENDED SEPTEMBER 30, 2010

EXHIBIT G-14

	Budgeted Amounts		Actual on GAAP Basis	Variance With Final Budget Positive or (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental Revenue and Grants	\$ 82,720	\$ 82,720	\$ 81,540	\$ (1,180)
Total Revenues	82,720	82,720	81,540	(1,180)
<b>EXPENDITURES:</b>				
Current:				
Capital Outlay:				
Capital Outlay	82,720	82,720	81,540	1,180
Total Expenditures	82,720	82,720	81,540	1,180
Change in Fund Balance	-	-	-	-
Fund Balance - October 1 (Beginning)	-	-	-	-
 Fund Balance - September 30 (Ending)	 \$ -	 \$ -	 \$ -	 \$ -

CITY OF PLAINVIEW, TEXAS  
 COMBINING STATEMENT OF NET ASSETS  
 INTERNAL SERVICE FUNDS  
 SEPTEMBER 30, 2010

	Unemployment Compensation Fund	Equipment Replacement Fund
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and Cash Equivalents	\$ 97,920	\$ 822,301
Investments - Current	-	1,183,396
Interest Receivable - Investments	-	584
Accounts Receivable-Net of Uncollectible Allowance	-	-
Due from Other Funds	-	-
Inventories	-	-
Total Current Assets	97,920	2,006,281
<b>Noncurrent Assets:</b>		
Capital Assets:		
Buildings	-	85,448
Accumulated Depreciation - Buildings	-	(12,012)
Machinery and Equipment	-	4,620,469
Accumulated Depreciation - Machinery & Equipment	-	(2,513,295)
Total Noncurrent Assets	-	2,180,610
Total Assets	97,920	4,186,891
<b>LIABILITIES</b>		
<b>Current Liabilities:</b>		
Accounts Payable	2,787	396
Wages and Salaries Payable	-	-
Compensated Absences Payable - Current	-	-
Net OPEB Obligation - Current	-	-
Total Current Liabilities	2,787	396
<b>NonCurrent Liabilities:</b>		
Net OPEB Obligation - Noncurrent	-	-
Net Pension Obligation	-	-
Compensated Absences Payable - Noncurrent	-	-
Total Noncurrent Liabilities	-	-
Total Liabilities	2,787	396
<b>NET ASSETS</b>		
Invested in Capital Assets, Net of Related Debt	-	2,180,610
Unrestricted Net Assets	95,133	2,005,885
Total Net Assets	\$ 95,133	\$ 4,186,495

	Property Insurance Fund	Health Insurance Fund	Cafeteria Plan Fund	Service Center Fund	Total Internal Service Funds
\$	916,740	\$ 1,185,838	\$ 35,383	\$ 11,077	\$ 3,069,259
	756,110	753,947	-	-	2,693,453
	643	611	-	-	1,838
	9,013	1,414	-	599	11,026
	-	-	-	13,335	13,335
	-	-	-	36,936	36,936
	1,682,506	1,941,810	35,383	61,947	5,825,847
	-	-	-	410,836	496,284
	-	-	-	(362,303)	(374,315)
	-	-	-	155,050	4,775,519
	-	-	-	(139,906)	(2,653,201)
	-	-	-	63,677	2,244,287
	1,682,506	1,941,810	35,383	125,624	8,070,134
	81	152,312	8,352	4,329	168,257
	-	-	-	1,617	1,617
	-	-	-	33	33
	-	46,218	-	-	46,218
	81	198,530	8,352	5,979	216,125
	-	272,696	-	-	272,696
	-	-	-	6,419	6,419
	-	-	-	4,182	4,182
	-	272,696	-	10,601	283,297
	81	471,226	8,352	16,580	499,422
	-	-	-	63,677	2,244,287
	1,682,425	1,470,584	27,031	45,367	5,326,425
\$	\$ 1,682,425	\$ 1,470,584	\$ 27,031	\$ 109,044	\$ 7,570,712

CITY OF PLAINVIEW, TEXAS  
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
 INTERNAL SERVICE FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Unemployment Compensation Fund	Equipment Replacement Fund
<b>OPERATING REVENUES:</b>		
Charges for Services	\$ 6,240	\$ 496,453
Other Revenue	-	-
Total Operating Revenues	6,240	496,453
<b>OPERATING EXPENSES:</b>		
Personnel Services - Salaries and Wages	-	-
Personnel Services - Employee Benefits	-	-
Purchased Professional & Technical Services	695	-
Purchased Property Services	-	14,774
Other Operating Expenses	11,891	-
Supplies	-	-
Depreciation & Amortization	-	498,161
Total Operating Expenses	12,586	512,935
Operating Income (Loss)	(6,346)	(16,482)
<b>NON-OPERATING REVENUES (EXPENSES):</b>		
Gain on Sale of Property	-	-
Investment Earnings	-	18,262
(Loss) on Sale of Property	-	(8,882)
Total Non-operating Revenue (Expenses)	-	9,380
Income (Loss) Before Transfers	(6,346)	(7,102)
Transfers In	-	303,210
Transfers Out	-	-
Change in Net Assets	(6,346)	296,108
Total Net Assets - October 1 (Beginning)	101,479	3,890,387
Total Net Assets - September 30 (Ending)	\$ 95,133	\$ 4,186,495

Property Insurance Fund	Health Insurance Fund	Cafeteria Plan Fund	Service Center Fund	Total Internal Service Funds
\$ 100,890	\$ 1,453,227	\$ 44,823	\$ 116,242	\$ 2,217,875
17,985	36,188	-	758	54,931
<u>118,875</u>	<u>1,489,415</u>	<u>44,823</u>	<u>117,000</u>	<u>2,272,806</u>
-	-	-	98,701	98,701
-	-	-	46,604	46,604
-	5,336	-	-	6,031
-	-	-	28,788	43,562
49,726	1,442,388	42,593	7,911	1,554,509
-	-	-	38,731	38,731
-	-	-	14,756	512,917
<u>49,726</u>	<u>1,447,724</u>	<u>42,593</u>	<u>235,491</u>	<u>2,301,055</u>
<u>69,149</u>	<u>41,691</u>	<u>2,230</u>	<u>(118,491)</u>	<u>(28,249)</u>
-	-	-	60,207	60,207
13,799	16,448	82	-	48,591
-	-	-	-	(8,882)
<u>13,799</u>	<u>16,448</u>	<u>82</u>	<u>60,207</u>	<u>99,916</u>
<u>82,948</u>	<u>58,139</u>	<u>2,312</u>	<u>(58,284)</u>	<u>71,667</u>
-	-	-	83,486	386,696
-	(168,198)	-	-	(168,198)
<u>82,948</u>	<u>(110,059)</u>	<u>2,312</u>	<u>25,202</u>	<u>290,165</u>
<u>1,599,477</u>	<u>1,580,643</u>	<u>24,719</u>	<u>83,842</u>	<u>7,280,547</u>
<u>\$ 1,682,425</u>	<u>\$ 1,470,584</u>	<u>\$ 27,031</u>	<u>\$ 109,044</u>	<u>\$ 7,570,712</u>

