

# Comprehensive Annual Financial Report



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

For the Fiscal Year Ended  
September 30, 2011

City of Plainview, Texas

# **CITY OF PLAINVIEW, TEXAS**

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**ANNUAL FINANCIAL REPORT**

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**YEAR ENDED SEPTEMBER 30, 2011**

**CITY OF PLAINVIEW, TEXAS**

Year Ended September 30, 2011

Table of Contents

	Page	Exhibit
<b>INTRODUCTORY SECTION</b>		
Letter of Transmittal.....	i	
Principal Officials .....	vi	
Organizational Chart .....	vii	
<b>FINANCIAL SECTION</b>		
Independent Auditor’s Report .....	1	
Management’s Discussion and Analysis .....	3	
<u>Basic Financial Statements:</u>		
Government-Wide Financial Statements:		
Statement of Net Assets .....	14	A-1
Statement of Activities .....	15	A-2
Fund Financial Statements:		
Balance Sheet - Governmental Funds .....	17	A-3
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets .....	18	A-4
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds .....	19	A-5
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities .....	20	A-6
Statement of Net Assets – Proprietary Funds .....	21	A-7
Statement of Revenues, Expenses and Changes in Net Assets – Proprietary Funds.....	25	A-8
Statement of Cash Flows – Proprietary Funds .....	27	A-9
Notes to the Financial Statements .....	31	
<u>Required Supplementary Information:</u>		
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund .....	58	B-1
Schedule of Funding Progress – Pension and OPEB Plans .....	62	B-2
Notes to Required Supplementary Information.....	63	
<u>Combining Statements and Budgetary Comparisons:</u>		
General Funds		
Combining Balance Sheet – General Funds .....	64	C-1
Combining Statement of Revenues, Expenditures and Changes in Fund Balance – General Funds .....	66	C-2
Special Revenue Funds:		
Combining Balance Sheet – Nonmajor Governmental Funds.....	68	C-3
Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Nonmajor Governmental Funds .....	70	C-4

**CITY OF PLAINVIEW, TEXAS**

Year Ended September 30, 2011

Table of Contents - Continued

	<b>Page</b>	<b>Exhibit</b>
Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual:		
Hotel – Motel Occupancy Tax Fund.....	72	D-1
Economic Development Revolving Loan Fund .....	73	D-2
Police Seizure Fund .....	74	D-3
CJD Equipment Grant Fund.....	75	D-4
Federal Shared Forfeited Fund.....	76	D-5
RSVP Fund .....	77	D-6
Municipal Court Security Fee Fund.....	78	D-7
Municipal Court Technology Fund.....	79	D-8
SECO Grant Fund .....	80	D-9
Capital Improvement Fund .....	81	D-10
Street Improvement Fund.....	82	D-11
Economic Development Fund.....	83	D-12
Internal Service Funds:		
Combining Statement of Net Assets – Internal Service Funds.....	84	E-1
Combining Statement of Revenues, Expenses and Changes in Net Assets – Internal Service Funds .....	86	E-2
Combining Statement of Cash Flows – Internal Service Funds .....	88	E-3

**COMPLIANCE SECTION**

Report on Internal Control over Financial Reporting and on Compliance And Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	92	
---	----	--

**SUPPORTING SCHEDULES**

Capital Assets Used in the Operation of Governmental Funds:

Schedule of Capital Assets Used in the Operation of Governmental Funds by Source.....	94	F-1
Schedule of Capital Assets Used in the Operation of Governmental Funds by Function and Activity.....	95	F-2
Schedule of Changes in Capital Assets Used in the Operation of Governmental Funds by Function and Activity .....	97	F-3

Debt Service Requirements – Schedules of Maturities:

Solid Waste Management Enterprise Fund: Tax and Solid Waste and Waterworks and Sewer System Surplus Revenue Certificates of Obligation, Series 2008 Debt Service Requirements .....	98	G-1
Water and Sewer Enterprise Fund: General Obligation Refunding Bonds, Series 2009 Debt Service Requirements .....	99	G-2
Water Supply Contract Obligation Contract Revenue Bonds, Series 1999 and Series 2010 Refunding Debt Service Requirements .....	100	G-3

**CITY OF PLAINVIEW, TEXAS**  
Year Ended September 30, 2011  
Table of Contents - Continued

	<b>Page</b>	<b>Exhibit</b>
Water Supply Contract Obligation Contract Revenue Bonds, Series 1999 Unrefunded Portion and Series 2005 Refunding		
Debt Service Requirements .....	101	G-4
Water Supply Contract Obligation Contract Revenue Bonds, Series 2005		
Debt Service Requirements .....	102	G-5
Water Supply Contract Obligation Contract Revenue Bonds, Series 2006		
Debt Service Requirements .....	103	G-6
Water Supply Contract Obligation Contract Revenue Bonds, Series 1999 Remainder and Series 2010 Refunding		
Debt Service Requirements .....	104	G-7
Water Supply Contract Obligation Contract Revenue Bonds, Series 2009		
Debt Service Requirements .....	105	G-8
Tax and Waterworks and Sewer System Revenue Certificates of Obligation Series 2010		
Debt Service Requirements .....	106	G-9

**GENERAL INFORMATION (unaudited)**

Net Assets by Component .....	107	1
Changes in Net Assets .....	108	2
Fund Balances, Governmental Funds .....	110	3
Changes in Fund Balances, Governmental Funds .....	111	4
Tax Revenues by Source, Governmental Funds .....	112	5
Assessed Value and Estimated Value of Taxable Property .....	113	6
Direct and Overlapping Property Tax Rates .....	114	7
Principal Property Taxpayers .....	115	8
Property Tax Levies and Collections .....	116	9
Ratios of Outstanding Debt by Type .....	117	10
Ratios of General Bonded Debt Outstanding .....	118	11
Direct and Overlapping Governmental Activities Debt .....	119	12
Pledged Revenue Coverage .....	120	13
Demographic and Economic Statistics .....	121	14
Principal Employers .....	122	15
Full-time Equivalent City Government Employees by Function / Program .....	123	16
Operating Indicators by Function / Program .....	125	17
Capital Asset Statistics by Function / Program.....	127	18



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February 27, 2012

**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, 2011, 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, 2011, 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, 2011, are fairly presented in conformity with generally accepted accounting principles in the United States of America. 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 the 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 harvested an above average cotton crop in the fall of 2010. The world demand for cotton was high and as a result the price per pound was significantly higher than prior years. This past year due to a severe drought the cotton and other crops produced in the area saw significantly lower levels of production. The agriculture support industries are a major backbone of the local economy and also saw reduced levels of activity due to the drought.

The ethanol plant with a 110 million gallon annual production capacity east of the city does not use local commodities to produce ethanol and thus was not affected by the fact that local farmers were not in a position to produce the products needed to produce ethanol.

Two major retail outlets closed this past year. In July, 2011, the JC Penney Outlet closed as a part of a corporate restructuring and decision to eliminate all of their outlet stores. In August, 2011, Hastings Books and Entertainment closed. On the positive side La Super Economica, a specialty grocery store opened in January, 2012 and in February, 2012 a Burkes outlet store opened.

Plainview is proud to be the home to Wayland Baptist University and also have a South Plains College Campus in our city. Both entities have plans to expand their facilities and programs offered. In fact, Wayland is in the process of building new dorm facilities. They have also added football to the sports now being played at the university.

Even when considering the challenges mentioned above, the local economy is proving to be resilient. Sales tax receipts through February are up slightly over the same five month period last year, while property tax collections are about 2.5% below last year as a percent of levy collected at this time. One revenue source that is still experiencing a significant decline is investment earnings. This downturn can be attributed to the broader national and world economy rather than the local economy and the ongoing historically low interest rate environment.

Several departments in the City worked diligently to make the necessary changes and improvements so that the citizens will have the opportunity to pay lower insurance rates. The Insurance Services Office inspected the city earlier this year and determined that the City's Public Protection Classification rating should be raised from Class 4 to Class 3 which should reduce property insurance rates for most residents and businesses.

*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, replaced fifty-five miles 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 relocation and upgrade of the water and sewer lines on Highway 70 have been completed. The Texas Department of Transportation has also decided to rework the frontage roads on Interstate-27. The City has been awarded a Community Development Block Grant for \$275,000 to replace 4300 ft of water lines. The City's match on this grant is \$55,000.

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 acquired additional underground water rights and is in the process of determining when the new well fields will be tied into the existing water production assets in that area. This acquisition doubled the amount of groundwater owned by CRMWA. These ground water rights are projected to sustain the city's CRMWA current allocation beyond the end of this century and the well fields. This project has been financed with CRMWA bonds and the debt will be serviced by the City's water and sewer utility enterprise fund. The City's portion of the debt is approximately \$3,047,248. The City's obligation is scheduled to be repaid over a 20 year period and bears interest at rates ranging from 4% to 5%. Effective October 1, 2011, the City increased its base water rate charged to customers by \$3.00 per month to help cover the payments.

With the severe drought that the State of Texas has sustained this last year the City has recently implemented a multi-tiered water rate structure with increasing rates to encourage conservation of our water. The City will be closely monitoring water usage and educating our citizens on ways to conserve water. The drought contingency plan is being updated.

*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 contract with Wells Fargo Bank expired September 30, 2011. After going through the bidding process, the City awarded the new contract to Happy State Bank for a three year period with the option for two one-year renewals.

The current contract with Happy State Bank guarantees the City of Plainview the 91 day t-bill rate plus 20 basis points or the CDARS rate whichever is higher on certificates of deposit in excess of \$100,000 with 365 day maturity dates. The bank has public funds checking accounts that earn interest based on a rate determined by the bank based on the market at the time. Idle cash is placed in certificates of deposit in various banks and TexPool. At the end of the first quarter of the current fiscal year the City held \$20.1 million in certificates of deposit with an average maturity of 164 days and an average yield of .77%. The City opened a TexPool account this current year to add diversity to their investments. TexPool is a local government investment pool created on behalf of Texas entities whose investment objectives are preservation and safety of principal, liquidity and yield consistent with the Public Funds Investment Act.

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 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 TIB-The Independent Bankers Bank. The safekeeping agreement is a three-party contract between the City of Plainview, the depository bank, and the TIB-The Independent Bankers Bank acting 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%. October 1, 2011 the city increased the employer portion to 16.61% and October 1, 2012 to 18.26%.

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, 2010 and reported the funded ratio of accrued liability was 82.8%. The City's contribution rate at year end was 14.97% of payroll and the employees individually contribute 7%. TMRS restructured the funds and because of the restructuring contributions beginning January 1, 2012 will be at the full rate. This restructuring also increased the funded ratio of accrued liability from 66% to the 82.8%. Additional information on the City's pension arrangements and post-employment benefits can be found in Note K 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,

A handwritten signature in black ink, appearing to read "Greg Ingham", with a long horizontal flourish extending to the right.

Greg Ingham  
City Manager

A handwritten signature in black ink, appearing to read "Sarianne Beversdorf", with a long horizontal flourish extending to the right.

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

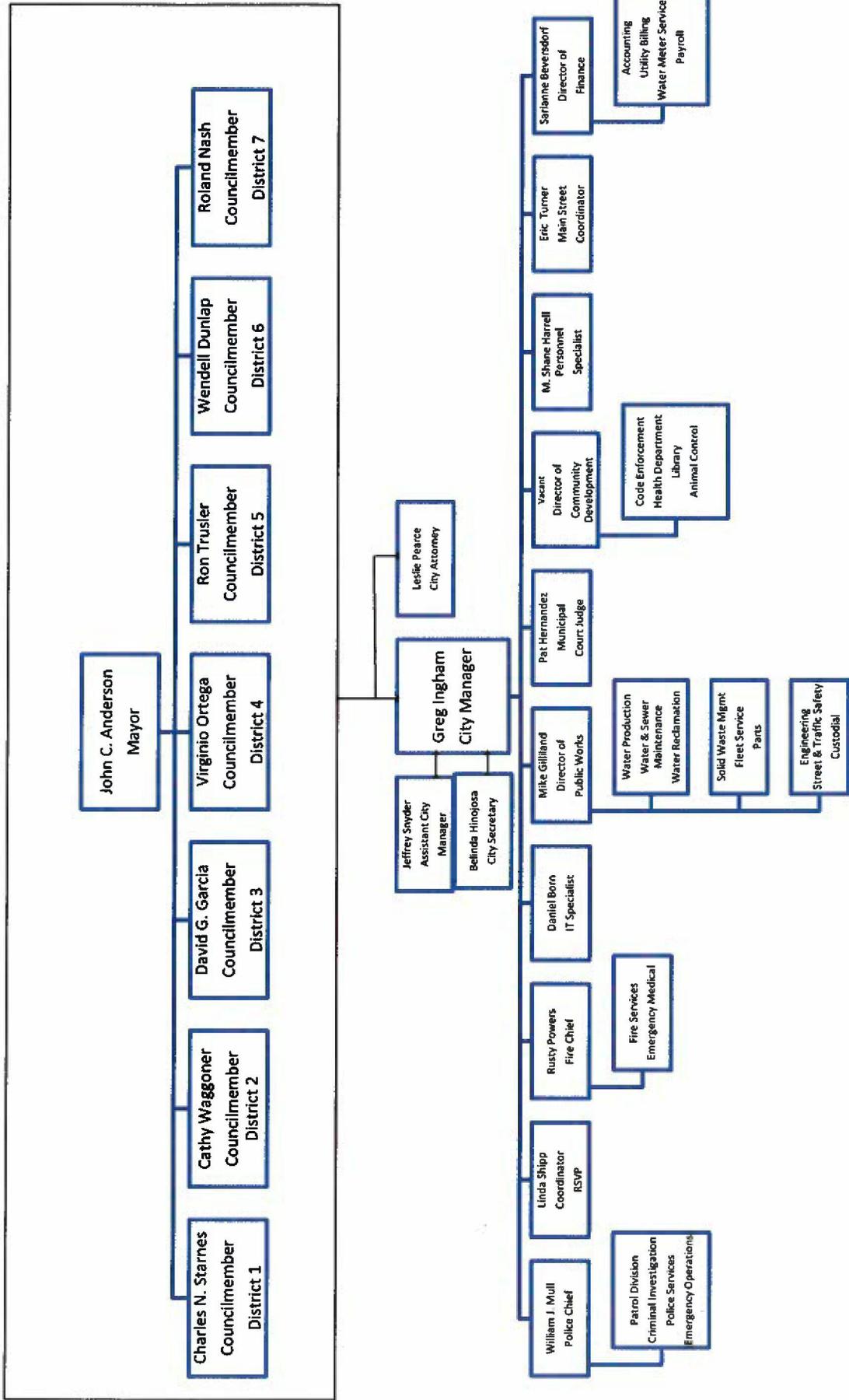
<u>CITY OFFICIALS</u>	<u>NAME</u>	<u># OF YEARS WITH CITY</u>	<u># OF YEARS THIS POSITION</u>
CITY MANAGER	GREG INGHAM	8	35
ASSISTANT CITY MANAGER	JEFFREY SNYDER	1	1
DIRECTOR OF FINANCE	SARIANNE BEVERSDORF	2	11
DIRECTOR PUBLIC WORKS	MIKE GILLILAND	3	3
DIRECTOR COMMUNITY SERVICES	VACANT	-	-
DIRECTOR FIRE SERVICES	RUSTY POWERS	22	3
DIRECTOR POLICE SERVICES	WILLIAM MULL	42	15
MUNICIPAL COURT JUDGE	PAT HERNANDEZ	27	14
CITY ATTORNEY	LESLIE PEARCE	6	12
CITY SECRETARY	BELINDA HINOJOSA	11	11

FINANCIAL CONSULTANT - SPECIALIZED PUBLIC FINANCE - AUSTIN, TEXAS

BOND COUNSEL - FULBRIGHT & JAWORSKI - DALLAS, TEXAS

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

# City of Plainview Organizational Chart





## 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, 2011, 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, 2011, 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 29, 2012, 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of funding progress and budgetary comparison information on pages 3 through 13 and 58 through 63 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the *Governmental Accounting Standards Board*, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. 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 financial statements. The combining financial statements, individual nonmajor fund budgetary comparison schedules, and the supporting schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and general information sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

*Davis Kinard & Co., PC*  
Certified Public Accountants

Plainview, Texas  
February 29, 2012

## 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, 2011. 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 \$89,402,194 at September 30, 2011 and \$77,901,460 at September 30, 2010, increasing 14.8%.
- Total liabilities were \$26,887,592 at September 30, 2011, an increase of 44.8% from September 30, 2010.
- The total assets of the City exceeded its liabilities at the close of the fiscal year by \$62,514,602, an increase of 5.4%. Of this amount, \$33,146,335 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 \$3,178,839.

#### Governmental Funds

- Total current assets were \$15,293,619 at September 30, 2011 and \$14,145,033 at September 30, 2010, increasing 8.1%.
- All combined governmental funds reported an ending fund balance of \$14,460,075, or a 9.4% increase from the previous year.
- For the period ended September 30, 2011, total revenues exceeded total expenditures by \$800,710.

#### Proprietary Funds

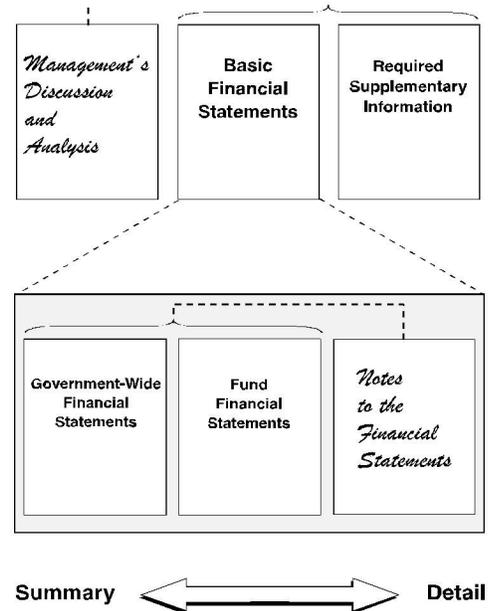
- Net assets for combined enterprise funds grew by 6.4% to \$33,706,766. Of this amount, \$13,998,698 is unrestricted and available to be used to meet the ongoing obligations to citizens and creditors.
- The change in net assets or net income generated from operations of the combined enterprise funds during the period ended September 30, 2011 is reported at \$2,054,439.
- A net increase in cash and cash equivalents of \$8,333,496 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-2. Major Features of the City’s Government-wide and Fund Financial Statements

Figure A-1 shows how the required parts of this annual report are arranged and related to one another.

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

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	<ul style="list-style-type: none"> <li>• Statement of net assets</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance sheet</li> <li>• Statement of revenues, expenditures &amp; changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of net assets</li> <li>• Statement of revenues, expenses and changes in fund net assets</li> <li>• Statement of cash flows</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of fiduciary net assets</li> <li>• Statement of changes in fiduciary net assets</li> </ul>
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

## 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.

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 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 \$62,514,602 at September 30, 2011, \$3.18 million higher than the prior year. (See Table A-1).

