

Comprehensive Annual Financial Report



PLAINVIEW, TX
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City of Plainview, Texas

**For the Fiscal Year Ended
September 30, 2017**



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ANNUAL FINANCIAL REPORT

YEAR ENDED SEPTEMBER 30, 2017

CITY OF PLAINVIEW, TEXAS
Year Ended September 30, 2017
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Year Ended September 30, 2017

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Introductory Section



March 3, 2018

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 (CAFR) for the year ended September 30, 2017, 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 Eide Bailly LLP, 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, 2017, 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 unmodified opinion that the City of Plainview's financial statements for the fiscal year ended September 30, 2017, 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.

City Services

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.

Financial Information

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.

Annual Budget. 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. Summary financial reports for the operating funds are also displayed on the website.

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.

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 current contract is with Centennial Bank commencing October 1, 2016 through September 30, 2019 with the option for two one-year renewals.

The current contract with Centennial Bank guarantees the City of Plainview the 91 day Treasury Bill rate plus 35 basis points on all funds held on deposit. Idle cash is placed in certificates of deposit and TexPool. At the end of the first quarter of the current fiscal year the City held \$30.1 million in investments with an average maturity of 240 days and an average yield of 1.6%.

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's, are Federal Home Loan Bank and TIB-The Independent Bankers Bank. The safekeeping agreement is a three-party contract between the City of Plainview, the depository bank, and the Custodian. Additional information on the City's banking and investing activities can be found in Note 2 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 12 of the financial statements.

Employee health plan. The City of Plainview provides health insurance for employees, their dependents and retirees and their dependents who are not eligible for Medicare or Medicaid. On January 1, 2015 the city switched from being self-insured to a fully insured health plan. The rising costs of health care, claims and the restrictions and requirements of the Affordable Care Act made it necessary for the City to limit its exposure and switch from being self-insured to being fully insured. Until January 1, 2015 the plan was a grandfathered modified self-insurance plan in that a third party administrator provided 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 10 and 11 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 City implemented GASB Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27, during the year ended September 30, 2015, which requires recognition of its net pension liability and a more comprehensive measure of pension expense.

The Firefighters Retirement System is administered by a board of trustees. The actuarial valuation for the System was completed as of December 31, 2015. The funded ratio of actuarial accrued liability of this plan was 37.3%. As a matter of policy the City contributed 15% of firefighter salaries toward pension financing, while firefighters individually contributed 14%. Effective January 1, 2017 the firefighters will contribute 15%. In an effort to strengthen the Firefighter Pension Plan the City has instituted a series of increases to the employer's contributions. October 1, 2010 the city increased the employer portion to 16.61%; October 1, 2011 to 18.26%; October 1, 2012 to 19.84%; October 1, 2013 to 21.45%; October 1, 2014 to 23.07%; and October 1, 2015 to 24.68%. The fiduciary net position as a percentage of total pension liability was 33.56% at September 30, 2017.

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, 2016 and reported the fiduciary net position as a percentage of total pension liability was 88.91% at September 30, 2017. The City's contribution rate at year end was 14.19% of payroll and the employees individually contribute 7%. TMRS restructured the funds and because of the restructuring contributions beginning January 1, 2012 were at the full rate.

Additional information on the City's pension arrangements and post-employment benefits can be found in Note 9 of the financial statements and in the required supplementary information.

Long-term financial planning.

The City meets annually to review the implementation of the Strategic Plan, Comprehensive Plan and evaluate the financial condition of the City. The City works to maintain a strong fund balance in its operating funds and sets aside funds to address major infrastructure projects.