CITY OF PLAINVIEW, TEXAS  
 COMBINING STATEMENT OF CASH FLOWS  
 INTERNAL SERVICE FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Unemployment Compensation Fund	Equipment Replacement Fund
<u>Cash Flows from Operating Activities:</u>		
Cash from Operating Transactions - Other Funds	\$ 6,240	\$ 496,453
Cash Payments to Employees for Services	-	-
Cash Payments for Goods and Services	(13,710)	(21,420)
Other Operating Cash Receipts	-	-
Net Cash Provided by (Used for) Operating Activities	<u>(7,470)</u>	<u>475,033</u>
<u>Cash Flows from Non-Capital Financing Activities:</u>		
Transfers from Other Funds	-	303,210
Transfers to Other Funds	-	-
Repayment of Interfund Payable	-	-
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>-</u>	<u>303,210</u>
<u>Cash Flows from Capital &amp; Related Financing Activities:</u>		
Acquisition of Capital Assets	-	(551,670)
Proceeds from Sale of Capital Assets	-	-
Net Cash Provided by (Used for) Capital & Related Financing Activities	<u>-</u>	<u>(551,670)</u>
<u>Cash Flows from Investing Activities:</u>		
Proceeds from Investments	-	3,316
Interest on Investments	-	18,490
Net Cash Provided by Investing Activities	<u>-</u>	<u>21,806</u>
Net Increase(Decrease) in Cash and Cash Equivalents	(7,470)	248,379
Cash and Cash Equivalents at Beginning of the Year:	<u>105,390</u>	<u>573,922</u>
Cash and Cash Equivalents at the End of the Year:	<u>\$ 97,920</u>	<u>\$ 822,301</u>

Property Insurance Fund	Health Insurance Fund	Cafeteria Plan Fund	Service Center Fund	Total Internal Service Funds
\$ 91,877	\$ 1,452,710	\$ 44,823	\$ 124,667	\$ 2,216,770
-	-	-	(140,144)	(140,144)
(49,645)	(1,219,040)	(40,872)	(76,098)	(1,420,785)
17,985	36,188	-	758	54,931
<u>60,217</u>	<u>269,858</u>	<u>3,951</u>	<u>(90,817)</u>	<u>710,772</u>
-	-	-	83,486	386,696
-	(168,198)	-	-	(168,198)
-	-	-	(41,799)	(41,799)
<u>-</u>	<u>(168,198)</u>	<u>-</u>	<u>41,687</u>	<u>176,699</u>
-	-	-	-	(551,670)
-	-	-	60,207	60,207
<u>-</u>	<u>-</u>	<u>-</u>	<u>60,207</u>	<u>(491,463)</u>
4,571	6,096	-	-	13,983
14,261	16,908	82	-	49,741
<u>18,832</u>	<u>23,004</u>	<u>82</u>	<u>-</u>	<u>63,724</u>
79,049	124,664	4,033	11,077	459,732
837,691	1,061,174	31,350	-	2,609,527
<u>\$ 916,740</u>	<u>\$ 1,185,838</u>	<u>\$ 35,383</u>	<u>\$ 11,077</u>	<u>\$ 3,069,259</u>

CITY OF PLAINVIEW, TEXAS  
 COMBINING STATEMENT OF CASH FLOWS  
 INTERNAL SERVICE FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2010

	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):	\$ (6,346)	\$ (16,482)
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used For) Operating Activities:		
Depreciation and Amortization	-	498,161
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	(1,124)	(6,646)
Increase (decrease) in Wages & Salaries Payable	-	-
Increase (decrease) in Net OPEB Obligation	-	-
Increase (decrease) in Net Pension Obligation	-	-
Increase (decrease) in Comp. Absences Payable	-	-
Net Cash Provided by (Used for) Operating Activities	<u>\$ (7,470)</u>	<u>\$ 475,033</u>
<u>Reconciliation of Total Cash and Cash Equivalents:</u>		
Cash & Cash Equiv. - Statement of Net Assets	<u>\$ 97,920</u>	<u>\$ 822,301</u>
<u>Noncash Investing, Capital and Financing Activities:</u>		
Capital Asset Trade-in Allowances	-	3,000
Book Value of Capital Asset Dispositions	-	(11,882)

Property Insurance Fund	Health Insurance Fund	Cafeteria Plan Fund	Service Center Fund	Total Internal Service Funds
\$ 69,149	\$ 41,691	\$ 2,230	\$ (118,491)	\$ (28,249)
-	-	-	14,756	512,917
(9,013)	(517)	-	375	(9,155)
-	-	-	5,726	5,726
-	-	-	8,050	8,050
81	60,485	1,721	(668)	53,849
-	-	-	(4,452)	(4,452)
-	168,199	-	-	168,199
-	-	-	3,733	3,733
-	-	-	154	154
<u>\$ 60,217</u>	<u>\$ 269,858</u>	<u>\$ 3,951</u>	<u>\$ (90,817)</u>	<u>\$ 710,772</u>
<u>916,740</u>	<u>1,185,838</u>	<u>35,383</u>	<u>11,077</u>	<u>3,069,259</u>
-	-	-	-	3,000
-	-	-	(3,723)	(15,605)

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**Compliance and Internal  
Control**

**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, 2010, which collectively comprise the City's basic financial statements, and have issued our report thereon dated February 1, 2011. 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 deficiency in internal control* 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 and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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, others within the City, and federal and state awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

*Davis Kinard & Co, PC*

**DAVIS KINARD & CO, PC**

Plainview, Texas  
February 1, 2011

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**Capital Assets -  
Governmental Funds**

CITY OF PLAINVIEW, TEXAS  
 SCHEDULE OF CAPITAL ASSETS USED IN THE OPERATION  
 OF GOVERNMENTAL FUNDS BY SOURCES\*  
 SEPTEMBER 30, 2010

Capital Assets Used in the Operation of Governmental Funds:		
Land		\$ 523,999
Buildings		2,963,710
Improvements other than buildings		15,057,168
Machinery and equipment		2,932,854
Construction in progress		<u>6,934</u>
Total		<u>\$ 21,484,665</u>
Investment in Capital Assets:		
Acquired prior to October 1, 1990		\$ 10,525,194
Acquired after September 30, 1990		
General fund		
General revenues	\$ 2,473,678	
Special revenue funds		
Capital improvements	3,525,881	
Hotel/Motel tax fund	509,952	
Street improvements	4,030,735	
Police seizure	44,679	
Homeland security grant	127,679	
LLEBG grant	80,927	
RSVP fund	4,858	
Justice assistance grant	134,936	
Municipal court security fund	16,481	
Municipal court technology fund	<u>9,665</u>	
		<u>10,959,471</u>
Total		<u>\$ 21,484,665</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, 2010