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

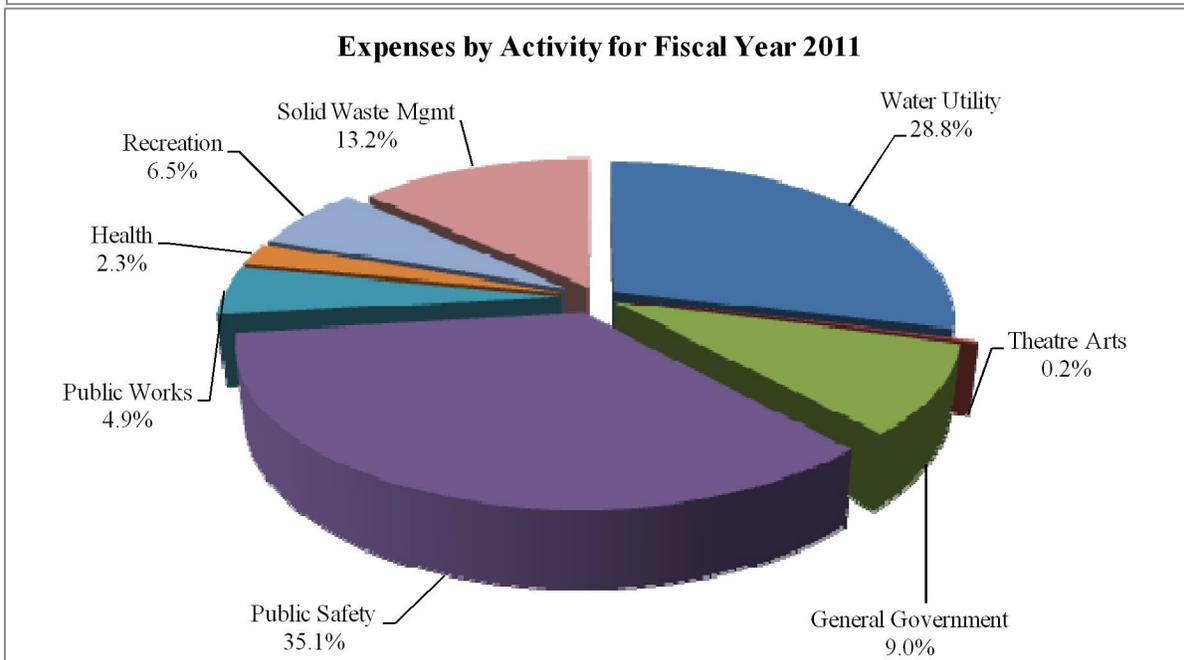
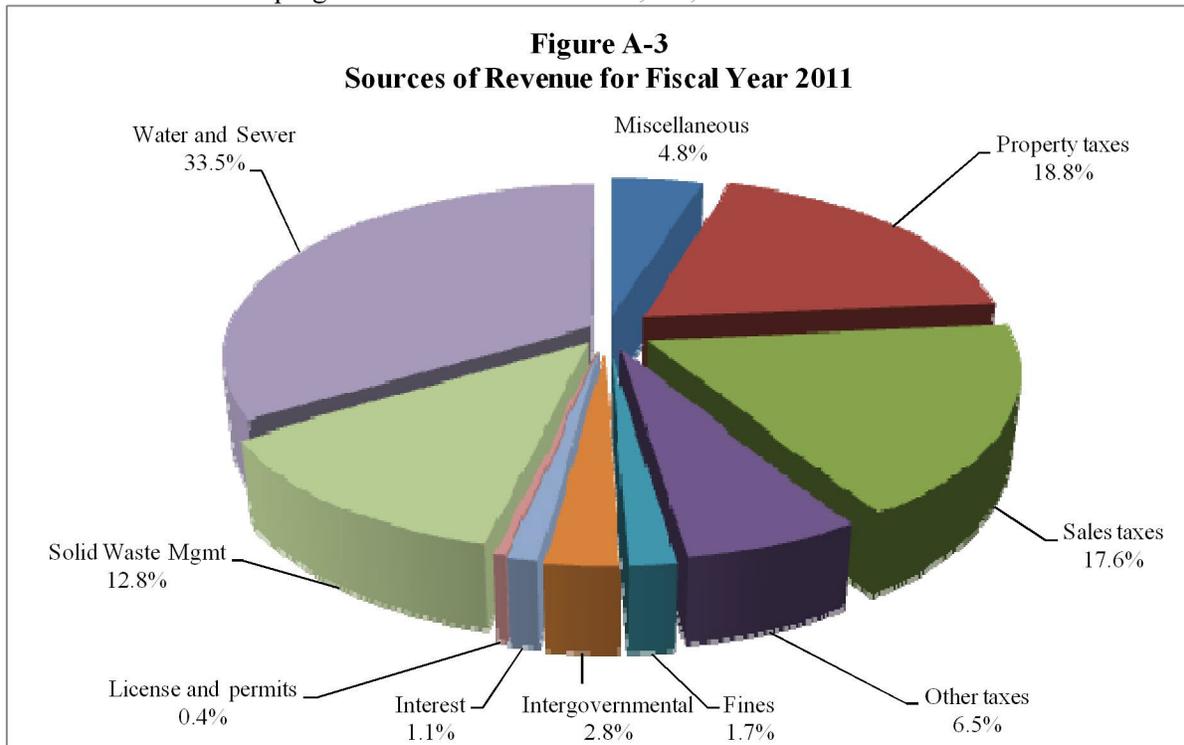
	Governmental Activities		Business -type Activities		Total		Total Percent Change
	2011	2010	2011	2010	2011	2010	
Current assets							
Cash and cash equivalents	\$ 7,889	\$ 8,020	\$ 5,557	\$ 4,555	\$ 13,446	\$ 12,575	6.9%
Investments	12,115	10,741	6,961	6,041	19,076	16,782	13.7%
Receivables	1,225	1,199	1,464	1,256	2,689	2,455	9.5%
Due from other governments	82	-	-	-	82	-	100.0%
Internal balances	64	30	(64)	(30)	-	-	0.0%
Inventories	84	77	144	127	228	204	11.8%
Total current assets	<u>21,459</u>	<u>20,067</u>	<u>14,062</u>	<u>11,949</u>	<u>35,521</u>	<u>32,016</u>	10.9%
Noncurrent assets	1,118	1,219	16,429	9,200	17,547	10,419	68.4%
Capital assets	27,500	26,756	47,995	45,886	75,495	72,642	3.9%
Less accumulated depreciation	<u>(18,560)</u>	<u>(17,878)</u>	<u>(20,602)</u>	<u>(19,298)</u>	<u>(39,162)</u>	<u>(37,176)</u>	5.3%
Total assets	<u>31,517</u>	<u>30,164</u>	<u>57,884</u>	<u>47,737</u>	<u>89,401</u>	<u>77,901</u>	14.8%
Accounts payable and accrued liabilities	673	883	654	238	1,327	1,121	18.4%
Deposits and escrow held	-	-	370	366	370	366	1.1%
Compensated absences	915	887	75	70	990	957	3.4%
Pension and OPEB obligations	1,063	687	134	102	1,197	789	51.7%
Water contract obligations	-	-	6,063	6,380	6,063	6,380	-5.0%
Landfill closure/postclosure	-	-	1,144	1,089	1,144	1,089	5.1%
Bonds payable	-	-	15,796	7,864	15,796	7,864	100.9%
Total liabilities	<u>2,651</u>	<u>2,457</u>	<u>24,236</u>	<u>16,109</u>	<u>26,887</u>	<u>18,566</u>	44.8%
Net assets							
Invested in capital assets, net of related debt	8,941	8,878	19,251	19,455	28,192	28,333	-0.5%
Restricted	719	709	457	295	1,176	1,004	17.1%
Unrestricted	19,206	18,120	13,940	11,878	33,146	29,998	10.5%
Total net assets	<u>28,866</u>	<u>27,707</u>	<u>33,648</u>	<u>31,628</u>	<u>62,514</u>	<u>59,335</u>	5.4%

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 (45 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, 2011 were \$22,728,913. A significant portion, 43 percent, of the City's revenue comes from taxes (See Figure A-3 ) while 46 percent comes from charges for utility services. The total cost of all programs and services was \$19,550,074.



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

	Governmental Activities		Business-type Activities		Total		Total Percent Change
	2011	2010	2011	2010	2011	2010	
Program revenues:							
Charges for services	\$ 1,218	\$ 1,116	\$ 10,542	\$ 9,119	\$ 11,760	\$ 10,235	14.9%
Grants and contributions	400	646	-	58	400	704	-43.2%
Capital contributions	241	-	-	-	241		100.0%
General revenues:							
Property taxes	4,270	4,197	-	-	4,270	4,197	1.7%
Other taxes	5,480	5,224	-	-	5,480	5,224	4.9%
Other	247	311	331	348	578	659	-12.3%
<b>Total revenues</b>	<b>11,856</b>	<b>11,494</b>	<b>10,873</b>	<b>9,525</b>	<b>22,729</b>	<b>21,019</b>	<b>8.1%</b>
Expenses:							
General government	1,763	1,967	-	-	1,763	1,967	-10.4%
Public safety	6,857	6,498	-	-	6,857	6,498	5.5%
Public works	965	1,201	-	-	965	1,201	-19.7%
Recreation and culture	1,260	1,148	-	-	1,260	1,148	9.8%
Health	458	400	-	-	458	400	14.5%
Solid waste management	-	-	2,573	2,520	2,573	2,520	2.1%
Water and sewer	-	-	5,635	5,226	5,635	5,226	7.8%
Theatre arts	-	-	39	38	39	38	2.6%
<b>Total expenses</b>	<b>11,303</b>	<b>11,214</b>	<b>8,247</b>	<b>7,784</b>	<b>19,550</b>	<b>18,998</b>	<b>2.9%</b>
Transfers	606	436	(606)	(436)	-	-	0.0%
Change in net assets	1,159	708	2,020	1,313	3,179	2,021	57.3%
Net assets - beginning	27,707	26,999	31,628	30,315	59,335	57,314	3.5%
Net assets - ending	<u>28,866</u>	<u>27,707</u>	<u>33,648</u>	<u>31,628</u>	<u>62,514</u>	<u>59,335</u>	5.4%

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 A-2) of this report.

## Governmental Activities

As shown in Table A-2, governmental activities increased net assets by \$1.15 million accounting for 36.5% 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 increased from .5685 to .5785 per \$100 valuation. However, a moderate increase in valuations and favorable collections enabled an increase in property tax revenues of \$138 thousand, or 3.35%.
- The franchise tax on gas and electric utilities increased \$4 thousand, or 0.31%, and general sales tax increased \$155 thousand, or 4.38%.
- The cost of all *governmental* activities this year was \$11,303 thousand compared to the previous year of \$11,214 thousand, a .8% increase.
- The amount that our taxpayers paid for these activities through taxes was \$9,750 thousand.
- Some of the cost was paid by those who directly benefited from the programs, \$1,218 thousand, or by grants and contributions, \$641 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
	2011	2010		2011	2010	
General government	\$ 1,763	\$ 1,967	-10.4%	\$ 1,096	\$ 1,401	-21.8%
Public safety	6,857	6,498	5.5%	6,053	5,690	6.4%
Public works	965	1,201	-19.7%	965	1,201	-19.6%
Recreation and culture	1,260	1,148	9.8%	1,216	1,085	12.1%
Health	458	400	14.5%	114	75	51.5%
<b>Total governmental activities</b>	<b>\$ 11,303</b>	<b>\$ 11,214</b>	<b>0.8%</b>	<b>\$ 9,444</b>	<b>\$ 9,452</b>	<b>-0.1%</b>

## Business-type Activities

Business-type activities increased the City's net assets by \$2,020 thousand accounting for 64% of the total increase in the government's net assets.

- Charges for services generated revenues of \$10,542 thousand for the period ended September 30, 2011 compared to \$9,119 thousand for the previous period. This 15.6% increase was derived from a 51% 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 \$8,247 thousand for 2011 and \$7,784 thousand for 2010, a 6.0% increase. The severe drought and the use of a higher percentage of ground water vs. lake water purchased from Canadian River Municipal Water Authority were contributors to the increase.
- Transfers from business-type activities to support general government activities were \$606 thousand for the period, a 39.0% increase from the previous period.

## FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

### Governmental Funds

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

- As of the end of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$14,460,075, an increase of \$1,243,255. 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 99.2% of the increase after inter-fund transfers.
- Total assets of the General Fund increased 8.1%. This increase is mainly attributable to the increase in cash, cash equivalents and investments from \$12,115,821 at the end of the prior period to \$13,144,818 at the end of fiscal year 2011.
- Total liabilities decreased 10.2% from \$928,213 in 2010 to \$833,544 in 2011.
- Of the combined ending fund balance, approximately \$10 million constitutes unassigned 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 \$7,565,443. Of this amount, \$2,109,456 is invested in capital assets and \$1,144,123 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 2011, approximately \$14.0 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 B-1 of the Financial Statements).

- Significant budget amendments during the year included the following additional appropriations for interfund transfers:
  - \$150,000 to the Equipment Replacement internal service fund
  - \$350,000 to the Capital Improvement nonmajor governmental fund.
  - \$100,000 to the Street Improvement Fund
  - \$71,735 to the Service Center Internal Service Fund
  - \$225,000 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, 2011 amounts to \$36,333,739 (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 thousands dollars)

	Governmental Activities		Business-type Activities		Total		Total Percent Change
	2011	2010	2011	2010	2011	2010	
Land	\$ 549	\$ 524	\$ 529	\$ 529	\$ 1,078	\$ 1,053	2.4%
Buildings	3,665	3,460	2,642	2,643	6,307	6,103	3.4%
System improvements	-	-	37,000	36,907	37,000	36,907	0.3%
Infrastructure	15,093	15,057	-	-	15,093	15,057	0.2%
Machinery and equipment	7,888	7,708	5,697	5,637	13,585	13,345	1.8%
Construction in progress	305	7	2,127	170	2,432	177	1273.8%
Totals at historical cost	27,500	26,756	47,995	45,886	75,495	72,642	3.9%
Accumulated depreciation	(18,560)	(17,878)	(20,602)	(19,298)	(39,162)	(37,176)	5.3%
Net capital assets	<u>\$ 8,940</u>	<u>\$ 8,878</u>	<u>\$ 27,393</u>	<u>\$ 26,588</u>	<u>\$ 36,333</u>	<u>\$ 35,466</u>	2.4%

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

**Long Term Debt**

At year end the City had \$15,797 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 (CRMWA), and is contractually obligated on its proportionate share of the Authority's debt (See Table A-5).

**Bond Ratings**

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

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. Subsequent to year end the CRMWA issued debt to finance the purchase of additional water rights of which, the City is contractually obligated for its portion of \$3,047,248. More detail on the City's long-term obligations may be found in the notes to the financial statements (Note J and Note S).

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

	Governmental Activities		Business-type Activities		Total		Total Percent Change
	2011	2010	2011	2010	2011	2010	
Bond and certificates of obligation	\$ -	\$ -	\$ 15,797	\$ 7,864	\$ 15,797	\$ 7,864	100.9%
Water Supply Contract obligation	-	-	6,063	6,380	6,063	6,380	-5.0%
<b>Total outstanding debt</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 21,859</b>	<b>\$ 14,244</b>	<b>\$ 21,859</b>	<b>\$ 14,244</b>	<b>53.5%</b>

**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 4.38% more than receipts from the previous year. Through February of this current year sales tax receipts have increased .606% over the same period in 2011. Using the unemployment rate as another indicator, the unemployment rate decreased from 6.9% in 2010 to a current rate in December of 6.8% while the State, as a whole, was at 8.2%. Also, considering the City of Plainview is located in a highly developed agricultural region and with this region harvesting minimal crops because of the drought. Still, the economic outlook is uncertain for this next fiscal year and the budget for 2011-2012 is very conservative.

The General Fund expenditure budget for the upcoming year increased by 3.5% and the ad valorem property tax rate of .5785 per \$100 valuation remains the same. 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 for EMT's and a small cost of living salary increase for the police and fire/EMS departments. 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 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 acquired additional underground water rights and is in the process of connecting the resulting well fields to existing water production assets in that area. This acquisition doubled the amount of groundwater owned by CRMWA. These ground water rights are projected to sustain the city's CRMWA current allocation beyond the end of this century and the well fields. This project has been financed with CRMWA bonds and the debt will be serviced by the City's water and sewer utility enterprise fund. The City's portion of the debt is approximately \$3,047,248. The City's obligation is scheduled to be repaid over a 20 year period and bears interest at rates ranging from 4% to 5%. Effective October 1, 2011, the City increased its base water rate charged to customers by \$3.00 per month to help cover the payments.

With the severe drought that the State of Texas has sustained this last year the City has recently implemented a multi-tiered water rate structure with increasing rates to encourage conservation of our water. The City will be closely monitoring water usage and educating our citizens on ways to conserve water. The drought contingency plan is being updated.

The 2011/2012 budget for the solid waste management operation was increased by 7.8% from the year before and collection and disposal fees were increased by 5%. 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.painview.tx.us](mailto:sbeversdorf@ci.painview.tx.us).



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

**Basic Financial  
Statements**

## CITY OF PLAINVIEW, TEXAS

## Statement of Net Assets

September 30, 2011

	<b>Primary Government</b>		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 7,889,568	\$ 5,557,422	\$ 13,446,990
Investments	12,114,768	6,960,903	19,075,671
Receivables, net	1,224,814	1,464,405	2,689,219
Due from other governments	81,857	-	81,857
Internal balances	63,809	(63,809)	-
Inventories, at cost	83,723	143,742	227,465
Investment in joint venture	1,118,366	-	1,118,366
Restricted assets:			
Cash and cash equivalents	-	8,539,535	8,539,535
Capital assets:			
Nondepreciable	854,797	2,656,056	3,510,853
Depreciable, net	8,085,931	24,736,955	32,822,886
Unamortized water contract costs and other assets	-	7,889,352	7,889,352
<b>Total Assets</b>	<b>31,517,633</b>	<b>57,884,561</b>	<b>89,402,194</b>
<b>LIABILITIES</b>			
Accounts payable	490,133	346,100	836,233
Accrued interest payable	-	308,307	308,307
Intergovernmental payable	182,933	-	182,933
Payable from restricted assets	-	369,898	369,898
Noncurrent liabilities:			
Due within one year	72,393	1,174,643	1,247,036
Due in more than one year	1,905,971	22,037,214	23,943,185
<b>Total Liabilities</b>	<b>2,651,430</b>	<b>24,236,162</b>	<b>26,887,592</b>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	8,940,728	19,250,791	28,191,519
Restricted for:			
Debt service	-	457,277	457,277
Tourism	483,846	-	483,846
Economic development	115,501	-	115,501
Law enforcement	34,343	-	34,343
Municipal Court	85,781	-	85,781
Unrestricted	19,206,004	13,940,331	33,146,335
<b>Total Net Assets</b>	<b>\$ 28,866,203</b>	<b>\$ 33,648,399</b>	<b>\$ 62,514,602</b>

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

**CITY OF PLAINVIEW, TEXAS**

Statement of Activities

Year Ended September 30, 2011

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government</b>				
<b>Governmental Activities:</b>				
General government - administration	\$ 1,169,303	\$ 138,155	\$ 82,142	\$ -
General government - other	592,777	341,829	103,737	-
Public safety	6,857,257	546,086	17,662	240,810
Public works	965,223	-	-	-
Health	458,362	147,724	196,995	-
Recreation and culture	1,260,092	44,073	-	-
<b>Total Governmental Activities</b>	<b>11,303,014</b>	<b>1,217,867</b>	<b>400,536</b>	<b>240,810</b>
<b>Business-Type Activities:</b>				
Solid waste management	2,573,083	2,905,358	-	-
Water and sewer	5,634,722	7,615,276	-	-
Theatre arts	39,255	21,163	-	-
<b>Total Business-Type Activities</b>	<b>8,247,060</b>	<b>10,541,797</b>	<b>-</b>	<b>-</b>
<b>Total Primary Government</b>	<b>\$ 19,550,074</b>	<b>\$ 11,759,664</b>	<b>\$ 400,536</b>	<b>\$ 240,810</b>

**General Revenues and Transfers**

Taxes

Property, levied for general purposes

Sales

Selective sales and use

Franchise

Penalty and interest

Miscellaneous

Investment income

Gain on sale of capital assets

Transfers

Total General Revenues and Transfers

**Change in Net Assets**

**Net Assets - Beginning**

**Net Assets - Ending**

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

**Net (Expense) Revenue and Changes in Net Assets**

<b>Primary Government</b>		
<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
\$ (949,006)		\$ (949,006)
(147,211)		(147,211)
(6,052,699)		(6,052,699)
(965,223)		(965,223)
(113,643)		(113,643)
(1,216,019)		(1,216,019)
<u>(9,443,801)</u>		<u>(9,443,801)</u>
	\$ 332,275	332,275
	1,980,554	1,980,554
	(18,092)	(18,092)
	<u>2,294,737</u>	<u>2,294,737</u>
	2,294,737	(7,149,064)
4,269,904	-	4,269,904
3,688,408	-	3,688,408
318,044	-	318,044
1,397,897	-	1,397,897
75,788	-	75,788
70,018	217,268	287,286
144,265	113,624	257,889
32,687	-	32,687
605,683	(605,683)	-
<u>10,602,694</u>	<u>(274,791)</u>	<u>10,327,903</u>
1,158,893	2,019,946	3,178,839
<u>27,707,310</u>	<u>31,628,453</u>	<u>59,335,763</u>
<u>\$ 28,866,203</u>	<u>\$ 33,648,399</u>	<u>\$ 62,514,602</u>