Economic Condition and Outlook

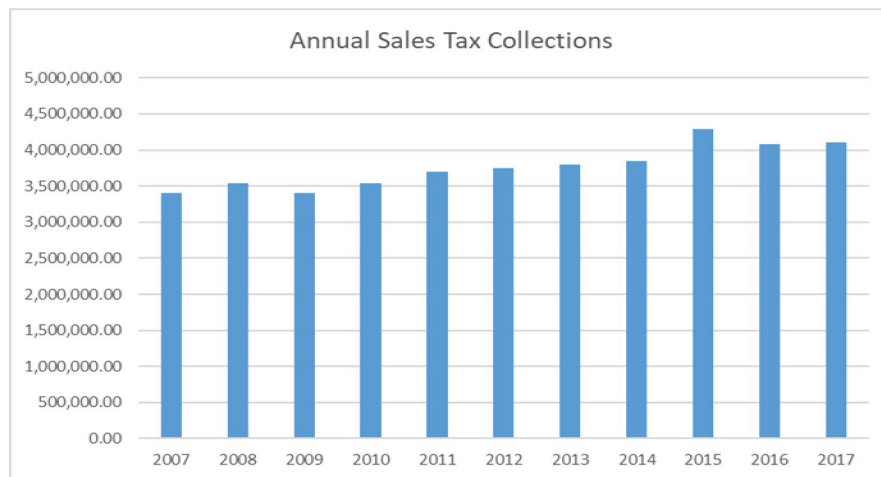
The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the environment within which the City of Plainview operates.

Local economy

Plainview is located in the South Plains Region that serves as one of the most productive agricultural areas in the United States. The City serves as a small regional hub for employment opportunities, retail trade, healthcare, education and government services.

Economic indicators including sales tax collections, hotel occupancy rates, construction activity at the local level and regional level as well as the unemployment rate suggest that the Plainview economy is stable.

Sales Tax. Sales tax receipts through February 2018 sitting at 2.82% more than for the same five month period last year.



Employment. The unemployment rate continues to show improvement in the local economy. The total employment estimate for December 2017 is 11,564. The unemployment rate peaked in June 2013 at 15% and is now sitting at 4.1% as of December 2017.

Healthcare. The Covenant Hospital Plainview is part of the Covenant Health System and Providence St. Joseph Health System. The hospital is undergoing a \$40.0 million renovation and expansion project. The first phase that included a surgical wing expansion was completed in 2016.

Higher Education. Wayland Baptist University (WBU), a four-year Christian university, has system wide enrollment of over 5,100 students; this includes the main campus and 16 satellite campuses located all over the United State. The main campus located in Plainview serves approximately 1,400 students. In addition, WBU is home to the Llano Estacado Museum and Jimmy Dean Museum.

South Plains College – Plainview Center is a part of the South Plains College System. Total enrollment is stable at 300 students. The Center offers associate degrees, certification and skills training in the medical field, cosmetology, industrial manufacturing, wind and solar energy, welding, HVAC, electrical, plumbing, construction and other trades as well as customized workforce development training courses for businesses.

Construction Activity. Building Valuations totaled \$19.4 million in 2017 compared to \$6.5 million in 2016.

Economic Development

The City works in partnership with Hale County, the Chamber of Commerce and the Plainview-Hale County Economic Development Corporation to encourage business retention, business recruitment and workforce development. Funding provided for economic development activities is primarily through the City and County.

Business Park. The City and Hale County partnered together to develop the Plainview-Hale County Business Park. In 2016, the City and County received \$1.0 million Public Works Construction grant from the U.S. Department of Commerce, Economic Development Administration to assist with the development of the business park. The planning and design phase is complete and construction will begin on Phase 1 in April 2018. Phase 1 will include approximately 150 acres of shovel ready sites for business and industrial development.

Airport. The Plainview-Hale County Airport is a joint venture between the City and County. The Fixed Based Operator is Rocket Aviation. The Airport has two major runways; Runway 4-22 (6,000 feet long) and Runway 13-31 (4,000 feet long). The Airport completed a Master Plan in September 2014. The Airport completed a \$4.6 million construction project that included runway resurfacing, taxiway reconstruction and lighting improvements in 2017. The City and County are in the process of acquiring the privately owned airport assets (Hangars, Terminal/Office Buildings, etc.) as a part of the Airport Master Plan. The City and County are working closely with TXDOT Aviation to access federal funds to assist with the purchase of these assets.

Regional Wind Farm Construction. The City serves as a hub for wind farm construction in the region due to the large rail distribution center operated by BNSF Logistics in Plainview. This distribution center off loads wind turbine components for the planned wind farms. The City Council and Hale County approved tax abatement agreements to encourage continued use of the rail distribution center in Plainview. In addition, Xcel Energy is planning construction of a 478 MW wind farm in Hale County in 2018.