	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	\$ 193,985	\$ -	\$ 8,254,855
Police	-	250,026	4,000	261,180	-	515,206
Fire	-	260,913	10,423	547,151	-	818,487
Traffic and Safety	-	-	64,810	216,432	-	281,242
Animal control	-	149,754	11,739	15,888	-	177,381
Civil defense	-	-	-	8,195	-	8,195
Engineering	-	-	-	9,365	-	9,365
Street	-	16,223	-	559,777	-	576,000
Recreation	-	50,490	497,146	288,540	-	836,176
Library	-	307,552	-	150,213	-	457,765
Health	-	-	-	30,335	-	30,335
Emergency medical services	-	14,486	-	100,082	-	114,568
Total General Fund	<u>448,904</u>	<u>1,395,997</u>	<u>7,853,531</u>	<u>2,381,143</u>	<u>-</u>	<u>12,079,575</u>
From Special Revenue Funds						
Capital improvement fund	\$ 68,715	\$ 1,079,911	\$ 2,257,340	\$ 112,981	\$ 6,934	\$ 3,525,881
Hotel/Motel tax fund	4,080	481,609	-	24,263	-	509,952
Street improvement fund	2,300	-	4,946,297	1,435	-	4,950,032
Police seizure fund	-	-	-	44,679	-	44,679
Homeland security grant	-	-	-	127,679	-	127,679
LLEBG grant	-	-	-	80,927	-	80,927
RSVP fund	-	-	-	4,858	-	4,858
Justice assistance grant	-	-	-	134,936	-	134,936
Municipal court security fund	-	6,193	-	10,288	-	16,481
Municipal court technology fund	-	-	-	9,665	-	9,665
Total Special Revenue Funds	<u>\$ 75,095</u>	<u>\$ 1,567,713</u>	<u>\$ 7,203,637</u>	<u>\$ 551,711</u>	<u>\$ 6,934</u>	<u>\$ 9,405,090</u>
Total	<u>\$ 523,999</u>	<u>\$ 2,963,710</u>	<u>\$ 15,057,168</u>	<u>\$ 2,932,854</u>	<u>\$ 6,934</u>	<u>\$ 21,484,665</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, 2010

	Capital Assets 9/30/09	Additions (Deletions)	Capital Assets 9/30/10
<b>From General Fund</b>			
General government	\$ 8,249,266	\$ 5,589	\$ 8,254,855
Police	684,718	(169,512)	515,206
Fire	820,715	(2,228)	818,487
Traffic and safety	281,242	-	281,242
Animal control	177,700	(319)	177,381
Civil defense	10,604	(2,409)	8,195
Engineering	9,365	-	9,365
Street	731,310	(155,310)	576,000
Recreation	847,139	(10,963)	836,176
Library	466,676	(8,911)	457,765
Health	30,270	65	30,335
Emergency medical services	113,197	1,371	114,568
<b>Total General Fund</b>	<b>\$ 12,422,202</b>	<b>\$ (342,627)</b>	<b>\$ 12,079,575</b>
<b>From Special Revenue Funds</b>			
Capital improvements	\$ 3,438,048	\$ 87,833	\$ 3,525,881
Hotel/Motel tax fund	494,000	15,952	509,952
Street improvements	4,950,032	-	4,950,032
Police seizure fund	36,380	8,299	44,679
Homeland security grant	127,679	-	127,679
LLEBG grant	80,927	-	80,927
RSVP fund	4,858	-	4,858
Bio-terrorism grant	5,585	(5,585)	-
Justice assistance grant	-	134,936	134,936
Municipal court security fund	16,481	-	16,481
Municipal court technology fund	9,665	-	9,665
<b>Total Special Revenue Funds</b>	<b>\$ 9,163,655</b>	<b>\$ 241,435</b>	<b>\$ 9,405,090</b>
<b>Total</b>	<b>\$ 21,585,857</b>	<b>\$ (101,192)</b>	<b>\$ 21,484,665</b>

\* 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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**Debit Service  
Requirements**

## Debt Service Requirements - Schedules of Maturities

**City of Plainview, Texas**  
**Solid Waste Management Fund**  
 Tax and Solid Waste and Waterworks and Sewer System  
 Surplus Revenue Certificates of Obligation, Series 2008  
 Debt Service Requirements  
 Schedule of Maturities  
 2011-2015

Exhibit J-1

<u>Fiscal Year</u>	<u>Outstanding Debt Beginning of Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
Totals		<u>\$ 1,155,000</u>	<u>\$ 103,688</u>	<u>\$ 1,258,688</u>
Annual Average Requirements		<u>\$ 231,000</u>	<u>\$ 20,738</u>	<u>\$ 251,738</u>

**City of Plainview, Texas**  
**Water and Sewer Utility Fund**  
 General Obligation Refunding Bonds, Series 2009  
 Debt Service Requirements  
 Schedule of Maturities  
 2011-2021

Exhibit J-2

<u>Fiscal Year</u>	<u>Outstanding Debt Beginning of Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	6,720,000	540,000	183,806	723,806
2012	6,180,000	545,000	172,956	717,956
2013	5,635,000	560,000	161,906	721,906
2014	5,075,000	570,000	149,894	719,894
2015	4,505,000	585,000	136,169	721,169
2016	3,920,000	600,000	120,606	720,606
2017	3,320,000	620,000	103,056	723,056
2018	2,700,000	640,000	83,356	723,356
2019	2,060,000	660,000	61,406	721,406
2020	1,400,000	685,000	37,441	722,441
2021	715,000	715,000	12,513	727,513
<b>Total</b>		<u>\$ 6,720,000</u>	<u>\$ 1,223,109</u>	<u>\$ 7,943,109</u>
<b>Annual Average Requirements</b>		<u>\$ 610,909</u>	<u>\$ 111,192</u>	<u>\$ 722,101</u>

Proceeds used to refund debt originally used for construction of a Water Reclamation and Treatment Facility

**City of Plainview, Texas**  
**Water and Sewer Utility Fund**  
 Water Supply Contract Obligation  
 Contract Revenue Bonds, Series 1999  
 and Series 2010 Refunding  
 (CRMWA Prepayment of USBR Debt)  
 Debt Service Requirements  
 Schedule of Maturities  
 2011-2018

Exhibit J-3

<u>Fiscal Year</u>	<u>Outstanding Debt Beginning of Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	474,007	46,946	15,287	62,233
2012	427,061	48,208	13,878	62,086
2013	378,853	49,975	12,432	62,407
2014	328,878	51,742	10,682	62,424
2015	277,136	53,509	8,872	62,381
2016	223,627	55,276	7,267	62,543
2017	168,351	56,790	5,608	62,398
2018	111,561	111,561	3,905	115,466
<b>Total</b>		<u>\$ 474,007</u>	<u>\$ 77,931</u>	<u>\$ 551,938</u>
<b>Annual Average Requirements</b>		<u>\$ 59,251</u>	<u>\$ 9,741</u>	<u>\$ 68,992</u>

**City of Plainview, Texas**  
**Water and Sewer Utility Fund**  
 Water Supply Contract Obligation  
 Contract Revenue Bonds, Series 1999 Unrefunded Portion  
 and Series 2005 Refunding  
 (CRMWA Conjunctive Use Groundwater Supply Project)  
 Debt Service Requirements  
 Schedule of Maturities  
 2011-2020