**CITY OF PLAINVIEW, TEXAS**  
 Balance Sheet - Governmental Funds  
 September 30, 2011

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 3,752,589	\$ 904,371	\$ 4,656,960
Investments	9,392,229	-	9,392,229
Interest receivable	4,533	-	4,533
Accounts receivable (net)	111,649	-	111,649
Taxes receivable (net)	977,468	26,470	1,003,938
Due from other governments	73,792	8,065	81,857
Inventories	42,453	-	42,453
<b>Total Assets</b>	<b>\$ 14,354,713</b>	<b>\$ 938,906</b>	<b>\$ 15,293,619</b>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>Liabilities</b>			
Accounts payable	\$ 216,457	\$ 35,424	\$ 251,881
Wages payable	110,774	1,078	111,852
Compensated absences payable	5,882	-	5,882
Due to other governments		182,933	182,933
Due to other funds	12,871	-	12,871
Deferred revenue	268,125	-	268,125
<b>Total Liabilities</b>	<b>614,109</b>	<b>219,435</b>	<b>833,544</b>
<b>Fund Balance</b>			
Nonspendable	42,453	-	42,453
Restricted	-	719,471	719,471
Assigned	2,917,945	-	2,917,945
Unassigned	10,780,206	-	10,780,206
<b>Total Fund Balance</b>	<b>13,740,604</b>	<b>719,471</b>	<b>14,460,075</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 14,354,713</b>	<b>\$ 938,906</b>	<b>\$ 15,293,619</b>

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

**CITY OF PLAINVIEW, TEXAS**  
 Reconciliation of the Governmental Funds Balance Sheet  
 to the Statement of Net Assets  
 September 30, 2011

**Total Fund Balances - Governmental Funds** \$ 14,460,075

Amounts reported for *governmental activities* in the statement of net assets are different because:

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. 7,623,810

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 \$22,102,404 and accumulated depreciation was \$15,271,132. 6,831,272

The City's investment in joint venture is not reported in the governmental funds but is included in the statement of net assets. 1,118,366

Other adjustments are necessary to convert the modified accrual basis of accounting to the accrual basis of accounting. Net property taxes receivable of \$268,125 and net fines receivable of \$83,703 were unavailable to pay for current period expenditures and are deferred in the governmental funds but included in the statement of net assets. 351,828

Long-term liabilities for compensated absences of \$905,069 and net pension obligation of \$614,079 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. (1,519,148)

**Net Assets of Governmental Activities** \$ 28,866,203

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

## CITY OF PLAINVIEW, TEXAS

## Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds

Year Ended September 30, 2011

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>			
Taxes:			
Property taxes	\$ 4,256,148	\$ -	\$ 4,256,148
Sales and use taxes	3,688,408	-	3,688,408
Selective sales and use taxes	35,374	282,670	318,044
Franchise tax	1,397,897	-	1,397,897
Penalty and interest on taxes	75,788	-	75,788
Licenses and permits	93,757	-	93,757
Intergovernmental revenue and grants	286,613	100,632	387,245
Charges for services	732,318	-	732,318
Fines and forfeitures	361,989	25,524	387,513
Investment earnings	106,513	1,764	108,277
Rents and royalties	360	-	360
Contributions and donations	-	13,291	13,291
Other revenue	69,857	161	70,018
Total Revenues	<u>11,105,022</u>	<u>424,042</u>	<u>11,529,064</u>
<b>EXPENDITURES</b>			
Current			
General government - administration	890,061	178,451	1,068,512
General government - other	453,349	127,452	580,801
Public safety	6,389,636	-	6,389,636
Public works	662,859	-	662,859
Health	419,261	-	419,261
Recreation and culture	1,085,960	-	1,085,960
Capital outlay	443,407	77,918	521,325
Total Expenditures	<u>10,344,533</u>	<u>383,821</u>	<u>10,728,354</u>
<b>Excess (Deficiency) of Revenue over Expenditures</b>	<u>760,489</u>	<u>40,221</u>	<u>800,710</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	1,393,984	1,296	1,395,280
Transfers out	(921,735)	(31,000)	(952,735)
Total Other Financing Sources (Uses)	<u>472,249</u>	<u>(29,704)</u>	<u>442,545</u>
<b>Net Change in Fund Balance</b>	1,232,738	10,517	1,243,255
<b>Fund Balance - October 1, restated</b>	<u>12,507,866</u>	<u>708,954</u>	<u>13,216,820</u>
<b>Fund Balance - September 30</b>	<u>\$ 13,740,604</u>	<u>\$ 719,471</u>	<u>\$ 14,460,075</u>

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

**CITY OF PLAINVIEW, TEXAS**

**Exhibit A-6**

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures,  
and Changes in Fund Balance to the Statement of Activities  
Year Ended September 30, 2011

**Total Net Change in Fund Balance - Governmental Funds** \$ 1,243,255

Amounts reported for *governmental activities* in the statement of activities are different because:

The City uses internal service funds to charge the costs of certain activities to individual funds. Net change in net assets of the internal service funds is reported with governmental activities. 29,224

Current year capital outlays are expenditures in the fund financial statements, but they are shown as increases in capital assets in the government-wide financial statements. 521,325

Assets donated to governmental funds by private parties are not recorded in the governmental fund financial statements whereas in the government-wide financial statements are recorded as capital contributions. 240,810

Proceeds from the sale of assets are recorded in the fund financial statements, whereas in the government-wide financial statements only the gain (loss) is recorded. (5,620)

Depreciation is not recognized as an expenditure in governmental funds since it does not require the use of current financial resources. (559,058)

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. (100,371)

Long-term liabilities for certain employee benefits are accrued in the government-wide financial statements, but are not reported in the fund financial statements.

Increase in compensated absences	22,331
Increase in net pension obligation	206,016

Revenues from property taxes are deferred in the fund financial statements until they are considered available to fund current expenditures, but such revenues are recognized in the government-wide statements. This adjustment includes a net increase in property tax revenues of \$13,756 and a net increase in fine revenues of \$3,919 which is an increase to net assets. 17,675

**Change in Net Assets of Governmental Activities** \$ 1,158,893

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

**CITY OF PLAINVIEW, TEXAS**  
**Statement of Net Assets - Proprietary Funds**  
**September 30, 2011**

	Business-type Activities	
	Solid Waste Management Fund	Water and Sewer Fund
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 2,373,230	\$ 3,061,217
Investments	2,897,967	4,062,936
Accounts receivable, net	378,516	1,080,988
Interest receivable	1,341	3,560
Due from other funds	-	-
Inventories, at cost	-	143,463
Total Current Assets	5,651,054	8,352,164
<b>Noncurrent Assets:</b>		
Restricted Assets		
Cash and cash equivalents	531,208	8,008,327
Capital Assets		
Nondepreciable	400,000	2,251,056
Depreciable, net	3,743,968	20,951,815
Unamortized water supply contract costs	-	7,641,791
Unamortized bond issuance costs	34,091	213,470
Total Noncurrent Assets	4,709,267	39,066,459
<b>Total Assets</b>	<b>10,360,321</b>	<b>47,418,623</b>
<b>LIABILITIES</b>		
<b>Current Liabilities:</b>		
Accounts payable	27,973	286,477
Wages and salaries payable	10,846	19,094
Accrued interest payable	2,742	305,565
Due to other funds	3,844	1,598
Current portion of long-term liabilities		
Accrued compensated absences	2,339	2,580
Net other postemployment benefits obligation	-	-
Bonds and certificates of obligation	225,000	615,000
Water contract obligation	-	329,724
Total Current Liabilities	272,744	1,560,038

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

Nonmajor Enterprise Fund	Total Enterprise Funds	Governmental Activities Total Internal Service Funds
\$ 122,975	\$ 5,557,422	\$ 3,232,608
-	6,960,903	2,722,539
-	1,459,504	19,629
-	4,901	1,362
-	-	18,313
279	143,742	41,270
<u>123,254</u>	<u>14,126,472</u>	<u>6,035,721</u>
-	8,539,535	-
5,000	2,656,056	-
41,172	24,736,955	2,109,456
-	7,641,791	-
-	247,561	-
<u>46,172</u>	<u>43,821,898</u>	<u>2,109,456</u>
<u>169,426</u>	<u>57,948,370</u>	<u>8,145,177</u>
1,521	315,971	124,331
189	30,129	2,069
-	308,307	-
-	5,442	-
-	4,919	-
-	-	62,428
-	840,000	-
-	329,724	-
<u>1,710</u>	<u>1,834,492</u>	<u>188,828</u>

**CITY OF PLAINVIEW, TEXAS**  
Statement of Net Assets - Proprietary Funds - continued  
September 30, 2011

	Business-type Activities - Enterprise Funds	
	Solid Waste Management Fund	Water and Sewer Fund
<b>Long-Term Liabilities (net of current portion):</b>		
Accrued landfill closure / postclosure costs	1,144,060	-
Payable from restricted assets:		
Deposits and escrow	-	369,898
Noncurrent portion of long-term liabilities		
Accrued compensated absences	23,444	46,437
Net pension obligation	51,506	81,154
Net other postemployment benefits obligation	-	-
Bonds and certificates of obligation	715,000	14,250,000
Unamortized premiums (discounts) on bonds	5,136	(13,560)
Water contract obligation	-	5,733,094
Total Noncurrent Liabilities	1,939,146	20,467,023
<b>Total Liabilities</b>	2,211,890	22,027,061
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	3,764,131	15,440,488
Restricted for debt service	-	457,277
Unrestricted	4,384,300	9,493,797
<b>Total Net Assets</b>	\$ 8,148,431	\$ 25,391,562
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds		
Net assets of business type activities		

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

Nonmajor Enterprise Fund	Total Enterprise Funds	Governmental Activities Total Internal Service Funds
-	1,144,060	-
-	369,898	-
-	69,881	3,984
943	133,603	5,946
-	-	380,976
-	14,965,000	-
-	(8,424)	-
-	5,733,094	-
943	22,407,112	390,906
2,653	24,241,604	579,734
46,172	19,250,791	2,109,456
-	457,277	-
120,601	13,998,698	5,455,987
\$ 166,773	\$ 33,706,766	\$ 7,565,443
	(58,367)	
	\$ 33,648,399	

**CITY OF PLAINVIEW, TEXAS**  
Statement of Revenues, Expenses, and Changes in Net Assets - Proprietary Funds  
Year Ended September 30, 2011

	Business-type Activities	
	Solid Waste Management Fund	Water and Sewer Fund
<b>OPERATING REVENUE</b>		
Charges for services	\$ 2,905,358	\$ 7,615,276
Other revenue	126,166	90,877
<b>Total Operating Revenues</b>	<u>3,031,524</u>	<u>7,706,153</u>
<b>OPERATING EXPENSES</b>		
Personnel services - salaries and wages	634,966	993,773
Personnel services - employee benefits	302,136	448,980
Purchased professional & technical services	299,120	548,132
Purchased property services	203,507	455,505
Other operating expenses	173,547	808,058
Supplies	292,297	658,556
Depreciation and amortization	574,209	989,620
<b>Total Operating Expenses</b>	<u>2,479,782</u>	<u>4,902,624</u>
<b>Operating Income (Loss)</b>	<u>551,742</u>	<u>2,803,529</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Gain (loss) on sale of property	-	1,462
Investment earnings	37,591	75,741
Bond premium accretion	1,369	1,031
Interest expense	(36,035)	(727,309)
Bond issuance cost amortization	(9,091)	(22,548)
<b>Total Nonoperating Revenues (Expenses)</b>	<u>(6,166)</u>	<u>(671,623)</u>
<b>Income Before Contributions and Transfers</b>	<u>545,576</u>	<u>2,131,906</u>
<b>CONTRIBUTIONS AND TRANSFERS</b>		
Transfers in	13,616	19,452
Transfers out	(176,279)	(493,472)
<b>Total Contributions and Transfers</b>	<u>(162,663)</u>	<u>(474,020)</u>
<b>Change in Net Assets</b>	382,913	1,657,886
<b>Net Assets - Beginning of Year</b>	<u>7,765,518</u>	<u>23,733,676</u>
<b>Net Assets - End of Year</b>	<u>\$ 8,148,431</u>	<u>\$ 25,391,562</u>

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds

Net assets of business type activities

The accompanying notes are an integral part of these financial statements

Nonmajor Enterprise Fund	Total Enterprise Funds	Governmental Activities Total Internal Service Funds
\$ 21,163	\$ 10,541,797	\$ 2,226,566
225	217,268	95,809
<u>21,388</u>	<u>10,759,065</u>	<u>2,322,375</u>
10,439	1,639,178	101,133
3,802	754,918	47,801
-	847,252	4,043
5,648	664,660	53,755
3,446	985,051	1,795,900
11,603	962,456	35,442
4,102	1,567,931	527,003
<u>39,040</u>	<u>7,421,446</u>	<u>2,565,077</u>
<u>(17,652)</u>	<u>3,337,619</u>	<u>(242,702)</u>
-	1,462	38,307
292	113,624	35,988
-	2,400	-
-	(763,344)	-
-	(31,639)	-
<u>292</u>	<u>(677,497)</u>	<u>74,295</u>
<u>(17,360)</u>	<u>2,660,122</u>	<u>(168,407)</u>
31,000	64,068	287,629
-	(669,751)	(124,491)
<u>31,000</u>	<u>(605,683)</u>	<u>163,138</u>
13,640	2,054,439	(5,269)
<u>153,133</u>	<u>31,652,327</u>	<u>7,570,712</u>
<u>\$ 166,773</u>	<u>\$ 33,706,766</u>	<u>\$ 7,565,443</u>
	<u>(34,493)</u>	
	<u>\$ 2,019,946</u>	

**CITY OF PLAINVIEW, TEXAS**  
**Statement of Cash Flows - Proprietary Funds**  
**Year Ended September 30, 2011**

	Business-type Activities	
	Solid Waste Management Fund	Water and Sewer Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from user charges	\$ 2,924,312	\$ 7,428,043
Cash from operating transactions - other funds	-	-
Cash payments to employees for services	(941,193)	(1,416,845)
Cash payments for goods and services	(928,204)	(2,329,895)
Other operating cash receipts	126,166	90,877
Net Cash Provided (Used) by Operating Activities	<u>1,181,081</u>	<u>3,772,180</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Increase (decrease) in deposits and escrow held	-	3,563
Transfers to other funds	(176,279)	(493,472)
Transfers from other funds	13,616	19,452
Repayment of interfund payables	-	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(162,663)</u>	<u>(470,457)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Acquisition of capital assets	(120,561)	(2,139,583)
Capital grants received	-	-
Principal paid on long-term debt	(215,000)	(852,250)
Interest paid on long-term debt	(36,662)	(437,511)
Net proceeds from bond issuance	-	8,605,587
Proceeds from the sale of capital assets	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(372,223)</u>	<u>5,176,243</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	(31,581)	(888,659)
Interest on investments	38,081	74,339
Net Cash Provided (Used) by Investing Activities	<u>6,500</u>	<u>(814,320)</u>
<b>Net Increase in Cash and Restricted Cash</b>	652,695	7,663,646
<b>Cash and Cash Equivalents - October 1</b>	<u>2,251,743</u>	<u>3,405,898</u>
<b>Cash and Cash Equivalents - September 30</b>	<u>\$ 2,904,438</u>	<u>\$ 11,069,544</u>

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

Nonmajor Enterprise Fund	Total Enterprise Funds	Governmental Activities Total Internal Service Funds
\$ 21,167	\$ 10,373,522	\$ -
-	-	2,217,963
(13,835)	(2,371,873)	(148,482)
(21,694)	(3,279,793)	(1,813,614)
225	217,268	95,809
(14,137)	4,939,124	351,676
-	3,563	-
-	(669,751)	(124,491)
31,000	64,068	287,629
-	-	(4,978)
31,000	(602,120)	158,160
-	(2,260,144)	(398,953)
-	-	-
-	(1,067,250)	-
-	(474,173)	-
-	8,605,587	-
-	-	45,088
-	4,804,020	(353,865)
-	(920,240)	(29,086)
292	112,712	36,464
292	(807,528)	7,378
17,155	8,333,496	163,349
105,820	5,763,461	3,069,259
\$ 122,975	\$ 14,096,957	\$ 3,232,608

**CITY OF PLAINVIEW, TEXAS**  
Statement of Cash Flows - Proprietary Funds - continued  
Year Ended September 30, 2011

	Business-type Activities - Enterprise Funds	
	Solid Waste Management Fund	Water and Sewer Fund
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Operating income (loss)	\$ 551,742	\$ 2,803,529
Adjustments to reconcile operating income to net cash Provided (used) by operating activities		
Depreciation and amortization	574,209	989,620
Landfill closure/postclosure	54,882	-
(Increase) decrease in operating assets and liabilities:		
Accounts receivable (net)	18,954	(187,233)
Inventories	-	(16,731)
Accounts payable	(27,475)	157,712
Wages payable	655	3,106
Net other postemployment benefits obligations	-	-
Net pension obligation	12,066	19,668
Accrued compensated absences	(3,823)	3,134
Interfund payables	(129)	(625)
Net Cash Provided (Used) by Operating Activities	\$ 1,181,081	\$ 3,772,180
<b>RECONCILIATION OF TOTAL CASH AND CASH EQUIVALENTS</b>		
Cash and cash equivalents - Statement of Net Assets	\$ 2,373,230	\$ 3,061,217
Restricted Cash - Statement of Net Assets	531,208	8,008,327
Total cash and cash equivalents	\$ 2,904,438	\$ 11,069,544

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

Nonmajor Enterprise Fund	Total Enterprise Funds	Governmental Activities Total Internal Service Funds
\$ (17,652)	\$ 3,337,619	\$ (242,702)
4,102	1,567,931	527,003
-	54,882	-
4	(168,275)	(8,603)
25	(16,706)	(4,334)
(1,022)	129,215	(43,926)
39	3,800	452
-	-	123,786
367	32,101	-
-	(689)	-
-	(754)	-
<u>\$ (14,137)</u>	<u>\$ 4,939,124</u>	<u>\$ 351,676</u>
\$ 122,975	\$ 5,557,422	\$ 3,232,608
-	8,539,535	-
<u>\$ 122,975</u>	<u>\$ 14,096,957</u>	<u>\$ 3,232,608</u>



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

**CITY OF PLAINVIEW, TEXAS**  
Notes to the Financial Statements  
For the Year Ended September 30, 2011

**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 corporate 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.

**CITY OF PLAINVIEW, TEXAS**  
Notes to the Financial Statements  
For the Year Ended September 30, 2011

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 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.

**CITY OF PLAINVIEW, TEXAS**  
Notes to the Financial Statements  
For the Year Ended September 30, 2011

*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.

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.

**CITY OF PLAINVIEW, TEXAS**  
Notes to the Financial Statements  
For the Year Ended September 30, 2011

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.

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.

**CITY OF PLAINVIEW, TEXAS**  
Notes to the Financial Statements  
For the Year Ended September 30, 2011

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.

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.

h. Fund balance

In the fund financial statements, governmental funds report the following classifications of fund balance:

*Nonspendable* – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact. All amounts reported as Nonspendable at September 30, 2011 are nonspendable in form. The City has not reported any amounts that are legally or contractually required to be maintained intact.

*Restricted* – Constraints placed on the use of these resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors or other governments; or are imposed by law through constitutional provisions or enabling legislation.

*Assigned* – includes amounts that are constrained by the City Council, or by another city official or the finance division to which the City has delegated authority, that are to be used for specific purposes but are neither restricted nor committed.

*Unassigned* – includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund.

**CITY OF PLAINVIEW, TEXAS**  
Notes to the Financial Statements  
For the Year Ended September 30, 2011

Details of constraints on fund balances of governmental funds at September 30, 2011 are as follows:

	General Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable:			
Inventories	\$ 42,453	\$	\$ 42,453
Restricted to:			
Tourism		483,846	483,846
Economic Development Revolving Loan Fund		115,501	115,501
Law Enforcement		34,343	34,343
Municipal Court		85,781	85,781
Assigned to:			
Capital Improvement	1,570,849		1,570,849
Street Improvement	320,297		320,297
Economic Development	1,026,799		1,026,799
Unassigned	10,780,206		10,780,206
	\$ 13,740,604	\$ 719,471	\$ 14,460,075

**Minimum Fund Balance Policy** - The City's goal is to have a sufficient fund balance in the general fund to address local and regional emergencies without borrowing. In addition the City will strive to maintain a minimum three months of operating expenditures in the general fund unassigned fund balance.

When the City incurs expenditures that can be made from either restricted or unrestricted fund balances, the expenditures should be charged to restricted fund balances. When the City incurs expenditures that can be made from either committed, assigned, or unassigned balances, the expenditures should be charged first to committed fund balances, second to assigned fund balances, and third to unassigned fund balances.

i. **Use of estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from those estimates.

**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, 2011, it had no custodial credit risk for deposits.

**CITY OF PLAINVIEW, TEXAS**  
Notes to the Financial Statements  
For the Year Ended September 30, 2011

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.