Downtown Revitalization. The City through its Main Street Program completed a Downtown Master Plan Design Concept to encourage revitalization of its Commercial Historic District.

Water Planning. The City, through membership in the Canadian River Municipal Water Authority (CRMWA), is in the planning process for more transmission lines to develop the water rights that were purchased to be tied into the existing water production assets in that area. This acquisition several years ago doubled the amount of groundwater owned by CRMWA and available to its member cities including Plainview.

2018 General Obligation Bond Program. In November 2017, voters authorized \$25 million in General Obligations Bonds for capital improvement projects. This includes the reconstruction of 24th Street, construction of a new Fire Station No. 2, renovation of a facility to serve as the new City Hall, renovation of the current City Hall facility to serve as the new Police Department,

improvements to the baseball-softball fields, construction of a new aquatic complex and sidewalks improvements in the Downtown area.

Acknowledgements

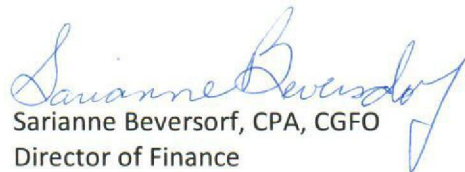
The preparation of this report and the maintenance of the records upon which it is based could not have been accomplished without the efficient and dedicated services of the entire Finance Department. We would like to express our appreciation to staff members Tammy Adams and Vannesa Rincon for their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

In addition, we express our appreciation to the Mayor and 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,



Jeffrey Snyder, ICMA-CM
City Manager



Sarianne Beversorf, 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	WENDELL DUNLAP	14	RETIRED/SELF-EMPLOYED
COUNCIL MEMBER DISTRICT 1	DR. CHARLES N. STARNES	8	EDUCATOR
COUNCIL MEMBER DISTRICT 2	LARRY WILLIAMS	4	SELF-EMPLOYED
COUNCIL MEMBER DISTRICT 3	NORMA JUAREZ	4	RECEPTIONIST
COUNCIL MEMBER DISTRICT 4	TERESSA KING	4	PRESIDENT, KING CARPET PLUS, INC. & FURNITURE EXPRESSIONS ROYAL SPLASH LLC MANAGING MEMBER
COUNCIL MEMBER DISTRICT 5	SUSAN BLACKERBY	4	RETIRED/HALE CO JJAEP
COUNCIL MEMBER DISTRICT 6	JOHN GATICA	2	EDUCATOR
COUNCIL MEMBER DISTRICT 7	OLIVER ALDAPE	2	FIRE EXTINGUISHER TECHNICIAN

<u>CITY OFFICIALS</u>	<u>NAME</u>	<u># OF YEARS WITH CITY</u>	<u># OF YEARS THIS POSITION</u>
CITY MANAGER	JEFFREY SNYDER	7	8
ASSISTANT CITY MANAGER	VACANT	0	0
DIRECTOR OF FINANCE	SARIANNE BEVERSDORF	8	17
DIRECTOR PUBLIC WORKS	TIM CROSSWHITE	6	2
FIRE CHIEF	RUSTY POWERS	28	9
CHIEF OF POLICE	KEN COUGHLIN	4	9
MUNICIPAL COURT JUDGE	PAT HERNANDEZ	33	20
CITY SECRETARY	BELINDA HINOJOSA	17	17
IT DIRECTOR	ISAURO GUTIERREZ	4	4
MAIN STREET MANAGER	MELINDA BROWN	3	3
COMMUNITY DEVELOPMENT MANAGER	CRIS VALVERDE	2	2