Exhibit J-4

<u>Fiscal Year</u>	<u>Outstanding Debt Beginning of Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	1,448,087	146,941	67,955	214,896
2012	1,301,146	165,893	49,198	215,091
2013	1,135,253	160,695	54,675	215,370
2014	974,558	168,908	47,160	216,068
2015	805,650	147,732	38,715	186,447
2016	657,918	140,212	31,329	171,541
2017	517,706	147,238	24,318	171,556
2018	370,468	154,362	16,956	171,318
2019	216,106	161,486	10,283	171,769
2020	54,620	54,620	2,731	57,351
Total		<u>\$ 1,448,087</u>	<u>\$ 343,320</u>	<u>\$ 1,791,407</u>
Annual Average Requirements		<u>\$ 144,809</u>	<u>\$ 34,332</u>	<u>\$ 179,141</u>

**City of Plainview, Texas**  
**Water and Sewer Utility Fund**  
 Water Supply Contract Obligation  
 Contract Revenue Bonds, Series 2005  
 (CRMWA Conjunctive Use Groundwater Supply Project)  
 Debt Service Requirements  
 Schedule of Maturities  
 2011-2025

Exhibit J-5

<u>Fiscal Year</u>	<u>Outstanding Debt Beginning of Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	33,620	91,263	124,883
2016	1,735,255	52,385	89,498	141,883
2017	1,682,870	55,317	86,748	142,065
2018	1,627,553	58,249	83,843	142,092
2019	1,569,304	61,181	80,785	141,966
2020	1,508,123	198,985	77,573	276,558
2021	1,309,138	276,976	67,127	344,103
2022	1,032,162	291,930	52,585	344,515
2023	740,232	307,371	37,259	344,630
2024	432,861	323,302	21,643	344,945
2025	109,559	109,559	5,478	115,037
<b>Total</b>		<u>\$ 1,768,875</u>	<u>\$ 1,058,854</u>	<u>\$ 2,827,729</u>
<b>Annual Average Requirements</b>		<u>\$ 117,925</u>	<u>\$ 70,590</u>	<u>\$ 188,515</u>

**City of Plainview, Texas**  
**Water and Sewer Utility Fund**  
 Water Supply Contract Obligation  
 Contract Revenue Bonds, Series 2006  
 (CRMWA Conjunctive Use Groundwater Supply Project)  
 Debt Service Requirements  
 Schedule of Maturities  
 2011-2027

Exhibit J-6

<u>Fiscal Year</u>	<u>Outstanding Debt Beginning of Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	1,633,714	66,792	81,416	148,208
2012	1,566,922	70,122	78,077	148,199
2013	1,496,800	73,641	74,571	148,212
2014	1,423,159	77,348	70,888	148,236
2015	1,345,811	81,244	67,021	148,265
2016	1,264,567	85,328	62,959	148,287
2017	1,179,239	89,600	58,693	148,293
2018	1,089,639	94,062	54,213	148,275
2019	995,577	98,711	49,509	148,220
2020	896,866	103,675	44,574	148,249
2021	793,191	108,890	39,390	148,280
2022	684,301	114,294	33,946	148,240
2023	570,007	120,012	28,231	148,243
2024	449,995	126,107	22,230	148,337
2025	323,888	132,452	15,925	148,377
2026	191,436	144,375	3,915	148,290
2027	47,061	47,061	2,353	49,414
<b>Total</b>		<u><u>\$ 1,633,714</u></u>	<u><u>\$ 787,911</u></u>	<u><u>\$ 2,421,625</u></u>
<b>Annual Average Requirements</b>		<u><u>\$ 96,101</u></u>	<u><u>\$ 46,348</u></u>	<u><u>\$ 142,449</u></u>

**City of Plainview, Texas**  
**Water and Sewer Utility Fund**  
 Water Supply Contract Obligation  
 Contract Revenue Bonds, Series 1999 Remainder  
 and Series 2010 Refunding  
 (CRMWA Conjunctive Use Groundwater Supply Project)  
 Debt Service Requirements  
 Schedule of Maturities  
 2011-2020

Exhibit J-7

<u>Fiscal Year</u>	<u>Outstanding Debt Beginning of Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	293,878	29,487	17,148	46,635
2012	264,391	30,279	8,714	38,993
2013	234,112	31,367	7,704	39,071
2014	202,745	32,555	6,606	39,161
2015	170,190	26,815	5,576	32,391
2016	143,375	23,946	4,376	28,322
2017	119,429	24,639	3,856	28,495
2018	94,790	26,779	3,231	30,010
2019	68,011	17,547	2,368	19,915
2020	50,464	50,464	679	51,143
Total		<u>\$ 293,878</u>	<u>\$ 60,258</u>	<u>\$ 354,136</u>
Annual Average Requirements		<u>\$ 29,388</u>	<u>\$ 6,026</u>	<u>\$ 35,414</u>

**City of Plainview, Texas**  
**Water and Sewer Utility Fund**  
 Water Supply Contract Obligation  
 Contract Revenue Bonds, Series 2009  
 (CRMWA Conjunctive Use Groundwater Supply Project)  
 Debt Service Requirements  
 Schedule of Maturities  
 2011-2029

Exhibit J-8

<u>Fiscal Year</u>	<u>Outstanding Debt Beginning of Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	761,023	27,436	31,450	58,886
2012	733,587	28,298	30,626	58,924
2013	705,289	29,097	29,777	58,874
2014	676,192	30,082	28,904	58,986
2015	646,110	31,312	27,799	59,111
2016	614,798	32,604	26,546	59,150
2017	582,194	33,896	25,242	59,138
2018	548,298	35,311	23,886	59,197
2019	512,987	36,910	22,474	59,384
2020	476,077	38,694	20,748	59,442
2021	437,383	40,540	18,813	59,353
2022	396,843	42,262	17,060	59,322
2023	354,581	43,923	15,370	59,293
2024	310,658	45,707	13,613	59,320
2025	264,951	47,675	11,746	59,421
2026	217,276	49,829	9,681	59,510
2027	167,447	52,166	7,488	59,654
2028	115,281	42,930	5,178	48,108
2029	72,351	72,351	1,464	73,815
<b>Total</b>		<u>\$ 761,023</u>	<u>\$ 367,865</u>	<u>\$ 1,128,888</u>
<b>Annual Average Requirements</b>		<u>\$ 40,054</u>	<u>\$ 19,361</u>	<u>\$ 59,415</u>

**City of Plainview, Texas**  
**Water and Sewer Utility Fund**  
 Tax and Waterworks and Sewer System Revenue  
 Certificates of Obligation, Series 2010  
 Debt Service Requirements  
 Schedule of Maturities  
 2011-2030

Exhibit J-9

<u>Fiscal Year</u>	<u>Outstanding Debt Beginning of Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011				
2012	8,685,000	70,000	551,699	621,699
2013	8,615,000	360,000	274,355	634,355
2014	8,255,000	380,000	263,255	643,255
2015	7,875,000	380,000	251,855	631,855
2016	7,495,000	395,000	240,230	635,230
2017	7,100,000	395,000	228,380	623,380
2018	6,705,000	410,000	216,305	626,305
2019	6,295,000	430,000	203,705	633,705
2020	5,865,000	430,000	190,805	620,805
2021	5,435,000	450,000	177,605	627,605
2022	4,985,000	465,000	163,880	628,880
2023	4,520,000	480,000	149,465	629,465
2024	4,040,000	515,000	133,785	648,785
2025	3,525,000	535,000	116,717	651,717
2026	2,990,000	550,000	98,540	648,540
2027	2,440,000	570,000	79,215	649,215
2028	1,870,000	600,000	58,440	658,440
2029	1,270,000	620,000	36,170	656,170
2030	650,000	650,000	12,350	662,350
Total		<u>\$ 8,685,000</u>	<u>\$ 3,446,756</u>	<u>\$ 12,131,756</u>
Annual Average Requirements		<u>\$ 457,105</u>	<u>\$ 181,408</u>	<u>\$ 638,513</u>

Issued on October 26, 2010.