These policies authorize the City to invest in (1) obligations of the United States or its agencies and instrumentalities; (2) certificates of deposit by state and national banks doing business in Texas that are (a) guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor or, (b) secured by obligations in a manner and amount provided by law for deposits of the City; (3) fully collateralized repurchase agreements with a bank in Texas or a primary dealer, executed under the Bond Market Master Repurchase Agreement in accordance with the PFIA not to exceed 120 days; (4) money market mutual funds that are (a) registered and regulated by the Securities and Exchange Commission, (b) have a dollar weighted average stated maturity of 90 days or less, (c) rated AAA by at least one nationally recognized rating service, and (d) seek to maintain a net asset value of \$1.00 per share; (5) constant-dollar, Texas local government investment pools, which (a) meet the requirements of PFIA, (b) are rated no lower than AAA or an equivalent rating by at least one nationally recognized rating service, (c) are authorized by resolution or ordinance by the City Council.

As of September 30, 2011, and for the year then ended, the City had no investments other than nonmarketable certificates of deposit.

**C. Receivables**

The receivables detailed below are reported net of allowances for doubtful accounts in the fund financial statements as of September 30, 2011:

	General	Hotel/Motel Occupancy Fund	Solid Waste Management Fund	Water and Sewer Fund	Internal Service Funds	Total
Receivables:						
Taxes	\$ 1,302,866	\$ 26,470	\$ -	\$ -	\$ -	\$ 1,329,336
Accounts	227,893	-	380,169	1,086,225	19,629	1,713,916
Interest	4,533	-	1,341	3,560	1,362	10,796
Gross receivables	1,535,292	26,470	381,510	1,089,785	20,991	3,054,048
Less: allowance for uncollectibles	(441,642)	-	(1,653)	(5,237)	-	(448,532)
Net total receivables	<u>\$ 1,093,650</u>	<u>\$ 26,470</u>	<u>\$ 379,857</u>	<u>\$ 1,084,548</u>	<u>\$ 20,991</u>	<u>\$ 2,605,516</u>

**CITY OF PLAINVIEW, TEXAS**  
Notes to the Financial Statements  
For the Year Ended September 30, 2011

**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, 2011, consisted of the following:

<b>Due To Fund</b>	<b>Due From Fund</b>	<b>Amount</b>	<b>Purpose</b>
Internal service fund	General fund	\$ 12,871	Short-term loans
Internal service fund	Solid waste mgmt. fund	3,844	Short-term loans
Internal service fund	Water and sewer fund	1,598	Short-term loans
		<u>\$ 18,313</u>	

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

An additional \$58,367 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.

**2. Transfers To and From Other Funds**

Transfers to and from other funds for the year ended September 30, 2011, consisted of the following:

<b>Transfer From</b>	<b>Transfer To</b>	<b>Amount</b>	<b>Purpose</b>
General fund	Internal service fund	\$ 150,000	Equipment replacement
General fund	Internal service fund	71,735	Service center operations
Water and sewer fund	Internal service fund	31,650	Service center operations
Water and sewer fund	General fund	100,000	Economic development
Water and sewer fund	General fund	361,822	Transfer in lieu of taxes
Solid waste mgmt. fund	General fund	144,629	Transfer in lieu of taxes
Solid waste mgmt. fund	Internal service fund	31,650	Service center operations
Nonmajor governmental fund	Nonmajor busn. type activities	31,000	Theatre arts
Internal service fund	General fund	87,533	Health insurance
Internal service fund	Nonmajor governmental fund	648	Health insurance
Internal service fund	Nonmajor governmental fund	648	Health insurance
Internal service fund	Solid waste mgmt. fund	13,616	Health insurance
Internal service fund	Water and sewer fund	19,452	Health insurance
Internal service fund	Internal service fund	<u>2,594</u>	Health insurance
		<u>\$ 1,046,977</u>	

**CITY OF PLAINVIEW, TEXAS**  
Notes to the Financial Statements  
For the Year Ended September 30, 2011

**E. Restricted Cash and Cash Equivalents**

Restricted cash and cash equivalents consisted of the following at September 30, 2011:

Water and Sewer Fund		
Debt Service	\$	762,842
Customer Deposits / Escrow		369,898
Capital Projects (Unspent Bond Proceeds)		6,875,587
		8,008,327
Solid Waste Management Fund		
Capital Projects (Unspent Bond Proceeds)		531,208
Total	\$	8,539,535

**F. Capital Assets**

Capital asset activity for the period ended September 30, 2011 was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
<i>Governmental Activities</i>				
Capital assets not being depreciated				
Land	\$ 523,999	\$ 25,310	\$ -	\$ 549,309
Construction in progress	6,934	298,554	-	305,488
Total capital assets not being depreciated	530,933	323,864	-	854,797
Capital assets being depreciated				
Building and improvements	3,459,994	204,946	-	3,664,940
Machinery and equipment	7,708,373	596,478	(417,160)	7,887,691
Infrastructure	15,057,166	35,773	-	15,092,939
Total capital assets being depreciated	26,225,533	837,197	(417,160)	26,645,570
Less accumulated depreciation for:				
Building and improvements	(1,860,877)	(100,756)	-	(1,961,633)
Machinery and equipment	(5,157,359)	(648,412)	404,786	(5,400,985)
Infrastructure	(10,860,128)	(336,893)	-	(11,197,021)
Total accumulated depreciation	(17,878,364)	(1,086,061)	404,786	(18,559,639)
Capital assets being depreciated, net	8,347,169	(248,864)	(12,374)	8,085,931
Governmental activities capital assets, net	\$ 8,878,102	\$ 75,000	\$ (12,374)	\$ 8,940,728

**CITY OF PLAINVIEW, TEXAS**  
Notes to the Financial Statements  
For the Year Ended September 30, 2011

*Business-Type Activities*

Capital assets not being depreciated

Land	\$ 529,367	\$ -	\$ -	\$ 529,367
Construction in progress	170,289	1,956,400	-	2,126,689
<b>Total capital assets not being depreciated</b>	<u>699,656</u>	<u>1,956,400</u>	<u>-</u>	<u>2,656,056</u>

Capital assets being depreciated

Building and improvements	2,642,451	-	-	2,642,451
Machinery and equipment	5,636,710	211,336	(150,863)	5,697,183
Improvements and system	36,907,357	92,409	-	36,999,766
<b>Total capital assets being depreciated</b>	<u>45,186,518</u>	<u>303,745</u>	<u>(150,863)</u>	<u>45,339,400</u>

Less accumulated depreciation for:

Building and improvements	(1,988,508)	(25,646)	-	(2,014,154)
Machinery and equipment	(3,193,207)	(498,931)	150,045	(3,542,093)
Improvements and system	(14,116,350)	(929,848)	-	(15,046,198)
<b>Total accumulated depreciation</b>	<u>(19,298,065)</u>	<u>(1,454,425)</u>	<u>150,045</u>	<u>(20,602,445)</u>

<b>Capital assets being depreciated, net</b>	<u>25,888,453</u>	<u>(1,150,680)</u>	<u>(818)</u>	<u>24,736,955</u>
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<b>Business-type activities capital assets, net</b>	<u>\$ 26,588,109</u>	<u>\$ 805,720</u>	<u>\$ (818)</u>	<u>\$ 27,393,011</u>
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Depreciation was charged to functions as follows:

**Governmental Activities**

General government - administration	\$ 29,653
General government - other	823
Public safety	124,933
Public works	263,655
Health	1,511
Recreation and culture	138,483
Depreciation for capital assets of internal service funds is allocated to various functions based on usage of the assets	527,003
	<u>\$ 1,086,061</u>

**Business-type Activities**

Solid Waste Management Fund	\$ 574,209
Water and Sewer Fund	876,114
Theatre Arts	4,102
	<u>\$ 1,454,425</u>

**CITY OF PLAINVIEW, TEXAS**  
Notes to the Financial Statements  
For the Year Ended September 30, 2011

**G. Other Assets**

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

	<u>Solid Waste Management Fund</u>	<u>Water and Sewer Fund</u>	<u>Total</u>
Water Supply Contract Costs	\$ -	\$ 9,612,470	\$ 9,612,470
(Less) Accumulated Amortization	-	(1,970,679)	(1,970,679)
Water Supply Contract Costs, net	-	7,641,791	7,641,791
Bond Issuance Costs	63,637	258,801	322,438
(Less) Accumulated Amortization	(29,546)	(45,331)	(74,877)
Unamortized Bond Issuance Costs	34,091	213,470	247,561
Total	<u>\$ 34,091</u>	<u>\$ 7,855,261</u>	<u>\$ 7,889,352</u>

**H. Deferred Revenues**

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

<u>Description</u>	<u>Fund</u>	<u>Deferred Amount</u>
Property Taxes	General Fund	\$ 268,125

**I. Liabilities Payable from Restricted Assets**

Liabilities payable from restricted assets consisted of the following as of September 30, 2011:

<u>Description</u>	<u>Amount</u>
Business-type Activities:	
Water and Sewer Fund	
Customer Deposits / Escrow	\$ 369,898

**CITY OF PLAINVIEW, TEXAS**  
Notes to the Financial Statements  
For the Year Ended September 30, 2011

**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, 2011 are as follows:

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
<b>Governmental Activities</b>					
Compensated Absences	\$ 892,194	\$ 22,741	\$ -	\$ 914,935	\$ 5,882
Net Pension Obligation	414,482	1,144,170	(938,627)	620,025	-
Net OPEB Obligation	318,914	283,109	(158,619)	443,404	66,511
<b>Total Governmental Activities</b>	<b>\$ 1,625,590</b>	<b>\$ 1,450,020</b>	<b>\$ (1,097,246)</b>	<b>\$ 1,978,364</b>	<b>\$ 72,393</b>
<b>Business-Type Activities</b>					
Certificates of Obligation and bonds	\$ 7,875,000	\$ 8,685,000	\$ (755,000)	\$ 15,805,000	\$ 840,000
Bond premium, net	15,951	1,890	(2,400)	15,441	-
Deferred refunding loss, net	(26,493)	2,628	-	(23,865)	-
Subtotal	7,864,458	8,689,518	(757,400)	15,796,576	840,000
Water contract obligations	6,379,585	-	(316,767)	6,062,818	329,724
Accrued landfill closure / postclosure costs	1,089,178	54,882	-	1,144,060	-
Compensated Absences	75,489	-	(689)	74,800	4,919
Net Pension Obligation	101,502	305,605	(273,504)	133,603	-
<b>Total Business-Type Activities</b>	<b>\$ 15,510,212</b>	<b>\$ 9,050,005</b>	<b>\$ (1,348,360)</b>	<b>\$ 23,211,857</b>	<b>\$ 1,174,643</b>

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

Activity Type	Fund
Governmental	General Fund
Business-type	Solid Waste Management Fund
Business-type	Water and Sewer Fund

**CITY OF PLAINVIEW, TEXAS**  
Notes to the Financial Statements  
For the Year Ended September 30, 2011

2. Debt Service Requirements

Debt service requirements for long-term debt as of September 30, 2011 are as follows:

Year Ended September 30,	Bonds Payable		
	Principal	Interest	Total
2012	\$ 1,169,724	\$ 1,038,475	\$ 2,208,199
2013	1,493,808	728,588	2,222,396
2014	1,549,480	682,512	2,231,992
2015	1,583,485	632,685	2,216,170
2016	1,383,567	584,395	1,967,962
2017-2021	7,562,135	2,084,978	9,647,113
2022-2026	4,459,345	966,004	5,425,349
2027-2030	2,666,274	203,248	2,869,522
	<u>\$ 21,867,818</u>	<u>\$ 6,920,885</u>	<u>\$ 28,788,703</u>

3. Interest Costs Incurred

Long-term debt interest cost incurred for Business-type Activities for the year ended September 30, 2011 was as follows:

Interest charged to expense	\$ 763,344
Interest capitalized	<u>14,715</u>
Total interest incurred	<u>\$ 778,059</u>

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

4. Refunding Bonds and Tax and Revenue Certificates of Obligation

While the 2009 General Obligation Refunding Bonds and the 2008 and 2010 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 and 2010 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.

**CITY OF PLAINVIEW, TEXAS**  
Notes to the Financial Statements  
For the Year Ended September 30, 2011

Details pertaining to the outstanding Certificates of Obligation and Bonds as of September 30, 2011 are as follows:

<u>Description</u>	<u>Purpose</u>	<u>Maturity</u>	<u>Interest Rates</u>	<u>Balance</u>
2008 Tax and Revenue				
Certificates of Obligation	Landfill cell and water and sewer system improvements	3/1/2015	3.50%	\$ 940,000
2009 General Obligation				
Refunding Bonds	Refunding - waste water treatment plan bonds	3/1/2021	2.0 to 3.625%	6,180,000
2010 Tax and Revenue				
Certificates of Obligation	Water and sewer system improvements	3/1/2030	3.0 to 3.8%	<u>8,685,000</u>
				<u>\$15,805,000</u>

a. 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.

b. 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:

<u>Description</u>	<u>Maturity</u>	<u>Interest Rates</u>	<u>Balance</u>
Refunding Series 2005 (CUA)	2/15/2020	3.0% to 5.0%	\$ 1,301,666
Refunding Series 2010 (CUA)	2/15/2020	3.0% to 3.5%	264,440
Refunding Series 2010 (BUREC)	10/1/2018	3.0% to 5.0%	427,061
Series 2005	2/15/2025	4.50%	1,768,875
Series 2006	2/15/2027	4.25 to 5.0%	1,567,189
Series 2009	2/15/2029	4.16%	<u>733,587</u>
			<u>\$ 6,062,818</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.

**CITY OF PLAINVIEW, TEXAS**  
Notes to the Financial Statements  
For the Year Ended September 30, 2011

Each member city is assessed its proportionate share of operating costs, which are accounted for by the City as operating costs.

Although member cities have the right to elect the members of the CRMWA board, the City does not report this contract as a joint venture due to the following factors: 1) CRMWA was created by the State of Texas and is a subdivision thereof, as opposed to having been created by the members of CRMWA. 2) The City has no vested rights to the assets of CRMWA, nor responsibility for its liabilities, other than the City's proportionate share of the contractual construction obligations.

The financial statements of CRMWA as of September 30, 2011, and for the year then ended, reflect the following:

Assets:	<u>9/30/2011</u>
Current assets	\$ 21,380,771
Noncurrent assets	401,954,212
<b>Liabilities:</b>	
Current liabilities	10,370,227
Noncurrent liabilities	141,478,159
<b>Net Assets:</b>	
Invested in capital assets, net of related debt	100,461,911
Restricted	157,840,710
Unrestricted	13,183,976
<b>Total Net Assets</b>	<b>271,486,597</b>
Operating revenues	12,991,809
Operating expenses	(15,838,698)
Nonoperating revenues and expenses, net	939,137
Capital contributions and transfers, net	(61,051)
Increase (decrease) in net assets	(1,968,803)

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, 2011:

Costs of operations	\$ 202,874
Water pumping and chemical costs	274,863
Debt service	<u>614,659</u>
<b>Total</b>	<b><u>\$ 1,092,396</u></b>

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.

**CITY OF PLAINVIEW, TEXAS**  
Notes to the Financial Statements  
For the Year Ended September 30, 2011

Such costs that have been capitalized by the City as of September 30, 2011 are as follows:

Capitalized contract costs	\$	9,612,470
Accumulated amortization		<u>(1,970,679)</u>
Net unamortized costs	\$	<u>7,641,791</u>

**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.

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 are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. Plan provisions for the City are as follows:

	Plan Year 2010	Plan Year 2011
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.

**CITY OF PLAINVIEW, TEXAS**  
Notes to the Financial Statements  
For the Year Ended September 30, 2011

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:

Annual required contribution (ARC)	\$	1,037,114
Interest on net pension obligation		25,581
Adjustment to ARC		(21,204)
Annual pension cost (expense)		1,041,491
Contributions made		(925,833)
Increase (decrease) in net pension obligation		115,658
Net pension obligation - beginning of year		341,083
Net pension obligation - end of year	\$	456,741

Trend Information

For Year Ending	Annual Pension Cost	Actual Contribution Made	Percentage of APC Contributed	Net Pension Obligation
9/30/2009	\$ 879,248	\$ 742,932	84.5%	\$ 136,316
9/30/2010	985,067	780,300	79.2%	341,083
9/30/2011	1,041,491	925,833	88.9%	456,741

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

Valuation Date	12/31/2008	12/31/2009	12/31/10 - prior to restructuring	12/31/10 - Restructured
	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll
Actuarial Cost Method	29 Years - Closed Period	28 Years - Closed Period	27.2 Years - Closed Period	27.3 Years - Closed Period
Amortization Method	30 years	30 years	30 years	30 years
GASB 25 Equivalent				
Single Amortization Period				
Amortization Period for new gains / Losses				

**CITY OF PLAINVIEW, TEXAS**  
Notes to the Financial Statements  
For the Year Ended September 30, 2011

Valuation Date	12/31/2008	12/31/2009	12/31/10 - prior to restructuring	12/31/10 - Restructured
Asset Valuation Method	Amortized Cost	10-year smoothed Market	10-year smoothed Market	10-year smoothed Market
Actuarial Assumptions:				
Investment Rate of Return*	7.5%	7.5%	7.5%	7.0%
	Varies by age and service	Varies by age and service	Varies by age and service	Varies by age and service
Projected Salary Increases*	3.0%	3.0%	3.0%	3.0%
* Includes Inflation at	2.1%	2.1%	2.1%	2.1%
Cost-of-living Adjustments				

**Funded Status and Funding Progress:**

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

	12/31/10 <sup>1</sup>	12/31/10 <sup>2</sup>
Actuarial value of assets	\$ 14,303,961	25,680,697
Actuarial accrued liability (AAL)	\$ 21,686,359	31,005,007
Funded ratio	66.0%	82.8%
Unfunded (over-funded) AAL (UAAL)	\$ 7,382,398	5,324,310
Covered Payroll	\$ 5,501,123	5,501,123
UAAL as a percentage of covered payroll	134.2%	96.8%

<sup>1</sup> Actuarial valuation performed under the original fund structure

<sup>2</sup> Actuarial valuation performed under the new fund structure

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

Actuarial calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each valuation, and reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. The schedule of funding progress, 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  
For the Year Ended September 30, 2011

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	28
Total membership	64

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.

Schedule of Actuarial Liabilities and Funding Progress:

Actuarial valuation date	12/31/2009
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%

**CITY OF PLAINVIEW, TEXAS**  
Notes to the Financial Statements  
For the Year Ended September 30, 2011

	9/30/2011
Annual required contribution (ARC)	\$ 645,161
Firefighter contribution	(241,311)
Interest on net pension obligation	13,992
Amortization adjustment on ARC	(9,559)
Total annual pension cost (APC)	408,283
Contributions made	(286,298)
Increase (decrease) in net pension obligation	121,985
Net pension obligation (NPO) at the beginning of year	174,902
NPO at the end of year	\$ 296,887

Trend Information				
For Year Ending	Annual Pension Cost	Net Employer Contribution	Percentage of APC Contributed	Net Pension Obligation
9/30/2009	\$ 242,062	\$ 242,062	100.0%	\$ -
9/30/2010	417,453	242,551	58.1%	174,902
9/30/2011	408,283	286,298	70.1%	296,887

Currently active members are required to contribute 14% of covered pay. For the fiscal year ended September 30, 2011, the employees contributed \$241,311 in addition to the employer 16.61% matching contribution shown above.

Actuarial assumptions were as follows:

Actuarial Cost Method	Variation of aggregate entry age normal method
Asset Valuation Method	Market value
Amortization Method	Level Percent of Payroll
Remaining Amortization Period	123.2 years, closed period
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.

Actuarial Assumptions:

Investment Rate of Return	8.0%
Projected Salary Increases	5.0%
Payroll growth	4.0%
Amortization Increases	4.0%
Cost-of-living Adjustments	None

**CITY OF PLAINVIEW, TEXAS**  
Notes to the Financial Statements  
For the Year Ended September 30, 2011

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 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>Year Ending</u>	<u>Beginning Balance</u>	<u>Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Ending Balance</u>
9/30/2009	\$ 79,737	\$ 1,195,849	\$ (1,240,752)	\$ 34,834
9/30/2010	34,834	983,400	(957,634)	60,600
9/30/2011	60,600	1,219,737	(1,257,644)	22,693

The City contributes \$440 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 \$1,000,000 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 \$1,318,862. 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, 2011.

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.

**CITY OF PLAINVIEW, TEXAS**  
Notes to the Financial Statements  
For the Year Ended September 30, 2011

**M. Other Postemployment Benefits**

**Plan Participants:**

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

Normal Retirement Benefit Eligibility are as follows:

*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 are as follows:

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 26.

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**  
Notes to the Financial Statements  
For the Year Ended September 30, 2011

Schedule of Monthly Premiums:

Category	Monthly Premium	Paid By:
Retiree (under 65)	\$ 358	Retiree
Retiree (65+)	288	Retiree
Active Employee	440	City
Spouse	325	Employee
1 Child	191	Employee
2+ Children	263	Employee
Full Family	540	Employee
COBRA	440	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)	\$ 282,054
Interest on OPEB obligation	14,351
Adjustment to ARC	<u>(13,296)</u>
Annual OPEB cost at end of year	283,109
Net employer contributions	<u>(158,619)</u>
Increase in net OPEB obligation	124,490
Net OPEB obligation at beginning of year	<u>318,914</u>
Net OPEB obligation at end of year	<u><u>\$ 443,404</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the current year (4.5% discount rate, and level percent of pay amortization) are as follows:

Fiscal Year Ended	Net Employer Contributions	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation	Annual Required Contribution	Percentage of ARC Contributed
9/30/2009	\$ 39,723	\$ 190,438	20.9%	\$ 150,715	\$ 190,438	20.9%
9/30/2010	28,450	196,649	14.5%	318,914	196,151	14.5%
9/30/2010	158,619	283,109	56.0%	443,404	282,054	56.2%

**CITY OF PLAINVIEW, TEXAS**  
Notes to the Financial Statements  
For the Year Ended September 30, 2011

The funded status of the City's retiree health care plan is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) (B)	Unfunded AAL (UAAL) (B)-(A)	Funded Ratio (A)/(B)
12/31/2007	\$ -	\$ 2,630,977	\$ 2,630,977	0.0%
12/31/2008	-	3,036,824	3,036,824	0.0%

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 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 assumptions were as follows:

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
Amortization period	30 years, open period
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 2011, 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.

**CITY OF PLAINVIEW, TEXAS**  
Notes to the Financial Statements  
For the Year Ended September 30, 2011

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 \$1,318,862 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.

**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 \$1,144,060 reported as landfill closure and postclosure care liability as of September 30, 2011, represents the cumulative amount reported to date based on the use of 19.33 percent of the estimated capacity of the landfill. The City will recognize the remaining estimated cost of closure and postclosure of \$4,774,514 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2011. The City expects to close the landfill in the year 2090. 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 \$1,144,060 as of September 30, 2011.

**CITY OF PLAINVIEW, TEXAS**  
Notes to the Financial Statements  
For the Year Ended September 30, 2011

**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	12/31/2010
Total current assets	\$ 80,705
Total property and equipment	2,158,278
Total current liabilities	2,251
Net assets invested in capital assets	2,158,278
Unrestricted net assets	78,454
Total net assets	2,236,732
Total operating revenues	82,462
Total operating expenses	(283,374)
Non-operating revenues	170
Net increase (decrease) in net assets	(200,742)
City's 50% share of increase (decrease) in net assets	(100,371)

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, 2011 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. Change in Beginning Fund Balance**

During the year the City implemented GASB-54, *Fund Balance Reporting and Governmental Fund Type Definitions*. With the implementation of GASB-54, previously reported special revenue funds no longer met the definition and needed to be reclassified as part of the general fund.

**CITY OF PLAINVIEW, TEXAS**  
Notes to the Financial Statements  
For the Year Ended September 30, 2011

The following discloses the restatement of governmental fund balances as of the beginning of the fiscal year:

	<u>General Fund</u>	<u>Other Governmental Funds</u>
As previously stated September 30, 2010	\$ 9,909,767	\$ 3,307,053
Increase (decrease) due to reclassification of special revenue funds		
Capital Improvement Fund	1,302,773	(1,302,773)
Street Improvement Fund	529,185	(529,185)
Economic Development Fund	766,141	(766,141)
Beginning fund balance October 1, 2010 as restated	\$ 12,507,866	\$ 708,954

S. Subsequent Event

In December 2011, the Canadian River Municipal Water Authority (CRMWA) acquired additional water rights and issued debt to finance the purchase. The City of Plainview shares in such water rights and is contractually obligated to CRMWA for its portion of the debt which is \$3,047,248. The City's obligation is scheduled to be repaid over a 20 year period and bears interest at rates ranging from 4% to 5%. Effective October 1, 2011, the City increased its base water rate charged to customers by \$3.00 per month to help cover the payments.



**PLAINVIEW, TX**  
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**Required Supplementary  
Information**

**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF PLAINVIEW, TEXAS**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget to Actual - General Fund  
Year Ended September 30, 2011

	Budgeted Amounts		Actual
	Original	Final	GAAP Basis
<b>REVENUES</b>			
Taxes			
Property taxes	\$ 4,173,500	\$ 4,173,500	\$ 4,256,148
General sales and use tax	3,387,500	3,387,500	3,688,408
Selective sales and use tax	27,500	27,500	35,374
Franchise tax	1,240,500	1,240,500	1,397,897
Penalty and interest on taxes	60,500	60,500	75,788
Licenses and permits	40,250	40,250	93,757
Intergovernmental revenue and grants	209,185	282,585	286,613
Charges for services	596,130	596,130	732,318
Fines and forfeitures	320,025	320,025	361,989
Investment earnings	130,000	130,000	98,251
Rents and royalties	360	360	360
Other revenue	723,830	808,590	68,725
<b>Total Revenues</b>	<b>10,909,280</b>	<b>11,067,440</b>	<b>11,095,628</b>
<b>EXPENDITURES</b>			
Current			
General government - administration			
City council	57,420	57,420	(11,929)
City manager	268,395	268,395	96,643
Nondepartmental	389,025	389,025	357,450
Legal	214,925	254,925	117,915
Finance	63,785	63,785	(56,331)
Human resources	66,940	66,940	64,972
Civil service	82,100	82,100	83,130
Property tax appraisal / collection	99,790	99,790	93,976
<b>Total general government - admin</b>	<b>1,242,380</b>	<b>1,282,380</b>	<b>745,826</b>
General government - other			
Municipal court	182,255	182,255	152,981
Community development	122,160	122,160	61,444
Code enforcement	179,170	179,170	175,614
Main Street	95,805	103,805	61,660
Airport	5,000	5,000	1,650
<b>Total general government - other</b>	<b>584,390</b>	<b>592,390</b>	<b>453,349</b>
Health			
City-county health department	188,820	188,820	184,351
Health OPHP/LPHS (BRHLO)	79,870	79,870	76,811
Health TDH-IMM	169,170	169,170	158,099
<b>Total Health</b>	<b>437,860</b>	<b>437,860</b>	<b>419,261</b>

Adjustments to Budget Basis	Actual Budget Basis	Variance with Final Budget
\$	\$ 4,256,148	\$ 82,648
	3,688,408	300,908
	35,374	7,874
	1,397,897	157,397
	75,788	15,288
	93,757	53,507
	286,613	4,028
	732,318	136,188
	361,989	41,964
	98,251	(31,749)
	360	-
718,540	787,265	(21,325)
718,540	11,814,168	746,728
50,290	38,361	19,059
164,625	261,268	7,127
	357,450	31,575
117,145	235,060	19,865
114,965	58,634	5,151
	64,972	1,968
	83,130	(1,030)
	93,976	5,814
447,025	1,192,851	89,529
	152,981	29,274
	61,444	60,716
	175,614	3,556
43,110	104,770	(965)
	1,650	3,350
43,110	496,459	95,931
	184,351	4,469
	76,811	3,059
	158,099	11,071
-	419,261	18,599

**CITY OF PLAINVIEW, TEXAS**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget to Actual - General Fund  
Year Ended September 30, 2011

	Budgeted Amounts		Actual
	Original	Final	GAAP Basis
<b>EXPENDITURES - continued</b>			
Current - continued			
Public safety			
Police	3,167,620	3,171,620	3,089,036
Fire	2,264,875	2,264,875	2,208,451
Emergency medical services	663,670	663,670	602,904
Traffic control	189,395	189,395	169,999
Emergency operations center	3,085	11,185	9,013
Street lighting	180,000	180,000	180,466
Animal control	117,550	124,750	129,767
Total public safety	<u>6,586,195</u>	<u>6,605,495</u>	<u>6,389,636</u>
Public works			
Public works - general	278,730	278,730	(39,555)
Street cleaning	176,890	176,890	174,015
Streets - other	763,320	763,320	437,333
Building operations	93,710	93,710	89,771
Custodial services	-	-	1,295
Total public works	<u>1,312,650</u>	<u>1,312,650</u>	<u>662,859</u>
Recreation and culture			
Parks	697,790	697,790	670,243
Swimming pool	22,000	22,000	20,390
Library	398,655	398,655	395,327
Total Parks and Recreation	<u>1,118,445</u>	<u>1,118,445</u>	<u>1,085,960</u>
Capital outlay	<u>8,000</u>	<u>143,000</u>	<u>98,094</u>
<b>Total Expenditures</b>	<u>11,289,920</u>	<u>11,492,220</u>	<u>9,854,985</u>
Excess of Revenues Over (Under) Expenditures	(380,640)	(424,780)	1,240,643
<b>Other Financing Sources (Uses)</b>			
Transfers in	425,425	450,330	593,984
Transfers out	(25,000)	(921,735)	(921,735)
Total Other Financing Sources (Uses)	<u>400,425</u>	<u>(471,405)</u>	<u>(327,751)</u>
Change in Fund Balance	19,785	(896,185)	912,892
Fund Balance - October 1	<u>9,909,767</u>	<u>9,909,767</u>	<u>9,909,767</u>
Fund Balance - September 30	<u>\$ 9,929,552</u>	<u>\$ 9,013,582</u>	<u>\$ 10,822,659</u>

Adjustments to Budget Basis	Actual Budget Basis	Variance with Final Budget
	3,089,036	82,584
	2,208,451	56,424
	602,904	60,766
	169,999	19,396
	9,013	2,172
	180,466	(466)
	129,767	(5,017)
-	<u>6,389,636</u>	<u>215,859</u>
228,405	188,850	89,880
	174,015	2,875
	437,333	325,987
	89,771	3,939
	1,295	(1,295)
<u>228,405</u>	<u>891,264</u>	<u>421,386</u>
	670,243	27,547
	20,390	1,610
	395,327	3,328
-	<u>1,085,960</u>	<u>32,485</u>
	98,094	44,906
<u>718,540</u>	<u>10,573,525</u>	<u>918,695</u>
-	1,240,643	1,665,423
	593,984	143,654
	(921,735)	-
-	<u>(327,751)</u>	<u>143,654</u>
-	912,892	1,809,077
-	9,909,767	-
<u>\$ -</u>	<u>\$ 10,822,659</u>	<u>\$ 1,809,077</u>

**CITY OF PLAINVIEW, TEXAS**  
 Required Supplementary Information  
 Schedule of Funding Progress - Pension and OPEB Plans  
 Year Ended September 30, 2011

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
<b>TEXAS MUNICIPAL RETIREMENT SYSTEM PENSION PLAN:</b>						
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%
12/31/10 <sup>1</sup>	14,303,961	21,686,359	7,382,398	66.0%	5,501,123	134.2%
12/31/10 <sup>2</sup>	25,680,697	31,005,007	5,324,310	82.8%	5,501,123	96.8%
<b>FIREMEN'S RELIEF AND RETIREMENT FUND PENSION PLAN:</b>						
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%
<b>CITY OF PLAINVIEW RETIREE HEALTH CARE OPEB PLAN:</b>						
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

<sup>1</sup> Actuarial valuation performed under the original fund structure

<sup>2</sup> Actuarial valuation performed under the new fund structure

**CITY OF PLAINVIEW, TEXAS**  
Notes to Required Supplementary Information  
For the Year Ended September 30, 2011

**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.

Additionally, for financial reporting purposes Exhibit A-5 includes amounts from the General Fund and other nonmajor funds which no longer qualify as Special Revenue Funds under the definitions outlined in GASB 54. Exhibit B-1 includes budget and actual amounts for the General Fund only. Following is a reconciliation of actual figures on a GAAP basis:

Change in Fund Balance B-1	\$	912,892
Investment earnings		8,262
Other revenues		1,132
General government - administration		(144,235)
Capital outlay		(345,313)
Net transfers		800,000
Change in Fund Balance A-5	<u>\$</u>	<u>1,232,738</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:

1. 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.
2. 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.
3. Prior to the start of the fiscal year, the budget is legally enacted through passage of a resolution by the City Council.
4. Once a budget is approved, it can be amended only by approval of a majority of the members of the City Council.
5. 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.
6. During the year, the budget was amended as necessary. The following budget amendments were significant for the General Fund: the budget was amended to provide for a \$150,000 transfer to the Equipment Replacement Internal Service Fund, for a \$350,000 transfer to the Capital Improvement Fund, a \$100,000 transfer to the Street Improvement Fund, a \$71,735 transfer to the Service Center Internal Service Fund, and for an additional \$225,000 transfer to the Economic Development Fund.
7. All budget appropriations lapse at year end.



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**Combining Statements &  
Budget Comparisons**

**COMBINING STATEMENTS AND BUDGETARY COMPARISONS**

**CITY OF PLAINVIEW, TEXAS**

Combining Balance Sheet

General Funds

September 30, 2011

	General Fund	Capital Improvement Fund	Street Improvement Fund
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,325,650	\$ 1,067,930	\$ 332,210
Investments	8,889,516	502,713	-
Interest receivable	4,327	206	-
Accounts receivable (net)	111,649	-	-
Taxes receivable (net)	977,468	-	-
Due from other governments	73,792	-	-
Inventories	42,453	-	-
<b>Total Assets</b>	<b>\$ 11,424,855</b>	<b>\$ 1,570,849</b>	<b>\$ 332,210</b>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>Liabilities</b>			
Accounts payable	\$ 204,544	\$ -	\$ 11,913
Wages payable	110,774	-	-
Compensated absences payable	5,882	-	-
Due to other governments	-	-	-
Due to other funds	12,871	-	-
Deferred revenue	268,125	-	-
<b>Total Liabilities</b>	<b>602,196</b>	<b>-</b>	<b>11,913</b>
<b>Fund Balance</b>			
Nonspendable	42,453	-	-
Restricted	-	-	-
Assigned	-	1,570,849	320,297
Unassigned	10,780,206	-	-
<b>Total Fund Balance</b>	<b>10,822,659</b>	<b>1,570,849</b>	<b>320,297</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 11,424,855</b>	<b>\$ 1,570,849</b>	<b>\$ 332,210</b>

Economic Development Fund	Total General Funds
\$ 1,026,799	\$ 3,752,589
-	9,392,229
-	4,533
-	111,649
-	977,468
-	73,792
-	42,453
<u>\$ 1,026,799</u>	<u>\$ 14,354,713</u>
\$ -	\$ 216,457
-	110,774
-	5,882
-	-
-	12,871
-	268,125
<u>-</u>	<u>614,109</u>
-	42,453
-	-
1,026,799	2,917,945
-	10,780,206
<u>1,026,799</u>	<u>13,740,604</u>
<u>\$ 1,026,799</u>	<u>\$ 14,354,713</u>

**CITY OF PLAINVIEW, TEXAS**  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balance - General Funds  
Year Ended September 30, 2011

	General Fund	Capital Improvement Fund	Street Improvement Fund
<b>REVENUES</b>			
Taxes:			
Property taxes	\$ 4,256,148	\$ -	\$ -
Sales and use taxes	3,688,408	-	-
Selective sales and use taxes	35,374	-	-
Franchise tax	1,397,897	-	-
Penalty and interest on taxes	75,788	-	-
Licenses and permits	93,757	-	-
Intergovernmental revenue and grants	286,613	-	-
Charges for services	732,318	-	-
Fines and forfeitures	361,989	-	-
Investment earnings	98,251	4,945	1,455
Rents and royalties	360	-	-
Other revenue	68,725	-	1,132
Total Revenues	<u>11,095,628</u>	<u>4,945</u>	<u>2,587</u>
<b>EXPENDITURES</b>			
Current			
General government - administration	745,826	53,031	-
General government - other	453,349	-	-
Public safety	6,389,636	-	-
Public works	662,859	-	-
Health	419,261	-	-
Recreation and culture	1,085,960	-	-
Capital outlay	98,094	33,838	311,475
Total Expenditures	<u>9,854,985</u>	<u>86,869</u>	<u>311,475</u>
<b>Excess (Deficiency) of Revenue over Expenditures</b>	<u>1,240,643</u>	<u>(81,924)</u>	<u>(308,888)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	593,984	350,000	100,000
Transfers out	(921,735)	-	-
Total Other Financing Sources (Uses)	<u>(327,751)</u>	<u>350,000</u>	<u>100,000</u>
<b>Net Change in Fund Balance</b>	912,892	268,076	(208,888)
<b>Fund Balance - October 1, restated</b>	<u>9,909,767</u>	<u>1,302,773</u>	<u>529,185</u>
<b>Fund Balance - September 30</b>	<u>\$ 10,822,659</u>	<u>\$ 1,570,849</u>	<u>\$ 320,297</u>

Economic Development Fund	Total General Funds
\$ -	\$ 4,256,148
-	3,688,408
-	35,374
-	1,397,897
-	75,788
-	93,757
-	286,613
-	732,318
-	361,989
1,862	106,513
-	360
-	69,857
1,862	11,105,022
91,204	890,061
-	453,349
-	6,389,636
-	662,859
-	419,261
-	1,085,960
-	443,407
91,204	10,344,533
(89,342)	760,489
350,000	1,393,984
-	(921,735)
350,000	472,249
260,658	1,232,738
766,141	12,507,866
\$ 1,026,799	\$ 13,740,604

**CITY OF PLAINVIEW, TEXAS**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**September 30, 2011**

	Hotel - Motel Occupancy Tax Fund	Economic Development Revolving Loan Fund	Police Seizure Fund	Federal Shared Forfeited Fund
<b>ASSETS</b>				
Cash and cash equivalents	\$ 457,893	\$ 298,434	\$ 31,925	\$ 2,418
Taxes receivable	26,470	-	-	-
Intergovernmental receivables	-	-	-	-
<b>Total Assets</b>	<b>\$ 484,363</b>	<b>\$ 298,434</b>	<b>\$ 31,925</b>	<b>\$ 2,418</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts payable	\$ 417	\$ -	\$ -	\$ -
Accrued wages payable	100	-	-	-
Intergovernmental payable	-	182,933	-	-
<b>Total Liabilities</b>	<b>517</b>	<b>182,933</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>				
Restricted	483,846	115,501	31,925	2,418
<b>Total Fund Balances</b>	<b>483,846</b>	<b>115,501</b>	<b>31,925</b>	<b>2,418</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 484,363</b>	<b>\$ 298,434</b>	<b>\$ 31,925</b>	<b>\$ 2,418</b>

Police Pending Seizures Fund	RSVP Fund	Bio-Terrorism Grant Fund	Municipal Court Security Fee Fund	Municipal Court Technology Fund	Total Nonmajor Governmental Funds
\$ 3,985	\$ 543	\$ 1,392	\$ 55,787	\$ 51,994	\$ 904,371
-	-	-	-	-	26,470
-	8,065	-	-	-	8,065
<u>\$ 3,985</u>	<u>\$ 8,608</u>	<u>\$ 1,392</u>	<u>\$ 55,787</u>	<u>\$ 51,994</u>	<u>\$ 938,906</u>
\$ 3,985	\$ 7,630	\$ 1,392	\$ 22,000	\$ -	\$ 35,424
-	978	-	-	-	1,078
-	-	-	-	-	182,933
<u>3,985</u>	<u>8,608</u>	<u>1,392</u>	<u>22,000</u>	<u>-</u>	<u>219,435</u>
-	-	-	33,787	51,994	719,471
-	-	-	33,787	51,994	719,471
<u>\$ 3,985</u>	<u>\$ 8,608</u>	<u>\$ 1,392</u>	<u>\$ 55,787</u>	<u>\$ 51,994</u>	<u>\$ 938,906</u>

**CITY OF PLAINVIEW, TEXAS**  
Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Nonmajor Governmental Funds  
Year Ended September 30, 2011