Proceeds to be used for construction of 2 Water Towers, Sewer Lift Station and Hwy 70 Water and Sewer Line Relocation.

**General Information**

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

(accrual basis of accounting)

	2003	2004	2005	2006	2007	2008	2009	2010
<b>Governmental activities</b>								
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	\$ 9,088,340	\$ 8,878,102
Restricted	820,054	470,807	627,451	673,728	762,030	885,322	858,657	708,954
Unrestricted	9,682,284	11,581,894	12,599,869	13,068,762	14,859,033	16,374,882	17,052,397	18,120,254
<b>Total governmental activities net assets</b>	<b>\$ 18,651,369</b>	<b>\$ 19,857,877</b>	<b>\$ 20,930,058</b>	<b>\$ 21,891,390</b>	<b>\$ 23,543,915</b>	<b>\$ 26,419,868</b>	<b>\$ 26,999,394</b>	<b>\$ 27,707,310</b>
<b>Business-type activities</b>								
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	\$ 19,352,797	\$ 19,454,647
Restricted	620,675	243,921	249,644	259,615	269,494	249,382	261,049	295,291
Unrestricted	5,625,024	6,843,537	7,379,322	8,198,944	8,782,742	9,824,587	10,700,804	11,878,515
<b>Total business-type activities net assets</b>	<b>\$ 23,411,810</b>	<b>\$ 24,413,512</b>	<b>\$ 25,397,811</b>	<b>\$ 26,789,510</b>	<b>\$ 28,170,418</b>	<b>\$ 29,354,181</b>	<b>\$ 30,314,650</b>	<b>\$ 31,628,453</b>
<b>Primary government</b>								
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	\$ 28,441,137	\$ 28,332,749
Restricted	1,442,729	714,728	877,095	933,343	1,031,524	1,134,704	1,119,706	1,004,245
Unrestricted	15,307,308	18,425,431	19,979,191	21,267,706	23,641,775	26,199,469	27,753,201	29,998,769
<b>Total primary government net assets</b>	<b>\$ 42,063,179</b>	<b>\$ 44,271,389</b>	<b>\$ 46,327,869</b>	<b>\$ 48,680,900</b>	<b>\$ 51,714,333</b>	<b>\$ 55,774,049</b>	<b>\$ 57,314,044</b>	<b>\$ 59,335,763</b>

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 Eight Fiscal Years**  
(accrual basis of accounting)

	2003	2004	2005	2006	2007	2008	2009	2010
<b>Expenses</b>								
Governmental activities								
General government	\$ 1,477,223	\$ 1,359,098	\$ 1,340,761	\$ 1,260,970	\$ 1,204,382	\$ 1,364,075	\$ 1,814,265	\$ 1,966,824
Public safety	5,099,977	4,875,499	5,056,519	5,296,067	5,570,288	5,975,267	6,174,194	6,498,010
Public works	909,308	996,242	1,155,224	1,249,822	1,193,044	1,197,307	1,234,289	1,200,917
Recreation	584,359	580,855	532,765	596,726	547,645	638,924	814,776	762,449
Library	320,478	329,461	366,102	370,077	363,743	374,174	393,880	385,646
Health	342,184	320,044	326,638	351,502	335,592	386,649	422,516	400,138
Total governmental activities expenses	8,733,529	8,461,199	8,778,009	9,127,164	9,214,694	9,936,396	10,853,920	11,213,984
Business-type activities								
Solid waste management	1,963,684	1,934,292	1,997,364	1,991,817	1,957,093	2,201,151	2,325,580	2,520,166
Water and sewer	3,751,350	4,786,631	4,682,119	5,170,010	5,025,576	5,379,624	5,573,408	5,226,035
Theatre arts	76,665	51,908	37,130	31,848	38,315	32,388	39,376	37,434
Total business-type activities expenses	5,791,719	6,772,831	6,716,613	7,193,675	7,020,984	7,613,163	7,938,364	7,783,635
Total primary government expenses	\$ 14,525,248	\$ 15,234,030	\$ 15,494,622	\$ 16,320,839	\$ 16,235,678	\$ 17,549,559	\$ 18,792,284	\$ 18,997,619
<b>Program revenues</b>								
Governmental activities								
Charges for services	\$ 220,379	\$ 237,434	\$ 190,066	\$ 181,134	\$ 184,703	\$ 205,781	\$ 278,204	\$ 260,553
General government	521,984	425,066	615,622	534,098	560,576	701,235	656,572	660,570
Public safety	3,522	-	-	-	-	-	-	-
Public works	33,308	36,533	42,552	43,576	40,607	44,047	43,911	43,441
Recreation	17,126	12,632	7,348	9,153	8,362	9,666	10,869	11,418
Library	127,204	138,774	127,251	134,345	120,623	140,023	148,168	139,729
Health	290,609	309,221	407,355	263,039	277,027	294,822	414,022	499,170
Operating grants and contributions	-	305,363	290,667	86,062	35,628	-	11,205	146,896
Capital grants and contributions	1,214,132	1,465,023	1,680,881	1,251,407	1,227,526	1,395,574	1,562,951	1,761,777
Total governmental activities program revenues	2,400,063	2,303,587	2,412,223	2,434,545	2,591,363	2,731,076	2,904,631	2,999,883
Business-type activities								
Charges for services	4,759,243	5,093,875	4,969,225	5,656,733	5,435,089	5,852,233	6,037,512	6,097,265
Solid waste management	31,664	21,376	14,457	11,320	21,449	20,158	22,941	22,697
Water and sewer	61,925	4,180	220	1,000	-	1,000	1,000	-
Theatre arts	-	177,125	167,927	79,296	11,390	-	40,562	58,000
Operating grants and contributions	7,252,895	7,600,143	7,584,052	8,182,894	8,059,291	8,604,467	9,006,646	9,177,845
Capital grants and contributions	-	-	-	-	-	-	-	-
Total business-type activities program revenues	8,467,027	9,065,166	9,244,933	9,434,301	9,286,817	10,000,041	10,569,597	10,939,622

**Schedule 2 (continued)**  
**City of Plainview**  
**Changes in Net Assets, Last Eight Fiscal Years**

(accrual basis of accounting)