	Hotel - Motel Occupancy Tax Fund	Economic Development Revolving Loan Fund	Police Seizure Fund	CJD Equipment Grant Fund
<b>REVENUE</b>				
Selective sales and use tax	\$ 282,670	\$ -	\$ -	\$ -
Intergovernmental revenue and grants	-	-	-	10,186
Fines and forfeitures	-	-	8,164	-
Investment earnings	1,021	743	-	-
Contributions and donations	-	-	-	-
Other revenue	161	-	-	-
<b>Total Revenues</b>	<u>283,852</u>	<u>743</u>	<u>8,164</u>	<u>10,186</u>
<b>EXPENDITURES</b>				
Current				
General government - administration	178,451	-	-	-
General government - other	-	-	-	-
Capital outlay	25,360	-	32,759	10,186
<b>Total Expenditures</b>	<u>203,811</u>	<u>-</u>	<u>32,759</u>	<u>10,186</u>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<u>80,041</u>	<u>743</u>	<u>(24,595)</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	648	-	-	-
Transfers out	(31,000)	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>(30,352)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	49,689	743	(24,595)	-
<b>Fund Balance - October 1, restated</b>	<u>434,157</u>	<u>114,758</u>	<u>56,520</u>	<u>-</u>
<b>Fund Balance - September 30</b>	<u>\$ 483,846</u>	<u>\$ 115,501</u>	<u>\$ 31,925</u>	<u>\$ -</u>

Federal Shared Forfeited Fund	Police Pending Seizures Fund	RSVP Fund	Bio Terrorism Grant Fund	Municipal Court Security Fee Fund	Municipal Court Technology Fund	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 282,670
-	-	90,446	-	-	-	100,632
-	-	-	-	7,489	9,871	25,524
-	-	-	-	-	-	1,764
-	-	13,291	-	-	-	13,291
-	-	-	-	-	-	161
<u>-</u>	<u>-</u>	<u>103,737</u>	<u>-</u>	<u>7,489</u>	<u>9,871</u>	<u>424,042</u>
-	-	-	-	-	-	178,451
-	-	104,385	-	22,577	490	127,452
-	-	-	-	-	9,613	77,918
<u>-</u>	<u>-</u>	<u>104,385</u>	<u>-</u>	<u>22,577</u>	<u>10,103</u>	<u>383,821</u>
-	-	(648)	-	(15,088)	(232)	40,221
-	-	648	-	-	-	1,296
-	-	-	-	-	-	(31,000)
-	-	648	-	-	-	(29,704)
-	-	-	-	(15,088)	(232)	10,517
<u>2,418</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>48,875</u>	<u>52,226</u>	<u>708,954</u>
<u>\$ 2,418</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,787</u>	<u>\$ 51,994</u>	<u>\$ 719,471</u>

**CITY OF PLAINVIEW, TEXAS**  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual - Hotel-Motel Occupancy Tax Fund  
 Year Ended September 30, 2011

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget
	Original	Final		
<b>REVENUE</b>				
Selective sales and use tax	\$ 242,750	\$ 242,750	\$ 282,670	\$ 39,920
Investment earnings	1,500	1,500	1,021	(479)
Other revenue	800	800	161	(639)
Total Revenues	<u>245,050</u>	<u>245,050</u>	<u>283,852</u>	<u>38,802</u>
<b>EXPENDITURES</b>				
Current				
General Government - Administration				
Non-departmental	211,310	211,310	178,451	32,859
Capital outlay	2,000	2,000	25,360	(23,360)
Total Expenditures	<u>213,310</u>	<u>213,310</u>	<u>203,811</u>	<u>9,499</u>
<b>Excess (Deficiency) of Revenue over Expenditures</b>	<u>31,740</u>	<u>31,740</u>	<u>80,041</u>	<u>48,301</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer in	-	-	648	648
Transfers out	(31,000)	(31,000)	(31,000)	-
Total Other Financing Sources (Uses)	<u>(31,000)</u>	<u>(31,000)</u>	<u>(30,352)</u>	<u>648</u>
<b>Net Change in Fund Balance</b>	740	740	49,689	48,949
<b>Fund Balance - October 1</b>	<u>434,157</u>	<u>434,157</u>	<u>434,157</u>	<u>-</u>
<b>Fund Balance - September 30</b>	<u>\$ 434,897</u>	<u>\$ 434,897</u>	<u>\$ 483,846</u>	<u>\$ 48,949</u>

**CITY OF PLAINVIEW, TEXAS**  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual - Economic Development Revolving Loan Fund  
 Year Ended September 30, 2011

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget
	Original	Final		
<b>REVENUE</b>				
Investment earnings	\$ 500	\$ 500	\$ 743	\$ 243
Total Revenues	<u>500</u>	<u>500</u>	<u>743</u>	<u>243</u>
<b>EXPENDITURES</b>				
Current				
General Government - Administration				
Non-departmental	182,935	182,935	-	182,935
Total Expenditures	<u>182,935</u>	<u>182,935</u>	<u>-</u>	<u>182,935</u>
<b>Excess (Deficiency) of Revenue over Expenditures</b>	(182,435)	(182,435)	743	183,178
<b>Fund Balance - October 1</b>	<u>114,758</u>	<u>114,758</u>	<u>114,758</u>	<u>-</u>
<b>Fund Balance - September 30</b>	<u>\$ (67,677)</u>	<u>\$ (67,677)</u>	<u>\$ 115,501</u>	<u>\$ 183,178</u>

**CITY OF PLAINVIEW, TEXAS**  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual - Police Seizure Fund  
 Year Ended September 30, 2011

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget
	Original	Final		
<b>REVENUE</b>				
Intergovernmental revenue and grants	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	100	100	8,164	8,064
<b>Total Revenues</b>	<u>100</u>	<u>100</u>	<u>8,164</u>	<u>8,064</u>
<b>EXPENDITURES</b>				
Current				
General Government - Administration	1,000	1,000	-	1,000
Capital outlay	12,500	41,495	32,759	8,736
<b>Total Expenditures</b>	<u>13,500</u>	<u>42,495</u>	<u>32,759</u>	<u>9,736</u>
<b>Excess (Deficiency) of Revenue over Expenditures</b>	(13,400)	(42,395)	(24,595)	17,800
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer out	(3,565)	(3,565)	-	3,565
<b>Total Other Financing Sources (Uses)</b>	<u>(3,565)</u>	<u>(3,565)</u>	<u>-</u>	<u>3,565</u>
<b>Net Change in Fund Balance</b>	(16,965)	(45,960)	(24,595)	21,365
<b>Fund Balance - October 1</b>	<u>56,520</u>	<u>56,520</u>	<u>56,520</u>	<u>-</u>
<b>Fund Balance - September 30</b>	<u>\$ 43,120</u>	<u>\$ 14,125</u>	<u>\$ 31,925</u>	<u>\$ 21,365</u>

**CITY OF PLAINVIEW, TEXAS**  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual - CJD Equipment Grant Fund  
 Year Ended September 30, 2011

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget
	Original	Final		
<b>REVENUE</b>				
Intergovernmental revenue and grants	\$ 10,185	\$ 10,185	\$ 10,186	\$ 1
Total Revenues	<u>10,185</u>	<u>10,185</u>	<u>10,186</u>	<u>1</u>
<b>EXPENDITURES</b>				
Current				
Capital outlay	13,750	13,750	10,186	3,564
Total Expenditures	<u>13,750</u>	<u>13,750</u>	<u>10,186</u>	<u>3,564</u>
<b>Excess (Deficiency) of Revenue over Expenditures</b>	(3,565)	(3,565)	-	3,565
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer in	3,565	3,565	-	(3,565)
Total Other Financing Sources (Uses)	<u>3,565</u>	<u>3,565</u>	<u>-</u>	<u>(3,565)</u>
<b>Net Change in Fund Balance</b>	-	-	-	-
<b>Fund Balance - October 1</b>	-	-	-	-
<b>Fund Balance - September 30</b>	<u>\$ (3,565)</u>	<u>\$ (3,565)</u>	<u>\$ -</u>	<u>\$ 3,565</u>

**CITY OF PLAINVIEW, TEXAS**  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual - Federal Shared Forfeited Fund  
 Year Ended September 30, 2011

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget
	Original	Final		
<b>REVENUE</b>				
Other revenue	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
<b>EXPENDITURES</b>				
Current				
General Government - Administration				
Capital outlay	2,000	2,000	-	2,000
Total Expenditures	2,000	2,000	-	2,000
<b>Excess (Deficiency) of Revenue over Expenditures</b>	(2,000)	(2,000)	-	2,000
<b>Fund Balance - October 1</b>	2,418	2,418	2,418	-
<b>Fund Balance - September 30</b>	\$ 418	\$ 418	\$ 2,418	\$ 2,000

**CITY OF PLAINVIEW, TEXAS**  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual - RSVP Fund  
 Year Ended September 30, 2011

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget
	Original	Final		
<b>REVENUE</b>				
Intergovernmental revenue and grants	\$ 88,770	\$ 90,460	\$ 90,446	\$ (14)
Contributions and donations	43,140	43,140	13,291	(29,849)
<b>Total Revenues</b>	<u>131,910</u>	<u>133,600</u>	<u>103,737</u>	<u>(29,863)</u>
<b>EXPENDITURES</b>				
Current				
General Government - Other				
RSVP	131,910	141,110	104,385	36,725
<b>Total Expenditures</b>	<u>131,910</u>	<u>141,110</u>	<u>104,385</u>	<u>36,725</u>
<b>Excess (Deficiency) of Revenue over Expenditures</b>	<u>-</u>	<u>(7,510)</u>	<u>(648)</u>	<u>6,862</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer in	-	-	648	648
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>648</u>	<u>648</u>
<b>Net Change in Fund Balance</b>	-	(7,510)	-	7,510
<b>Fund Balance - October 1</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance - September 30</b>	<u>\$ -</u>	<u>\$ (7,510)</u>	<u>\$ -</u>	<u>\$ 7,510</u>

**CITY OF PLAINVIEW, TEXAS**  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual - Municipal Court Security Fee Fund  
 Year Ended September 30, 2011

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget
	Original	Final		
<b>REVENUE</b>				
Fines and forfeitures	\$ 7,500	\$ 7,500	\$ 7,489	\$ (11)
Total Revenues	<u>7,500</u>	<u>7,500</u>	<u>7,489</u>	<u>(11)</u>
<b>EXPENDITURES</b>				
Current				
General Government - other				
Municipal Court	20,000	43,000	22,577	20,423
Total Expenditures	<u>20,000</u>	<u>43,000</u>	<u>22,577</u>	<u>20,423</u>
<b>Excess (Deficiency) of Revenue over Expenditures</b>	(12,500)	(35,500)	(15,088)	20,412
<b>Fund Balance - October 1</b>	<u>48,875</u>	<u>48,875</u>	<u>48,875</u>	<u>-</u>
<b>Fund Balance - September 30</b>	<u>\$ 36,375</u>	<u>\$ 13,375</u>	<u>\$ 33,787</u>	<u>\$ 20,412</u>

**CITY OF PLAINVIEW, TEXAS**  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual - Municipal Court Technology Fund  
 Year Ended September 30, 2011

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget
	Original	Final		
<b>REVENUE</b>				
Fines and forfeitures	\$ 9,000	\$ 9,000	\$ 9,871	\$ 871
Total Revenues	<u>9,000</u>	<u>9,000</u>	<u>9,871</u>	<u>871</u>
<b>EXPENDITURES</b>				
Current				
General Government - other				
Municipal Court	1,000	1,000	490	510
Capital outlay	10,000	10,000	9,613	387
Total Expenditures	<u>11,000</u>	<u>11,000</u>	<u>10,103</u>	<u>897</u>
<b>Excess (Deficiency) of Revenue over Expenditures</b>	(2,000)	(2,000)	(232)	1,768
<b>Fund Balance - October 1</b>	<u>52,226</u>	<u>52,226</u>	<u>52,226</u>	<u>-</u>
<b>Fund Balance - September 30</b>	<u>\$ 50,226</u>	<u>\$ 50,226</u>	<u>\$ 51,994</u>	<u>\$ 1,768</u>

**CITY OF PLAINVIEW, TEXAS**  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual - SECO Grant Fund  
 Year Ended September 30, 2011

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget
	Original	Final		
<b>REVENUE</b>				
Intergovernmental revenue and grants	\$ 86,365	\$ 86,365	\$ -	\$ (86,365)
Total Revenues	<u>86,365</u>	<u>86,365</u>	<u>-</u>	<u>(86,365)</u>
<b>EXPENDITURES</b>				
Current				
Capital outlay	86,365	86,365	-	86,365
Total Expenditures	<u>86,365</u>	<u>86,365</u>	<u>-</u>	<u>86,365</u>
<b>Excess (Deficiency) of Revenue over Expenditures</b>	-	-	-	-
<b>Fund Balance - October 1</b>	-	-	-	-
<b>Fund Balance - September 30</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF PLAINVIEW, TEXAS**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual - Capital Improvement Fund**  
**Year Ended September 30, 2011**

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget
	Original	Final		
<b>REVENUE</b>				
Investment earnings	\$ 1,200	\$ 1,200	\$ 4,945	\$ 3,745
<b>Total Revenues</b>	<u>1,200</u>	<u>1,200</u>	<u>4,945</u>	<u>3,745</u>
<b>EXPENDITURES</b>				
Current				
General Government - Administration	25,000	25,000	53,031	(28,031)
Capital Outlay	934,800	934,800	33,838	900,962
<b>Total Expenditures</b>	<u>959,800</u>	<u>959,800</u>	<u>86,869</u>	<u>872,931</u>
<b>Excess (Deficiency) of Revenue over Expenditures</b>	(958,600)	(958,600)	(81,924)	876,676
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer in	-	350,000	350,000	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>350,000</u>	<u>350,000</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	(958,600)	(608,600)	268,076	876,676
<b>Fund Balance - October 1</b>	<u>1,302,773</u>	<u>1,302,773</u>	<u>1,302,773</u>	<u>-</u>
<b>Fund Balance - September 30</b>	<u>\$ 344,173</u>	<u>\$ 694,173</u>	<u>\$ 1,570,849</u>	<u>\$ 876,676</u>

**CITY OF PLAINVIEW, TEXAS**  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual - Street Improvement Fund  
 Year Ended September 30, 2011

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget
	Original	Final		
<b>REVENUE</b>				
Investment earnings	\$ 1,100	\$ 1,100	\$ 1,455	\$ 355
Other revenue	-	-	1,132	1,132
Total Revenues	<u>1,100</u>	<u>1,100</u>	<u>2,587</u>	<u>1,487</u>
<b>EXPENDITURES</b>				
Current				
Capital outlay	475,000	475,000	311,475	163,525
Total Expenditures	<u>475,000</u>	<u>475,000</u>	<u>311,475</u>	<u>163,525</u>
<b>Excess (Deficiency) of Revenue over Expenditures</b>	(473,900)	(473,900)	(308,888)	165,012
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer in	-	100,000	100,000	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	(473,900)	(373,900)	(208,888)	165,012
<b>Fund Balance - October 1</b>	<u>529,185</u>	<u>529,185</u>	<u>529,185</u>	<u>-</u>
<b>Fund Balance - September 30</b>	<u>\$ 55,285</u>	<u>\$ 155,285</u>	<u>\$ 320,297</u>	<u>\$ 165,012</u>

**CITY OF PLAINVIEW, TEXAS**  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual - Economic Development Fund  
 Year Ended September 30, 2011

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget
	Original	Final		
<b>REVENUE</b>				
Investment earnings	\$ 1,300	\$ 1,300	\$ 1,862	\$ 562
Total Revenues	<u>1,300</u>	<u>1,300</u>	<u>1,862</u>	<u>562</u>
<b>EXPENDITURES</b>				
Current				
General Government - Administration	85,000	110,000	91,204	18,796
Total Expenditures	<u>85,000</u>	<u>110,000</u>	<u>91,204</u>	<u>18,796</u>
<b>Excess (Deficiency) of Revenue over Expenditures</b>	(83,700)	(108,700)	(89,342)	19,358
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer in	50,000	350,000	350,000	-
Total Other Financing Sources (Uses)	<u>50,000</u>	<u>350,000</u>	<u>350,000</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	(33,700)	241,300	260,658	19,358
<b>Fund Balance - October 1</b>	<u>766,141</u>	<u>766,141</u>	<u>766,141</u>	<u>-</u>
<b>Fund Balance - September 30</b>	<u>\$ 732,441</u>	<u>\$ 1,007,441</u>	<u>\$ 1,026,799</u>	<u>\$ 19,358</u>

**CITY OF PLAINVIEW, TEXAS**  
**Combining Statement of Net Assets**  
**Internal Service Funds**  
**September 30, 2011**

	Unemployment Compensation Fund	Equipment Replacement Fund	Property Insurance Fund
<b>ASSETS</b>			
<b>Current Assets:</b>			
Cash and cash equivalents	\$ 88,557	\$ 1,048,739	\$ 1,043,224
Investments	-	1,195,865	764,401
Interest receivable	-	451	453
Accounts receivable, net	30	-	15,328
Due from other funds	-	-	-
Inventories	-	-	-
Total current assets	<u>88,587</u>	<u>2,245,055</u>	<u>1,823,406</u>
<b>Noncurrent Assets:</b>			
Capital assets:			
Depreciable, net	-	2,060,136	-
Total noncurrent assets	<u>-</u>	<u>2,060,136</u>	<u>-</u>
Total Assets	<u>88,587</u>	<u>4,305,191</u>	<u>1,823,406</u>
<b>LIABILITIES</b>			
<b>Current Liabilities:</b>			
Accounts payable	-	2,567	-
Accrued wages payable	-	-	-
Current portion of long-term liabilities	-	-	-
Net other postemployment benefits obligation	-	-	-
Total current liabilities	<u>-</u>	<u>2,567</u>	<u>-</u>
<b>Noncurrent Liabilities:</b>			
Noncurrent portion of long-term liabilities			
Accrued compensated absences	-	-	-
Net pension obligation	-	-	-
Net other postemployment benefits obligation	-	-	-
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>2,567</u>	<u>-</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	-	2,060,136	-
Unrestricted	88,587	2,242,488	1,823,406
Total Net Assets	<u>\$ 88,587</u>	<u>\$ 4,302,624</u>	<u>\$ 1,823,406</u>

Health Insurance Fund	Cafeteria Plan Fund	Service Center Fund	Total Internal Service Funds
\$ 928,989	\$ 35,686	\$ 87,413	\$ 3,232,608
762,273	-	-	2,722,539
458	-	-	1,362
540	-	3,731	19,629
-	-	18,313	18,313
-	-	41,270	41,270
<u>1,692,260</u>	<u>35,686</u>	<u>150,727</u>	<u>6,035,721</u>
-	-	49,320	2,109,456
-	-	49,320	2,109,456
<u>1,692,260</u>	<u>35,686</u>	<u>200,047</u>	<u>8,145,177</u>
104,733	8,351	8,680	124,331
-	-	2,069	2,069
62,428	-	-	62,428
<u>167,161</u>	<u>8,351</u>	<u>10,749</u>	<u>188,828</u>
-	-	3,984	3,984
-	-	5,946	5,946
380,976	-	-	380,976
<u>380,976</u>	<u>-</u>	<u>9,930</u>	<u>390,906</u>
<u>548,137</u>	<u>8,351</u>	<u>20,679</u>	<u>579,734</u>
-	-	49,320	2,109,456
1,144,123	27,335	130,048	5,455,987
<u>\$ 1,144,123</u>	<u>\$ 27,335</u>	<u>\$ 179,368</u>	<u>\$ 7,565,443</u>

**CITY OF PLAINVIEW, TEXAS**  
Combining Statement of Revenues, Expenses, and Changes in Net Assets  
Internal Service Funds  
Year Ended September 30, 2011

	Unemployment Compensation Fund	Equipment Replacement Fund	Property Insurance Fund
<b>OPERATING REVENUES</b>			
Charges for services	\$ 6,211	\$ 495,523	\$ 100,890
Other revenue	-	-	82,102
<b>Total Operating Revenues</b>	<u>6,211</u>	<u>495,523</u>	<u>182,992</u>
<b>OPERATING EXPENSES</b>			
Personnel services - salaries and wages	-	-	-
Personnel services - employee benefits	-	-	-
Purchased professional & technical services	729	-	-
Purchased property services	-	24,518	-
Other operating expenses	12,028	-	52,477
Supplies	-	-	-
Depreciation and amortization	-	512,703	-
<b>Total Operating Expenses</b>	<u>12,757</u>	<u>537,221</u>	<u>52,477</u>
<b>Operating Income (Loss)</b>	<u>(6,546)</u>	<u>(41,698)</u>	<u>130,515</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Gain (loss) on sale of property	-	(6,724)	-
Investment earnings	-	14,551	10,466
<b>Total Nonoperating Revenues (Expenses)</b>	<u>-</u>	<u>7,827</u>	<u>10,466</u>
Transfer in	-	150,000	-
Transfers out	-	-	-
<b>Change in Net Assets</b>	<u>(6,546)</u>	<u>116,129</u>	<u>140,981</u>
<b>Net Assets - October 1</b>	<u>95,133</u>	<u>4,186,495</u>	<u>1,682,425</u>
<b>Net Assets - September 30</b>	<u>\$ 88,587</u>	<u>\$ 4,302,624</u>	<u>\$ 1,823,406</u>

Health Insurance Fund	Cafeteria Plan Fund	Service Center Fund	Total Internal Service Funds
\$ 1,467,575	\$ 38,093	\$ 118,274	\$ 2,226,566
12,942	-	765	95,809
<u>1,480,517</u>	<u>38,093</u>	<u>119,039</u>	<u>2,322,375</u>
-	-	101,133	101,133
-	-	47,801	47,801
3,314	-	-	4,043
-	-	29,237	53,755
1,690,061	37,872	3,462	1,795,900
-	-	35,442	35,442
-	-	14,300	527,003
<u>1,693,375</u>	<u>37,872</u>	<u>231,375</u>	<u>2,565,077</u>
(212,858)	221	(112,336)	(242,702)
-	-	45,031	38,307
10,888	83	-	35,988
<u>10,888</u>	<u>83</u>	<u>45,031</u>	<u>74,295</u>
-	-	137,629	287,629
(124,491)	-	-	(124,491)
<u>(326,461)</u>	<u>304</u>	<u>70,324</u>	<u>(5,269)</u>
1,470,584	27,031	109,044	7,570,712
<u>\$ 1,144,123</u>	<u>\$ 27,335</u>	<u>\$ 179,368</u>	<u>\$ 7,565,443</u>

**CITY OF PLAINVIEW, TEXAS**  
Combining Statement of Cash Flows  
Internal Service Funds  
Year Ended September 30, 2011

	Unemployment Compensation Fund	Equipment Replacement Fund	Property Insurance Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash from operating transactions - other funds	\$ 6,181	\$ 495,523	\$ 94,575
Cash payments to employees for services	-	-	-
Cash payments for goods and services	(15,544)	(22,347)	(52,558)
Other operating cash receipts	-	-	82,102
Net Cash Provided (Used) by Operating Activities	<u>(9,363)</u>	<u>473,176</u>	<u>124,119</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers to other funds	-	-	-
Transfers from other funds	-	150,000	-
Repayment of interfund payable	-	-	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>-</u>	<u>150,000</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition of capital assets	-	(398,953)	-
Proceeds from the sale of capital assets	-	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>-</u>	<u>(398,953)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of investments	-	(12,469)	(8,291)
Interest on investments	-	14,684	10,656
Net Cash Provided (Used) by Investing Activities	<u>-</u>	<u>2,215</u>	<u>2,365</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(9,363)</b>	<b>226,438</b>	<b>126,484</b>
<b>Cash and Cash Equivalents - October 1</b>	<b>97,920</b>	<b>822,301</b>	<b>916,740</b>
<b>Cash and Cash Equivalents - September 30</b>	<b>\$ 88,557</b>	<b>\$ 1,048,739</b>	<b>\$ 1,043,224</b>

Health Insurance Fund	Cafeteria Plan Fund	Service Center Fund	Total Internal Service Funds
\$ 1,468,449	\$ 38,093	\$ 115,142	\$ 2,217,963
-	-	(148,482)	(148,482)
(1,616,464)	(37,873)	(68,828)	(1,813,614)
12,942	-	765	95,809
<u>(135,073)</u>	<u>220</u>	<u>(101,403)</u>	<u>351,676</u>
(124,491)	-	-	(124,491)
-	-	137,629	287,629
<u>-</u>	<u>-</u>	<u>(4,978)</u>	<u>(4,978)</u>
<u>(124,491)</u>	<u>-</u>	<u>132,651</u>	<u>158,160</u>
-	-	-	(398,953)
<u>-</u>	<u>-</u>	<u>45,088</u>	<u>45,088</u>
<u>-</u>	<u>-</u>	<u>45,088</u>	<u>(353,865)</u>
(8,326)	-	-	(29,086)
11,041	83	-	36,464
<u>2,715</u>	<u>83</u>	<u>-</u>	<u>7,378</u>
(256,849)	303	76,336	163,349
<u>1,185,838</u>	<u>35,383</u>	<u>11,077</u>	<u>3,069,259</u>
<u>\$ 928,989</u>	<u>\$ 35,686</u>	<u>\$ 87,413</u>	<u>\$ 3,232,608</u>

**CITY OF PLAINVIEW, TEXAS**  
Combining Statement of Cash Flows  
Internal Service Funds  
Year Ended September 30, 2011

	Unemployment Compensation Fund	Equipment Replacement Fund	Property Insurance Fund
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ (6,546)	\$ (41,698)	\$ 130,515
Adjustments to reconcile operating income to net cash Provided (used) by operating activities			
Depreciation and amortization	-	512,703	-
(Increase) decrease in operating assets and liabilities:			
Accounts receivable (net)	(30)	-	(6,315)
Inventories	-	-	-
Accounts payable	(2,787)	2,171	(81)
Wages payable	-	-	-
Net other postemployment benefits obligation	-	-	-
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ (9,363)</b>	<b>\$ 473,176</b>	<b>\$ 124,119</b>

Health Insurance Fund	Cafeteria Plan Fund	Service Center Fund	Total Internal Service Funds
\$ (212,858)	\$ 221	\$ (112,336)	\$ (242,702)
-	-	14,300	527,003
874	-	(3,132)	(8,603)
-	-	(4,334)	(4,334)
(47,579)	(1)	4,351	(43,926)
-	-	452	452
124,490	-	(704)	123,786
<u>\$ (135,073)</u>	<u>\$ 220</u>	<u>\$ (101,403)</u>	<u>\$ 351,676</u>



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

**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, 2011, which collectively comprise the City's basic financial statements, and have issued our report thereon dated February 29, 2012. 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.

*Dennis Kinard & Co., PC*  
Certified Public Accountants

Plainview, Texas  
February 29, 2012

**Capital Assets -  
Governmental Funds**

**CITY OF PLAINVIEW, TEXAS**  
 Schedule of Capital Assets Used in the Operation  
 of Governmental Funds By Sources\*  
 September 30, 2011

Capital Assets Used in the Operation of Governmental Funds:

Land	\$	549,309
Buildings		3,168,656
Improvements other than buildings		15,092,939
Machinery and equipment		2,986,012
Construction in progress		305,488
 Total	 \$	 22,102,404

Investment in Capital Assets:

Acquired prior to October 1, 1990	\$	10,439,909
Acquired after September 30, 1990		
General fund		
General revenues	\$	2,743,477
Capital improvement		3,558,843
Street improvement		4,357,020
Special revenue funds		
Hotel/Motel occupancy tax		535,312
Police seizure		77,438
Homeland security grant		127,679
LLEBG grant		80,927
RSVP		4,858
Justice assistance grant		134,936
Criminal justice division equipment grant		10,186
Municipal court security fee		16,481
Municipal court technology		15,338
		11,662,495
 Total	 \$	 22,102,404

\* 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 \*  
 Year Ended September 30, 2011

	Land	Buildings	Improvements Other Than Buildings
<b>From General Fund</b>			
General government	\$ 448,904	\$ 346,552	\$ 7,265,414
Police		250,027	4,000
Fire	-	260,913	10,423
Traffic and Safety	-	-	64,810
Animal control	-	149,754	11,739
Civil defense	10,500	168,599	-
Engineering	-	-	-
Street	-	16,223	-
Recreation	-	50,490	497,145
Library	-	307,552	-
Health	-	-	-
Emergency medical services	-	14,486	-
Capital improvement	68,715	1,090,898	2,280,190
Street improvement	17,110	-	4,959,218
	<u>\$ 545,229</u>	<u>\$ 2,655,494</u>	<u>\$ 15,092,939</u>
<b>From Special Revenue Funds</b>			
Hotel/Motel occupancy tax	\$ 4,080	\$ 506,969	\$ -
Police seizure	-	-	-
Homeland security grant	-	-	-
LLEBG grant	-	-	-
RSVP	-	-	-
Justice assistance grant	-	-	-
Criminal justice division equipment grant	-	-	-
Municipal court security fee	-	6,193	-
Municipal court technology	-	-	-
	<u>\$ 4,080</u>	<u>\$ 513,162</u>	<u>\$ -</u>
<b>Total</b>	<u>\$ 549,309</u>	<u>\$ 3,168,656</u>	<u>\$ 15,092,939</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.

Machinery and Equipment	Construction in Progress	Total
\$ 178,838	\$ -	\$ 8,239,708
394,524	-	648,551
490,110	-	761,446
216,432	-	281,242
18,332	-	179,825
8,195	-	187,294
9,365	-	9,365
559,777	-	576,000
259,573	-	807,208
132,394	-	439,946
31,685	-	31,685
87,333	-	101,819
112,106	6,934	3,558,843
1,435	298,554	5,276,317
<u>\$ 2,500,099</u>	<u>\$ 305,488</u>	<u>\$ 21,099,249</u>
\$ 24,263	\$ -	\$ 535,312
77,438	-	77,438
127,679	-	127,679
80,927	-	80,927
4,858	-	4,858
134,936	-	134,936
10,186	-	10,186
10,288	-	16,481
15,338	-	15,338
<u>\$ 485,913</u>	<u>\$ -</u>	<u>\$ 1,003,155</u>
<u>\$ 2,986,012</u>	<u>\$ 305,488</u>	<u>\$ 22,102,404</u>

**CITY OF PLAINVIEW, TEXAS**  
**Schedule of Changes in Capital Assets Used in the Operation**  
**of Governmental Funds By Function and Activity\***  
**Year Ended September 30, 2011**

	Capital Assets 9/30/10	Additions (Deletions)	Capital Assets 9/30/11
<b>From General Fund</b>			
General government	\$ 8,254,855	\$ (15,147)	\$ 8,239,708
Police	515,206	133,345	648,551
Fire	818,487	(57,041)	761,446
Traffic and safety	281,242	-	281,242
Animal control	177,381	2,444	179,825
Civil defense	8,195	179,099	187,294
Engineering	9,365	-	9,365
Street	576,000	-	576,000
Recreation	836,176	(28,968)	807,208
Library	457,765	(17,819)	439,946
Health	30,335	1,350	31,685
Emergency medical services	114,568	(12,749)	101,819
Capital improvement	3,525,881	32,962	3,558,843
Street improvement	4,950,032	326,285	5,276,317
<b>Total General Fund</b>	<b>\$ 20,555,488</b>	<b>\$ 543,761</b>	<b>\$ 21,099,249</b>
<b>From Special Revenue Funds</b>			
Hotel/Motel occupancy tax	\$ 509,952	\$ 25,360	\$ 535,312
Police seizure	44,679	32,759	77,438
Homeland security grant	127,679	-	127,679
LLEBG grant	80,927	-	80,927
RSVP	4,858	-	4,858
Justice assistance grant	134,936	-	134,936
Criminal justice division equipment grant		10,186	10,186
Municipal court security fee	16,481	-	16,481
Municipal court technology	9,665	5,673	15,338
<b>Total Special Revenue Funds</b>	<b>\$ 929,177</b>	<b>\$ 73,978</b>	<b>\$ 1,003,155</b>
<b>Total</b>	<b>\$ 21,484,665</b>	<b>\$ 617,739</b>	<b>\$ 22,102,404</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.

**Debt 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  
 2012-2015

<u>Fiscal Year</u>	<u>Outstanding Debt Beginning of Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
<b>Totals</b>		<u>\$ 940,000</u>	<u>\$ 67,026</u>	<u>\$ 1,007,026</u>
<b>Annual Average Requirements</b>		<u>\$ 235,000</u>	<u>\$ 16,757</u>	<u>\$ 251,757</u>

**City of Plainview, Texas**  
**Water and Sewer Utility Fund**  
 General Obligation Refunding Bonds, Series 2009  
 Debt Service Requirements  
 Schedule of Maturities  
 2012-2021

Fiscal Year	Outstanding Debt Beginning of Year	Principal	Interest	Total
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>		<b>\$ 6,180,000</b>	<b>\$ 1,039,303</b>	<b>\$ 7,219,303</b>
<b>Annual Average Requirements</b>		<b>\$ 618,000</b>	<b>\$ 103,930</b>	<b>\$ 721,930</b>

Proceeds 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  
 2012-2018

<u>Fiscal Year</u>	<u>Outstanding Debt Beginning of Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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>\$ 427,061</u>	<u>\$ 62,644</u>	<u>\$ 489,705</u>
<b>Annual Average Requirements</b>		<u>\$ 61,009</u>	<u>\$ 8,949</u>	<u>\$ 69,958</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  
 2012-2020

<u>Fiscal Year</u>	<u>Outstanding Debt Beginning of Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 1,301,666	\$ 153,175	\$ 61,943	\$ 215,118
2013	1,148,491	160,126	55,195	215,321
2014	988,365	168,166	47,840	216,006
2015	820,199	150,750	39,431	190,181
2016	669,449	139,643	31,894	171,537
2017	529,806	146,644	24,912	171,556
2018	383,162	153,768	17,579	171,347
2019	229,394	160,893	10,805	171,698
2020	68,501	68,501	3,414	71,915
<b>Total</b>		<u>\$ 1,301,666</u>	<u>\$ 293,013</u>	<u>\$ 1,594,679</u>
<b>Annual Average Requirements</b>		<u>\$ 144,630</u>	<u>\$ 32,557</u>	<u>\$ 177,187</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  
 2012-2025

Fiscal Year	Outstanding Debt Beginning of Year	Principal	Interest	Total
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	29,418	91,263	120,681
2016	1,739,457	52,141	89,718	141,859
2017	1,687,316	55,073	86,981	142,054
2018	1,632,243	58,004	84,090	142,094
2019	1,574,239	60,937	46,520	107,457
2020	1,513,302	181,882	77,845	259,727
2021	1,331,420	275,779	68,297	344,076
2022	1,055,641	290,659	53,818	344,477
2023	764,982	306,076	38,559	344,635
2024	458,906	321,958	22,945	344,903
2025	136,948	136,948	6,848	143,796
<b>Total</b>		<u>\$ 1,768,875</u>	<u>\$ 940,673</u>	<u>\$ 2,709,548</u>
<b>Annual Average Requirements</b>		<u>\$ 126,348</u>	<u>\$ 67,191</u>	<u>\$ 193,539</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  
 2012-2027

Fiscal Year	Outstanding Debt Beginning of Year	Principal	Interest	Total
2012	\$ 1,567,189	\$ 69,839	\$ 78,359	\$ 148,198
2013	1,497,350	73,342	74,867	148,209
2014	1,424,008	77,034	71,200	148,234
2015	1,346,974	80,914	67,349	148,263
2016	1,266,060	84,982	63,303	148,285
2017	1,181,078	89,239	59,054	148,293
2018	1,091,839	93,685	54,592	148,277
2019	998,154	98,318	27,951	126,269
2020	899,836	103,251	44,992	148,243
2021	796,585	108,450	39,829	148,279
2022	688,135	113,838	34,407	148,245
2023	574,297	119,525	28,715	148,240
2024	454,772	125,588	22,739	148,327
2025	329,184	131,919	16,459	148,378
2026	197,265	138,438	9,863	148,301
2027	58,827	58,827	2,942	61,769
<b>Total</b>		<u>\$ 1,567,189</u>	<u>\$ 696,621</u>	<u>\$ 2,263,810</u>
<b>Annual Average Requirements</b>		<u>\$ 97,949</u>	<u>\$ 43,539</u>	<u>\$ 141,488</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  
 2012-2020

Fiscal Year	Outstanding Debt Beginning of Year	Principal	Interest	Total
2012	\$ 264,440	\$ 30,204	\$ 8,788	\$ 38,992
2013	234,236	31,268	7,793	39,061
2014	202,968	32,456	6,699	39,155
2015	170,512	27,582	5,659	33,241
2016	142,930	23,921	4,831	28,752
2017	119,009	24,564	4,114	28,678
2018	94,445	25,455	3,304	28,759
2019	68,990	44,701	2,413	47,114
2020	24,289	24,289	848	25,137
<b>Total</b>		<u>\$ 264,440</u>	<u>\$ 44,449</u>	<u>\$ 308,889</u>
<b>Annual Average Requirements</b>		<u>\$ 29,382</u>	<u>\$ 4,939</u>	<u>\$ 34,321</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  
 2012-2029

Fiscal Year	Outstanding Debt Beginning of Year	Principal	Interest	Total
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	14,664	51,574
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	15,407	61,114
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	82,740	5,178	87,918
2029	32,541	32,541	1,465	34,006
<b>Total</b>		<u>\$ 733,587</u>	<u>\$ 330,400</u>	<u>\$ 1,063,987</u>
<b>Annual Average Requirements</b>		<u>\$ 40,755</u>	<u>\$ 18,356</u>	<u>\$ 59,110</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  
 2012-2030

Fiscal Year	Outstanding Debt Beginning of Year	Principal	Interest	Total
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
<b>Total</b>		<u>\$ 8,685,000</u>	<u>\$ 3,446,756</u>	<u>\$ 12,131,756</u>
<b>Annual Average Requirements</b>		<u>\$ 457,105</u>	<u>\$ 181,408</u>	<u>\$ 638,513</u>

Proceeds 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 Nine Fiscal Years**

(accrual basis of accounting)

	2003	2004	2005	2006	2007	2008	2009	2010	2011
<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	\$ 8,940,728
Restricted	822,054	470,807	627,451	673,728	762,030	885,322	858,657	708,954	719,471
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	19,206,004
<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>\$ 28,866,203</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	\$ 19,250,791
Restricted	620,675	243,921	249,644	259,615	269,494	249,382	261,049	295,291	457,277
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	13,940,331
<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>\$ 33,648,399</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	\$ 28,191,519
Restricted	1,442,729	714,728	877,095	933,343	1,031,524	1,134,704	1,119,706	1,004,245	1,176,748
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	33,146,335
<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>	<b>\$ 62,514,602</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 Nine Fiscal Years**  
(accrual basis of accounting)

	2003	2004	2005	2006	2007	2008	2009	2010	2011
<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	\$ 1,762,080
Public safety	5,099,977	4,875,499	5,056,519	5,298,067	5,570,288	5,975,267	6,174,194	6,498,010	6,857,257
Public works	909,308	996,242	1,155,224	1,249,822	1,193,044	1,197,307	1,234,289	1,200,917	965,223
Health	342,184	320,044	326,638	351,502	335,592	386,649	422,516	400,138	488,362
Recreation and culture	904,837	910,316	898,867	966,803	911,388	1,013,098	1,208,656	1,148,095	1,260,092
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	11,303,014
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	2,573,083
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	5,634,722
Theatre arts	76,685	51,908	37,130	31,848	38,315	32,388	39,376	37,434	39,255
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	8,247,060
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	\$ 19,550,074
<b>Program revenues</b>									
Governmental activities									
Charges for services	\$ 220,379	\$ 237,434	\$ 190,086	\$ 181,134	\$ 184,703	\$ 205,781	\$ 278,204	\$ 260,553	\$ 479,984
General government	521,984	425,066	615,622	534,098	560,576	701,235	656,572	660,570	546,086
Public safety	3,522	-	-	-	-	-	-	-	-
Health	127,204	138,774	127,251	134,345	120,623	140,023	148,168	139,729	147,724
Recreation and culture	50,434	49,165	49,900	52,729	48,969	53,713	54,780	54,859	44,073
Operating grants and contributions	290,609	309,221	407,355	263,039	277,027	294,822	414,022	499,170	400,536
Capital grants and contributions	-	305,363	290,667	86,062	35,628	-	11,205	146,896	240,810
Total governmental activities program revenues	1,214,132	1,485,023	1,680,881	1,251,407	1,227,526	1,395,574	1,562,951	1,761,777	1,859,213
Business-type activities									
Charges for services	2,400,063	2,303,587	2,412,223	2,434,545	2,591,363	2,731,076	2,904,631	2,999,883	2,905,358
Solid waste management	4,759,243	5,093,875	4,969,225	5,656,733	5,435,089	5,852,233	6,037,512	6,097,265	7,615,276
Water and sewer	31,664	21,376	14,457	11,320	21,449	20,158	22,941	22,697	21,163
Theatre arts	61,925	4,180	220	1,000	-	1,000	1,000	-	-
Operating grants and contributions	-	177,125	167,927	79,296	11,390	-	40,562	58,000	-
Capital grants and contributions	7,252,895	7,600,143	7,564,052	8,182,894	8,059,291	8,604,467	9,006,646	9,177,845	10,541,797
Total business-type activities program revenues	14,464,785	15,100,006	15,068,477	16,357,368	16,109,183	17,198,340	18,012,752	18,333,633	20,108,054
Total primary government 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	\$ 12,401,010

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

(accrual basis of accounting)