	2003	2004	2005	2006	2007	2008	2009	2010
<b>Net (expenses) / revenues</b>								
Governmental activities	\$ (7,519,997)	\$ (6,996,176)	\$ (7,097,128)	\$ (7,875,757)	\$ (7,987,168)	\$ (8,540,822)	\$ (9,290,969)	\$ (9,452,207)
Business-type activities	1,461,176	827,312	847,439	989,219	1,038,307	991,304	1,068,282	1,394,210
Total primary government net expense	\$ (6,058,221)	\$ (6,168,864)	\$ (6,249,689)	\$ (6,886,538)	\$ (6,948,861)	\$ (7,549,518)	\$ (8,222,687)	\$ (8,057,997)
<b>General revenues and other changes in net assets</b>								
Governmental activities								
Taxes								
Property taxes	\$ 2,804,542	\$ 2,994,774	\$ 3,213,515	\$ 3,459,565	\$ 3,751,688	\$ 3,777,277	\$ 4,072,569	\$ 4,121,886
Sales taxes	2,874,628	2,993,451	3,024,917	3,066,386	3,428,684	3,523,496	3,489,461	3,533,785
Franchise taxes	779,883	815,836	874,602	1,012,923	929,477	1,391,824	1,151,056	1,393,606
Penalty and interest	55,672	47,639	60,141	57,051	60,334	61,680	75,689	75,093
Other taxes	212,526	217,864	246,688	249,567	292,902	322,021	282,371	296,271
Miscellaneous	33,900	33,136	109,604	99,221	30,416	39,827	66,226	107,740
Investment earnings	370,828	404,997	363,218	650,117	769,389	567,919	297,333	203,399
Special item	-	444,757	-	-	-	1,272,713	-	-
Transfers	342,234	250,231	276,625	242,260	382,803	460,018	435,790	428,343
Total governmental activities	7,474,013	8,202,685	8,169,310	8,837,090	9,639,693	11,416,775	9,870,495	10,160,123
Business-type activities								
Investment earnings	217,678	176,913	228,151	384,840	445,198	319,079	178,213	228,396
Miscellaneous	-	247,710	185,333	259,902	280,206	333,397	149,764	119,542
Special and extraordinary items	(1,592,019)	-	(276,625)	(242,260)	(382,803)	(460,018)	(435,790)	(428,343)
Transfers	(342,234)	(250,231)	(276,625)	(242,260)	(382,803)	(460,018)	(435,790)	(428,343)
Total business-type activities	(1,716,575)	174,392	136,859	402,482	342,601	192,458	(107,813)	(80,405)
Total primary government	\$ 5,757,438	\$ 8,377,077	\$ 8,306,169	\$ 9,239,572	\$ 9,982,294	\$ 11,609,233	\$ 9,762,682	\$ 10,079,718
<b>Change in net assets</b>								
Governmental activities	\$ (45,384)	\$ 1,206,509	\$ 1,072,182	\$ 961,333	\$ 1,652,525	\$ 2,875,953	\$ 579,526	\$ 707,916
Business-type activities	(255,399)	1,001,704	984,298	1,391,701	1,380,908	1,183,762	960,469	1,313,805
Total primary government	\$ (300,783)	\$ 2,208,213	\$ 2,056,480	\$ 2,353,034	\$ 3,033,433	\$ 4,059,715	\$ 1,539,995	\$ 2,021,721

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 Eight Fiscal Years**

(modified accrual basis of accounting)

	2003	2004	2005	2006	2007	2008	2009	2010
General fund								
Reserved	\$ 41,852	\$ 38,782	\$ 38,224	\$ 44,973	\$ 44,460	\$ 49,183	\$ 43,829	\$ 40,223
Unreserved	4,790,805	5,354,055	5,887,583	6,533,987	7,478,159	8,406,128	8,847,506	9,869,544
Total general fund	\$ 4,832,657	\$ 5,392,837	\$ 5,925,807	\$ 6,578,960	\$ 7,522,619	\$ 8,455,311	\$ 8,891,335	\$ 9,909,767
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	1,192,130	1,302,773
Hotel occupancy tax fund	-	57,932	197,332	239,413	293,598	394,591	410,710	434,157
Street improvement fund	-	362,635	367,311	361,966	356,961	493,699	495,925	529,165
Revolving loan fund	-	183,188	206,875	91,542	150,322	197,083	296,929	114,758
Police seizure funds	-	19,177	19,240	8,243	6,452	4,682	69,145	58,938
Local law enforcement block grants	-	11,642	7,605	-	-	-	-	-
Economic development fund	70,806	94,387	117,915	145,333	343,043	515,699	623,789	766,141
RSVP fund	(430)	(339)	(339)	60	-	-	-	-
Court security fee fund	-	33,274	34,103	29,573	35,017	39,332	41,849	48,875
Court technology fee fund	-	3,154	8,291	11,614	20,555	31,467	40,024	52,226
TLSAC library grant fund	-	-	-	6,354	6,701	6,909	-	-
Home program grant fund	-	-	-	-	-	32,621	47,621	-
JAG law enforcement grant funds	-	-	-	-	-	-	3,210	-
Total all other governmental funds	\$ 1,327,246	\$ 1,366,229	\$ 1,662,967	\$ 1,699,862	\$ 2,123,103	\$ 2,807,952	\$ 3,221,332	\$ 3,307,053

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 Eight Fiscal Years**

(modified accrual basis of accounting)

	2003	2004	2005	2006	2007	2008	2009	2010
<b>Revenues</b>								
Taxes (see Schedule 5)	\$ 6,722,502	\$ 7,051,986	\$ 7,411,970	\$ 7,854,623	\$ 8,440,707	\$ 9,067,033	\$ 9,062,717	\$ 9,417,000
Licenses and permits	36,613	107,659	76,844	57,398	50,425	48,800	47,497	53,328
Intergovernmental	378,680	309,222	533,698	264,301	268,840	288,410	400,704	618,872
Charges for services	478,275	497,985	690,488	606,311	605,751	742,441	636,325	654,049
Fines	283,683	244,796	215,528	238,595	258,696	305,692	440,657	402,484
Investment earnings	254,988	285,868	242,723	433,018	518,355	388,711	219,224	154,808
Rents and Royalties	-	360	360	360	360	360	360	360
Contributions and donations	-	7,468	4,736	4,988	8,186	6,412	20,319	15,234
Other revenues	567,258	18,085	105,531	26,368	25,774	40,527	8,134	58,472
<b>Total revenues</b>	<b>8,721,999</b>	<b>8,523,429</b>	<b>9,281,878</b>	<b>9,485,962</b>	<b>10,177,094</b>	<b>10,886,386</b>	<b>10,835,937</b>	<b>11,374,607</b>
<b>Expenditures</b>								
General Government	1,670,414	1,238,733	1,293,466	1,220,384	1,196,732	1,314,345	1,718,989	1,836,624
Public safety	4,724,521	4,714,896	4,982,170	5,157,281	5,478,839	5,828,529	5,953,304	6,062,813
Public works	848,996	701,590	832,083	833,754	814,880	830,318	910,141	904,783
Health	339,149	329,416	329,285	357,498	341,897	381,296	406,096	389,144
Recreation	523,083	544,814	509,707	573,553	534,328	592,958	659,838	628,100
Library	294,725	314,809	336,188	354,903	351,835	362,202	376,742	367,297
Capital outlay	532,211	88,554	195,895	431,418	225,289	171,215	165,660	291,537
<b>Total expenditures</b>	<b>8,933,099</b>	<b>7,932,812</b>	<b>8,478,794</b>	<b>8,928,791</b>	<b>8,943,800</b>	<b>9,480,863</b>	<b>10,190,770</b>	<b>10,480,298</b>
Excess of revenues over (under) expenditures	(211,100)	590,617	803,084	557,171	1,233,294	1,407,523	645,167	894,309
<b>Other financing sources (uses)</b>								
Sale of property	-	-	-	2,037	802	-	100	-
Transfers in	451,883	347,389	437,625	716,847	863,804	1,000,018	1,158,347	1,017,904
Transfers out	(109,649)	(338,843)	(411,000)	(586,007)	(731,000)	(790,000)	(954,210)	(808,061)
<b>Total other financing sources (uses)</b>	<b>342,234</b>	<b>8,546</b>	<b>26,625</b>	<b>132,877</b>	<b>133,606</b>	<b>210,018</b>	<b>204,237</b>	<b>209,843</b>
<b>Net change in fund balances</b>	<b>\$ 131,134</b>	<b>\$ 599,163</b>	<b>\$ 829,709</b>	<b>\$ 690,048</b>	<b>\$ 1,366,900</b>	<b>\$ 1,617,541</b>	<b>\$ 849,404</b>	<b>\$ 1,104,152</b>
Debt service as a percentage of noncapital expenditures	0%	0%	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 Eight Fiscal Years**

(modified accrual basis of accounting)

<b>Fiscal Year</b>	<b>Property</b>	<b>Sales &amp; Use</b>	<b>Franchise</b>	<b>Occupancy</b>	<b>Mixed Beverage</b>	<b>Interest and Penalty</b>	<b>Total</b>
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
2009	4,064,140	3,489,461	1,151,056	252,042	30,329	75,689	9,062,717
2010	4,118,245	3,533,785	1,393,606	263,933	32,338	75,093	9,417,000

Percent  
Change

2003-2010	46.8%	22.9%	78.7%	35.1%	88.7%	46.9%	40.1%
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Note: The city has elected to begin this schedule with the implementation of GASB Statement 34 in fiscal year 2003.

**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
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	415,014,053	264,587,043	133,058,257	104,264,066	708,395,287	0.5342
2009	431,325,292	272,486,153	129,275,369	107,516,218	725,570,596	0.5685
2010	535,517,490	191,231,337	112,155,171	112,877,410	726,026,588	0.5685

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
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
2009	0.5685	-	0.5685	1.0400	0.00794	0.492100
2010	0.5685	-	0.5685	1.0400	0.00794	0.492100

Source: Hale County Appraisal District

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

	2010			2000		
	Taxable Assessed Value	Rank	Percent of Taxable Assessed Value	Taxable Assessed Value	Rank	Percent of Taxable Assessed Value
Wal-Mart - Inventory	\$ 85,887,360	1	11.83	\$ 82,538,170	1	14.97
Wal-Mart Distribution	14,344,280	2	1.98	9,885,905	2	1.79
Acher Daniels Midland	9,652,011	3	1.33	3,452,111	6	0.63
Wal-Mart Stores	8,026,270	4	1.11	2,675,330	9	0.49
Wal-Mart Stores - Inventory	7,332,291	5	1.01	4,115,293	5	0.75
Excel Energy	4,617,902	6	0.64	8,223,152	3	1.49
BNSF Railway	3,867,926	7	0.53	-	-	-
Southwestern Bell	3,867,217	8	0.53	6,207,157	4	1.13
Stonagate Center	3,540,405	9	0.49	-	-	-
United Supermarkets	3,500,361	10	0.48	-	-	-
Kimart - Inventory				2,872,222	7	0.52
Hale County State Bank				2,439,651	10	0.44
<b>Total</b>	<b>\$ 144,636,023</b>		<b>19.92</b>	<b>\$ 122,408,991</b>		<b>22.21</b>

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	
				Amount	Percentage of Levy		Amount	Percentage of Adjusted Levy
2001	\$ 2,517,949	\$ (11,155)	\$ 2,506,794	\$ 2,441,579	96.97	\$ 58,680	\$ 2,500,259	99.74
2002	2,606,560	(8,061)	2,598,499	2,520,523	96.70	71,093	2,591,616	99.74
2003	2,841,513	(27,575)	2,813,938	2,730,645	96.10	75,052	2,805,697	99.71
2004	2,992,076	1,843	2,993,919	2,908,427	97.20	76,112	2,984,539	99.69
2005	3,217,884	(16,448)	3,201,436	3,125,829	97.14	61,782	3,187,611	99.57
2006	3,574,242	(95,341)	3,478,901	3,393,539	94.94	66,961	3,460,500	99.47
2007	3,762,550	(6,292)	3,756,258	3,667,112	97.46	67,750	3,734,862	99.43
2008	3,784,098	(20,032)	3,764,066	3,691,589	97.56	42,428	3,734,017	99.20
2009	4,124,614	(47,921)	4,076,693	3,969,938	96.25	48,570	4,018,508	98.57
2010	4,127,462	(1,962)	4,125,500	4,022,367	97.45	-	4,022,367	97.50

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							
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	1.69%	660			
2008	-	-	9,065,000	-	6,106,514	15,171,514	1.69%	711			
2009	-	-	8,445,000	-	5,821,287	14,266,287	N/A	652			
2010	-	-	7,875,000	-	6,379,585	14,254,585	N/A	642			

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 2009 and 2010 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			Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Certificates of Obligation Bonds	Total		
2001	\$ -	\$ -	\$ -	-	\$ -
2002	-	-	-	-	-
2003	-	-	-	-	-
2004	-	-	-	-	-
2005	-	-	-	-	-
2006	-	-	-	-	-
2007	-	-	-	-	-
2008	-	-	-	-	-
2009	-	-	-	-	-
2010	-	-	-	-	-

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, 2010**

<b>Governmental Unit</b>	<b>Debt Outstanding</b>	<b>Estimated Percentage Applicable</b>	<b>Estimated Share of Direct and Overlapping Debt</b>
<b>Debt repaid with property taxes</b>			
Plainview Independent School District	\$ -	64.81 %	\$ -
County of Hale	-	39.70	-
<b>Other debt</b>			
Plainview Independent School District	1,403,954	64.81	909,903
County of Hale	-	39.70	-
Subtotal overlapping debt			909,903
<b>City direct debt</b>			<u>-</u>
<b>Total direct and overlapping debt</b>			<u>\$ 909,903</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 Principal	Debt Service Interest	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
2001	\$ 4,423,240	\$ 3,179,329	\$ 1,243,911	\$ 138,000	\$ 58,200	\$ 1,986,117	\$ 1,399,022	\$ 587,095	\$ 207,000	\$ 87,300	1.99
2002	4,584,714	3,344,269	1,240,445	451,000	538,389	2,063,420	1,861,426	201,994	219,000	76,950	0.68
2003	4,759,242	3,212,067	1,547,175	488,000	494,301	2,400,063	1,544,349	855,714	252,000	36,600	2.97
2004	5,184,875	3,556,553	1,628,322	507,000	472,089	2,401,145	1,496,362	904,783	258,000	30,300	3.14
2005	5,043,446	3,480,034	1,563,412	535,000	448,814	2,508,308	1,563,551	944,757	270,000	23,850	3.22
2006	5,731,970	3,981,831	1,750,139	556,000	424,376	2,527,008	1,597,849	929,159	279,000	17,100	3.14
2007	5,495,629	3,874,419	1,621,210	584,000	397,896	2,692,496	1,606,164	1,086,332	291,000	8,730	3.62
2008	5,912,084	4,241,912	1,670,172	410,000	371,511	2,858,367	1,742,492	1,115,875	-	-	-
2009	6,108,850	4,456,922	1,651,928	430,000	351,459	2,979,411	1,731,807	1,247,604	190,000	59,967	4.99
2010	6,193,488	4,192,542	2,000,946	605,000	325,464	3,125,995	1,887,998	1,237,997	205,000	44,012	4.97