	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Net (expenses) / revenues</b>									
Governmental activities	\$ (7,519,397)	\$ (6,996,176)	\$ (7,097,128)	\$ (7,875,757)	\$ (7,987,168)	\$ (8,540,822)	\$ (9,290,989)	\$ (9,452,207)	\$ (9,443,801)
Business-type activities	1,461,176	827,312	847,439	989,219	1,038,307	991,304	1,068,282	1,394,210	2,294,737
Total primary government net expense	\$ (6,058,221)	\$ (6,168,864)	\$ (6,249,689)	\$ (6,886,538)	\$ (6,948,861)	\$ (7,549,516)	\$ (8,222,687)	\$ (8,057,997)	\$ (7,149,064)
<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	\$ 4,121,866	\$ 4,269,904
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	3,688,408
Franchise taxes	779,683	815,836	874,602	1,012,923	923,477	1,391,824	1,151,066	1,393,606	1,397,897
Penalty and interest	55,672	47,639	60,141	57,051	60,334	61,680	75,689	75,093	75,788
Other taxes	212,526	217,864	246,688	249,567	292,902	322,021	282,371	296,271	318,044
Miscellaneous	33,900	33,136	109,604	99,221	30,416	39,827	66,226	107,740	70,018
Investment earnings	370,828	404,997	363,218	650,117	769,389	567,919	297,333	203,399	144,265
Special item	-	444,757	-	-	-	1,272,713	-	-	32,687
Transfers	342,234	250,231	276,625	242,260	382,803	460,018	435,790	428,343	605,683
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	10,602,694
Business-type activities									
Investment earnings	217,678	176,913	228,151	384,840	445,198	319,079	178,213	228,396	113,624
Miscellaneous	-	247,710	185,333	259,902	280,206	333,397	149,764	119,542	217,268
Special and extraordinary items	(1,592,019)	-	-	-	-	-	-	-	-
Transfers	(342,234)	(250,231)	(276,625)	(242,260)	(382,803)	(460,018)	(435,790)	(428,343)	(605,683)
Total business-type activities	(1,716,575)	174,392	136,859	402,482	342,601	192,458	(107,813)	(80,405)	(274,791)
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	\$ 10,327,903
<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	\$ 1,158,893
Business-type activities	(255,399)	1,001,704	984,298	1,391,701	1,380,908	1,183,762	960,469	1,313,805	2,019,946
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	\$ 3,178,839

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 Nine Fiscal Years**  
(modified accrual basis of accounting)

	2003	2004	2005	2006	2007	2008	2009	2010	2011
General fund									
Nonspendable	\$ 41,852	\$ 38,782	\$ 38,224	\$ 44,973	\$ 44,460	\$ 49,183	\$ 43,829	\$ 40,223	\$ 42,453
Assigned	505,622	895,761	1,035,855	1,026,074	1,361,073	1,890,009	2,311,844	2,598,099	2,917,945
Unassigned	4,790,805	5,354,055	5,887,583	6,533,987	7,478,159	8,406,128	8,847,506	9,869,544	10,780,206
Total general fund	\$ 5,338,279	\$ 6,288,598	\$ 6,961,662	\$ 7,605,034	\$ 8,883,692	\$ 10,345,320	\$ 11,203,179	\$ 12,507,866	\$ 13,740,604
All other governmental funds									
Restricted	\$ 822,054	\$ 162,440	\$ 154,005	\$ 286,989	\$ 249,385	\$ 211,258	\$ -	\$ -	\$ -
Restricted, reported in									
Special revenue funds:									
Hotel occupancy tax fund	-	57,932	197,332	239,413	293,598	394,591	410,710	434,157	483,846
Revolving loan fund	-	183,188	206,875	91,542	150,322	197,083	296,929	114,758	115,501
Police seizure funds	-	19,177	19,240	8,243	6,452	4,682	69,145	56,938	34,343
Local law enforcement block grants	-	11,642	7,605	-	-	-	-	-	-
RSVP fund	(430)	(339)	(339)	60	-	-	-	-	-
Court security fee fund	-	33,274	34,103	29,573	35,017	39,332	41,849	48,875	33,787
Court technology fee fund	-	3,154	8,291	11,614	20,555	31,467	40,024	52,226	51,994
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	\$ 821,624	\$ 470,468	\$ 627,112	\$ 673,788	\$ 762,030	\$ 917,943	\$ 909,488	\$ 708,954	\$ 719,471

Note: The city has elected to begin this schedule with the implementation of GASB Statement 34 in fiscal year 2003. For comparison purposes the new fund balance structure is being used for previous years.

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

(modified accrual basis of accounting)

	2003	2004	2005	2006	2007	2008	2009	2010	2011
<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	\$ 9,736,285
Licenses and permits	36,613	107,659	76,844	57,398	50,425	48,800	47,497	53,328	93,757
Intergovernmental	378,680	309,222	533,698	264,301	268,840	288,410	400,704	618,872	387,245
Charges for services	478,275	497,985	690,488	606,311	605,751	742,441	636,325	654,049	732,318
Fines	283,683	244,796	215,528	238,595	258,696	305,692	440,657	402,484	387,513
Investment earnings	254,988	285,868	242,723	433,018	518,355	388,711	219,224	154,808	108,277
Rents and Royalties	-	360	360	360	360	360	360	360	360
Contributions and donations	-	7,468	4,736	4,988	8,186	6,412	20,319	15,234	13,291
Other revenues	567,258	18,085	105,531	26,368	25,774	40,527	8,134	58,472	70,018
<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>10,888,386</b>	<b>10,835,937</b>	<b>11,374,607</b>	<b>11,529,064</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	1,649,313
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	6,389,636
Public works	848,996	701,590	832,083	833,754	814,880	830,318	910,141	904,783	662,859
Health	339,149	329,416	329,285	357,498	341,897	381,296	406,096	389,144	419,261
Recreation and Culture	817,808	859,623	845,895	928,456	886,163	955,160	1,036,580	995,397	1,085,960
Capital outlay	532,211	88,554	195,895	431,418	225,289	171,215	165,660	291,537	521,325
<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>	<b>10,728,354</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	800,710
<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	1,395,280
Transfers out	(109,849)	(338,843)	(411,000)	(586,007)	(731,000)	(790,000)	(954,210)	(808,061)	(952,735)
<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>442,545</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>	<b>\$ 1,243,255</b>
Debt service as a percentage of noncapital expenditures	0%	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 Nine Fiscal Years**

(modified accrual basis of accounting)

Fiscal Year	Property	Sales & Use	Franchise	Occupancy	Mixed Beverage	Interest and Penalty	Total
2003	\$ 2,804,541	\$ 2,874,628	\$ 779,683	\$ 195,392	\$ 17,134	\$ 51,124	\$ 6,722,502
2004	2,977,196	2,993,451	815,836	201,739	16,125	47,639	7,051,986
2005	3,205,622	3,024,917	874,602	224,569	22,119	60,141	7,411,970
2006	3,468,696	3,066,386	1,012,923	226,650	22,917	57,051	7,854,623
2007	3,735,310	3,428,684	923,477	265,952	26,950	60,334	8,440,707
2008	3,768,012	3,523,496	1,391,824	293,850	28,171	61,680	9,067,033
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
2011	4,256,148	3,688,408	1,397,897	282,670	35,374	75,788	9,736,285

Percent Change	Property	Sales & Use	Franchise	Occupancy	Mixed Beverage	Interest and Penalty	Total
2003-2011	51.8%	28.3%	79.3%	44.7%	106.5%	48.2%	44.8%

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
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
2011	553,758,570	194,864,064	110,147,649	120,318,815	738,451,468	0.5785

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
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
2011	0.5785	-	0.5785	1.0400	0.00785	0.492100

Source: Hale County Appraisal District

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

	2011			2002		
	Taxable Assessed Value	Rank	Percent of Taxable Assessed Value	Taxable Assessed Value	Rank	Percent of Taxable Assessed Value
Wal-Mart - Inventory	\$ 85,487,670	1	11.58	\$ 90,698,400	1	14.60
Wal-Mart Distribution	13,699,950	2	1.86	16,045,890	2	2.60
Wal-Mart Stores	8,026,270	3	1.09	2,675,331	8	0.40
Wal-Mart Stores - Inventory	7,120,445	4	0.96	4,681,314	5	0.80
Acher Daniels Midland	6,880,369	5	0.93	4,044,794	6	0.70
Excel Energy	5,377,232	6	0.73	7,456,852	3	1.20
BNSF Railway	4,237,446	7	0.57	2,662,553	9	0.40
United Supermarkets	3,702,160	8	0.50	2,633,000	10	0.40
Stonegate Center	3,498,260	9	0.47			
Atmos Energy	3,346,610	10	0.45	3,004,866	7	0.50
Southwestern Bell				6,037,207	4	1.00
<b>Total</b>	<b>\$ 141,376,412</b>		<b>19.14</b>	<b>\$ 139,940,207</b>		<b>22.60</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	
	Fiscal Year	Amount			Percentage of Levy	Amount		Percentage of Adjusted Levy	
2002	\$ 2,606,560	\$ (8,175)	\$ 2,598,385	\$ 2,520,523	96.70	\$ 72,038	\$ 2,592,561	99.78	
2003	2,841,513	(27,575)	2,813,938	2,730,645	96.10	75,949	2,806,594	99.74	
2004	2,992,076	1,843	2,993,919	2,908,427	97.20	77,132	2,985,559	99.72	
2005	3,217,884	(16,448)	3,201,436	3,125,829	97.14	63,764	3,189,593	99.63	
2006	3,574,242	(95,420)	3,478,822	3,393,539	94.94	70,666	3,464,205	99.58	
2007	3,762,550	(6,321)	3,756,229	3,667,112	97.46	73,242	3,740,354	99.58	
2008	3,784,098	(20,207)	3,763,891	3,691,589	97.56	51,305	3,742,894	99.44	
2009	4,124,614	(48,171)	4,076,443	3,969,938	96.25	67,380	4,037,318	99.04	
2010	4,127,462	(2,720)	4,124,742	4,022,367	97.45	42,502	4,064,869	98.55	
2011	4,271,943	(4,101)	4,267,842	4,162,047	97.43	-	4,162,047	97.52	

Source: Hale County Appraisal District

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

Fiscal Year	Governmental Activities			Business-type Activities					Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Certificates of Obligation Bonds	Revenue Bonds	General		Water Authority Indebtedness	Total				
				Obligation Refunding Bonds	Bonds						
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	1.51%	652			
2010	-	-	7,875,000	-	6,379,585	14,254,585	N/A	642			
2011	-	-	15,805,000	-	6,062,818	21,867,818	N/A	985			

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 2010 and 2011 are unavailable.  
See Schedule of Demographic and Economic Statistics for Population data.

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

Fiscal Year	General Bonded Debt Outstanding			Total	Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Certificates of Obligation Bonds				
2002	\$ -	\$ -	\$ -	-	-	\$ -
2003	-	-	-	-	-	-
2004	-	-	-	-	-	-
2005	-	-	-	-	-	-
2006	-	-	-	-	-	-
2007	-	-	-	-	-	-
2008	-	-	-	-	-	-
2009	-	-	-	-	-	-
2010	-	-	-	-	-	-
2011	-	-	-	-	-	-

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, 2011**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
<b>Debt repaid with property taxes</b>			
Plainview Independent School District	\$ -	65.69 %	\$ -
County of Hale	-	42.21	-
<b>Other debt</b>			
Plainview Independent School District	1,290,337	65.69	847,622
County of Hale	-	42.21	-
Subtotal overlapping debt			847,622
<b>City direct debt</b>			-
<b>Total direct and overlapping debt</b>			<u>\$ 847,622</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	Coverage	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
2002	\$ 4,584,714	\$ 3,344,269	\$ 1,240,445	\$ 451,000	\$ 538,389	1.25	\$ 2,063,420	\$ 1,861,426	\$ 201,994	\$ 219,000	\$ 76,950	0.68
2003	4,759,242	3,212,067	1,547,175	488,000	494,301	1.58	2,400,063	1,544,349	855,714	252,000	36,600	2.97
2004	5,184,875	3,556,553	1,628,322	507,000	472,089	1.66	2,401,145	1,496,362	904,783	258,000	30,300	3.14
2005	5,043,446	3,480,034	1,563,412	535,000	448,814	1.59	2,508,308	1,563,551	944,757	270,000	23,850	3.22
2006	5,731,970	3,981,831	1,750,139	556,000	424,376	1.79	2,527,008	1,597,849	929,159	279,000	17,100	3.14
2007	5,495,629	3,874,419	1,621,210	584,000	397,896	1.65	2,692,496	1,606,164	1,086,332	291,000	8,730	3.62
2008	5,912,084	4,241,912	1,670,172	410,000	371,511	2.14	2,858,367	1,742,492	1,115,875	-	-	-
2009	6,108,850	4,456,922	1,651,928	430,000	351,459	2.11	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	2.15	3,125,995	1,887,998	1,237,997	205,000	44,012	4.97
2011	7,706,153	4,527,963	3,178,190	540,000	183,806	4.39	3,031,524	1,905,573	1,125,951	215,000	36,662	4.47

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		County School Enrollment		County Unemployment Rate	
	Population	Population	Population	Population	Income	Income	Income	Income	Enrollment	Enrollment	Rate	Rate
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	35,408	941,923,000	26,602	5,846	5.9%						
2010	22,194	36,273	N/A	N/A	5,842	7.1%						
2011	22,194	36,273	N/A	N/A	5,780	7.4%						

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

Note: Personal income data for calendar years 2010 and 2011 are unavailable.

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

2003	2004	2005	2006	2007	2008	2009	2010	2011
Azteca Milling Central Plains MHMR Center City of Plainview Excel Corporation Methodist Hospital Plainview Independent School District Texas Department of Criminal Justice United Supermarkets Wal-Mart Associates Wayland Baptist University	Azteca Milling Cargill Meat Solutions Central Plains MHMR Center City of Plainview Covenant Hospital Plainview Independent School District Texas Department of Criminal Justice United Supermarkets Wal-Mart Associates Wayland Baptist University	Azteca Milling Cargill Meat Solutions Central Plains MHMR Center City of Plainview Covenant Hospital Plainview Independent School District Texas Department of Criminal Justice United Supermarkets Wal-Mart Associates Wayland Baptist University	Azteca Milling Cargill Meat Solutions Central Plains MHMR Center City of Plainview Covenant Hospital Plainview Independent School District Texas Department of Criminal Justice United Supermarkets Wal-Mart Associates Wayland Baptist University	Azteca Milling Cargill Meat Solutions Central Plains MHMR Center City of Plainview Covenant Hospital Plainview Independent School District Texas Department of Criminal Justice United Supermarkets Wal-Mart Associates Wayland Baptist University	Azteca Milling Cargill Meat Solutions Central Plains MHMR Center City of Plainview Covenant Hospital Plainview Independent School District Texas Department of Criminal Justice United Supermarkets Wal-Mart Associates Wayland Baptist University	Azteca Milling Cargill Meat Solutions Central Plains MHMR Center City of Plainview Covenant Hospital Plainview Independent School District Texas Department of Criminal Justice United Supermarkets Wal-Mart Associates Wayland Baptist University	Azteca Milling Cargill Meat Solutions Central Plains MHMR Center City of Plainview Covenant Hospital Plainview Independent School District Texas Department of Criminal Justice United Supermarkets Wal-Mart Associates Wayland Baptist University	Azteca Milling Cargill Meat Solutions Central Plains MHMR Center City of Plainview Covenant Hospital Plainview Independent School District Texas Department of Criminal Justice United Supermarkets Wal-Mart Associates Wayland Baptist University

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

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

<u>Function/Program</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
General Government										
City Manager	2	2	2	2	2	2	2	2	2	2
Legal	2	2	2	2	2	2	2	2	2	2
Finance	2	2	1	1	1	1	1	1	1	1
Human Resources	2	1	1	1	1	1	1	1	1	1
Civil Service	1	1	1	1	1	1	1	1	1	1
Municipal Court	3	3	3	3	3	3	3	3	3	2
Community Development	2	2	2	2	2	2	2	2	2	2
Code Enforcement	3	3	3	3	3	3	3	3	3	3
Main Street	1	1	1	1	1	1	1	1	1	1
RSVP		3	3	2	2	2	2	2	2	2
Public Safety										
Police	44	44	44	44	45	45	45	45	45	45
Fire / EMS	37	36	36	36	36	36	36	36	36	36
Traffic Control	4	4	4	4	3	3	3	3	3	3
Animal Control	3	3	2	2	2	2	2	2	2	2
Public Works										
Public Works	3	3	3	3	3	3	3	3	3	3
Street Cleaning	2	2	2	2	2	2	2	2	2	2
Street Department	8	7	7	7	7	7	7	7	7	7
Custodial Services	2	2	2	2	2	2	2	2	2	2
Health	7	7	6	6	6	6	7	7	7	7
Recreation and Culture										
Parks	12	12	12	12	12	12	12	12	12	11
Library	6	6	6	6	6	5	5	5	5	5
Convention and Tourism										



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

Function/Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General government										
Building permits issued	240	228	220	290	182	140	184	154	266	208
Building inspections	4,233	5,003	6,019	6,030	4,695	4,059	2,284	2,057	2,494	1,524
Public safety										
Police										
Calls for service	19,342	18,797	19,492	16,815	15,796	14,898	13,997	15,378	14,403	14,313
Citations issued	3,617	4,589	3,255	2,767	3,363	3,052	4,290	3,307	3,377	2,642
Arrests	2,366	2,248	1,690	1,474	1,493	1,570	1,712	1,659	1,593	1,594
Fire/EMS										
Ambulance calls	1,828	1,859	1,985	2,094	1,916	1,841	2,027	1,915	1,949	2,139
Fire calls	1,270	1,249	1,400	1,492	1,509	1,400	1,634	1,560	1,656	1,878
Inspections	400	400	400	400	400	237	96	122	137	45
Public works										
Street seal coating (lane miles)	39.42	42.74	53.31	49.53	36.17	25.32	23.08	19.97	21.18	-
Street patch material used (tons)	237.5	234.9	300.5	366.4	222.4	490.0	487.0	184.6	437.7	335.8
Health										
Immunizations	5,835	6,379	4,340	4,205	3,952	3,379	5,462	6,452	5,018	4,739
Inspections	332	321	318	302	300	302	288	156	253	231
Recreation and culture										
Parks										
Shelter house permits	189	170	179	156	173	177	216	192	235	303
Library										
Volumes in collection	50,034	50,670	52,119	51,512	46,763	50,661	52,109	48,244	53,593	46,473
Volumes borrowed	52,299	48,390	53,464	51,775	53,231	47,925	51,418	55,319	55,019	48,543
Visitors	82,937	85,604	85,606	88,286	89,781	85,545	88,993	92,247	93,761	83,630

Solid waste management										
Refuse collected (annual tonnage)	32,098	27,435	27,788	29,243	27,461	29,218	28,317	31,200	31,200	28,099
Recyclables collected (annual tonnage)	1,331	1,353	1,583	1,440	1,255	1,971	592	1,061	646	841
Water										
New connections	36	46	44	24	107	18	12	13	14	18
Main line repairs	62	70	52	103	97	103	86	124	124	72
Average daily production (thousands of gallons)	4,735	5,257	4,517	4,438	4,964	4,297	4,298	4,442	4,406	5,463
Peak daily production (thousands of gallons)	9,757	10,761	8,557	9,572	9,422	8,017	10,659	8,647	8,561	10,048
Wastewater										
Average daily sewage treatment (thousands of gallons)	1,880	1,890	1,970	2,020	2,090	2,200	2,000	1,800	1,928	1,560
Theatre										
Events scheduled	N/A	30	34	51	53	97	108	101	102	85
Attendees	N/A	4,925	4,446	8,061	5,703	10,554	13,623	10,622	10,665	9,760

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	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	22	22	22	22	22	22	22	22	24	24
Staff and detective units	12	12	12	12	12	12	12	12	13	14
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	136	137	137	137	137	137	137
Streetlights	1,337	1,337	1,337	1,337	1,337	1,337	1,356	1,356	1,357	1,358
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	301	301	301
Playgrounds	14	14	14	14	14	14	14	14	14	14
Baseball/softball diamonds	19	19	19	19	19	19	19	19	21	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	7	7
Library										
Internet access workstations	10	10	10	10	10	11	15	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)	11,067	10,972	10,818	10,836	10,756	10,674	10,593	10,495	10,495	10,303
Water										
Water mains (miles)	193	193	193	193	201	201	201	201	208	208
Fire hydrants	745	745	745	745	745	745	745	747	731	736
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	140	140	140	140	164	164
Treatment capacity (thousands of gallons per day)	3,000	3,300	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.