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	County Population	Personal Income	Income	Personal Income	Income	Enrollment	Rate	Enrollment	Rate		
2001	22,234	35,961	\$ 772,701,000	\$ 21,487	5,951	4.7%						
2002	22,011	35,710	774,876,000	21,699	5,906	5.7%						
2003	22,084	36,605	795,007,000	21,719	5,858	6.3%						
2004	21,935	36,303	796,747,000	21,947	6,085	6.1%						
2005	21,893	36,171	836,282,000	23,120	6,058	5.4%						
2006	21,887	35,862	847,210,000	23,624	6,028	5.3%						
2007	21,656	35,731	845,130,000	23,653	5,942	4.4%						
2008	21,324	35,326	898,285,000	25,428	5,784	4.9%						
2009	21,884	35,294	N/A	N/A	5,846	5.9%						
2010	22,194	36,273	N/A	N/A	5,842	7.1%						

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

Note: Personal income data for calendar years 2009 and 2010 are unavailable.

**Schedule 15  
City of Plainview  
Principal Employers \*  
Last Ten Years**

<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
Azteca Milling	Azteca Milling	Azteca Milling	Azteca Milling
Central Plains MHMR Center			
City of Plainview	City of Plainview	City of Plainview	City of Plainview
Excel Corporation	Excel Corporation	Excel Corporation	City of Plainview
Methodist Hospital	Methodist Hospital	Methodist 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
<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
Azteca Milling	Azteca Milling	Azteca Milling	Azteca Milling
Cargill Meat Solutions	Cargill Meat Solutions	Cargill Meat Solutions	Cargill Meat Solutions
Central Plains MHMR 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
<b>2009</b>	<b>2010</b>		
Azteca Milling	Azteca Milling		
Cargill Meat Solutions	Cargill Meat Solutions		
Central Plains MHMR Center	Central Plains MHMR Center		
City of Plainview	City of Plainview		
Covenant Hospital	Covenant Hospital		
Plainview Independent School District	Plainview Independent School District		
Texas Department of Criminal Justice	Texas Department of Criminal Justice		
United Supermarkets	United Supermarkets		
Wal-Mart Associates	Wal-Mart Associates		
Wayland Baptist University	Wayland Baptist University		

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

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

Function/Program	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General government										
Building permits issued	243	240	228	220	290	182	140	184	154	266
Building inspections	5,289	4,233	5,003	6,019	6,030	4,695	4,059	2,284	2,057	2,494
Public safety										
Police										
Calls for service	19,577	19,342	18,797	19,492	16,815	15,796	14,898	13,997	15,378	14,403
Citations issued	6,015	3,617	4,589	3,255	2,767	3,363	3,052	4,290	3,307	3,377
Arrests	2,625	2,366	2,248	1,690	1,474	1,493	1,570	1,712	1,659	1,593
Fire/EMS										
Ambulance calls	1,731	1,828	1,859	1,985	2,094	1,916	1,841	2,027	1,915	1,949
Fire calls	1,204	1,270	1,249	1,400	1,492	1,509	1,400	1,634	1,560	1,656
Inspections	200	400	400	400	400	400	237	96	122	137
Public works										
Street seal coating (lane miles)	36.24	39.42	42.74	53.31	49.53	36.17	25.32	23.08	19.97	21.18
Street patch material used (tons)	263.9	237.5	234.9	300.5	366.4	222.4	490.0	487.0	184.6	437.7
Health										
Immunizations	5,510	5,835	6,379	4,340	4,205	3,952	3,379	5,462	6,452	5,018
Inspections	352	332	321	318	302	300	302	288	156	253
Recreation and culture										
Parks										
Shelter house permits	172	189	170	179	156	173	177	216	192	235
Library										
Volumes in collection	48,530	50,034	50,670	52,119	51,512	46,763	50,661	52,109	48,244	53,593
Volumes borrowed	49,530	52,299	48,390	53,464	51,775	53,231	47,925	51,418	55,319	55,019
Visitors	76,131	82,937	85,604	85,606	88,286	89,781	85,545	88,993	92,247	93,761

Solid waste management										
Refuse collected (annual tonnage)	27,555	32,098	27,435	27,768	29,243	27,461	29,218	28,317	31,200	31,200
Recyclables collected (annual tonnage)	1,630	1,331	1,353	1,583	1,440	1,255	1,971	592	1,061	646
Water										
New connections	54	36	46	44	24	107	18	12	13	14
Main line repairs	151	62	70	52	103	97	103	86	124	124
Average daily production (thousands of gallons)	4,601	4,735	5,257	4,517	4,438	4,964	4,297	4,298	4,442	4,406
Peak daily production (thousands of gallons)	11,037	9,757	10,761	8,557	9,572	9,422	8,017	10,659	8,647	8,561
Wastewater										
Average daily sewage treatment (thousands of gallons)	1,850	1,880	1,890	1,970	2,020	2,090	2,200	2,000	1,800	1,928
Theatre										
Events scheduled	N/A	N/A	30	34	51	53	97	108	101	102
Attendees	N/A	N/A	4,925	4,446	8,061	5,703	10,554	13,623	10,622	10,665

Sources: Various city departments

Notes: 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	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
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	24
Staff and detective units	12	12	12	12	12	12	12	12	12	13
Fire/EMS										
Stations	3	3	3	3	3	3	3	3	3	3
Ambulances	4	4	4	4	4	4	4	4	4	4
Public works										
Paved streets (miles)	130	130	130	130	136	137	137	137	137	137
Streetlights	1,333	1,337	1,337	1,337	1,337	1,337	1,337	1,356	1,356	1,357
Traffic signals - City	7	7	7	7	7	7	7	7	7	7
Traffic signals - State	16	16	16	16	16	16	16	16	16	16
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	301	301
Playgrounds	14	14	14	14	14	14	14	14	14	14
Baseball/softball diamonds	19	19	19	19	19	19	19	19	19	21
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	7
Library										
Internet access workstations	10	10	10	10	10	10	11	15	15	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)	11,147	11,067	10,972	10,818	10,836	10,756	10,674	10,593	10,495	10,495
Water										
Water mains (miles)	193	193	193	193	193	201	201	201	201	208
Fire hydrants	745	745	745	745	745	745	745	745	747	731
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)	135	135	135	135	135	140	140	140	140	164
Treatment capacity (thousands of gallons per day)	3,000	3,000	3,300	3,300	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.

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