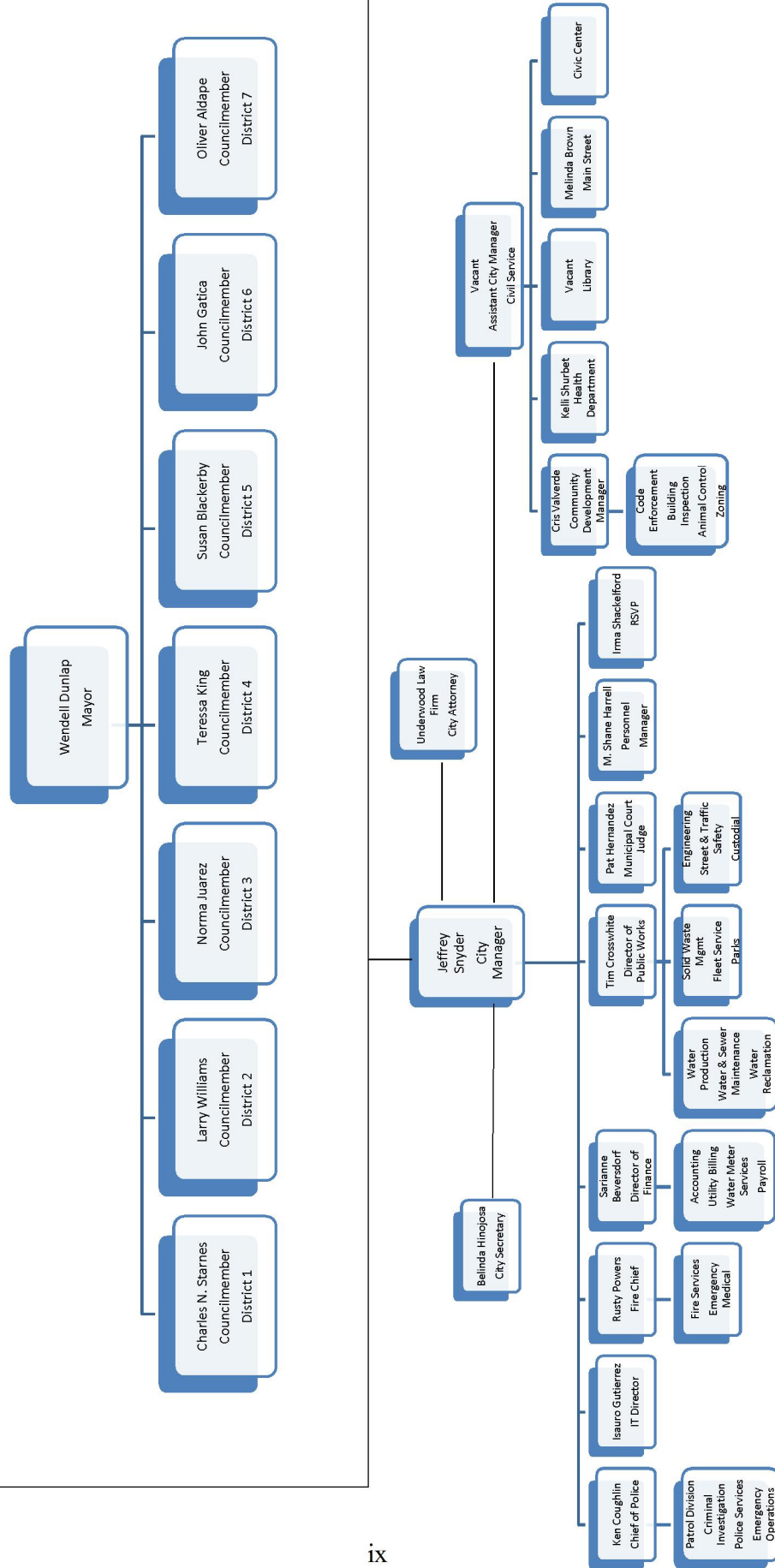
FINANCIAL CONSULTANT - SPECIALIZED PUBLIC FINANCE - AUSTIN, TEXAS

BOND COUNSEL - UNDERWOOD LAW FIRM - AMARILLO, TEXAS

INDEPENDENT AUDITORS - EIDE BAILLY LLP - PLAINVIEW, TEXAS

CITY ATTORNEY - UNDERWOOD LAW FIRM - AMARILLO, TEXAS

City of Plainview Organizational Chart





PLAINVIEW, TX

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Financial Section



Independent Auditor's Report

To the Honorable Mayor and Members of the City Council
City of Plainview, Texas

Report on the Financial Statements

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, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of funding progress (OPEB Plan), and pension plan schedules on pages 3 through 13 and 60 through 71 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining financial statements, individual nonmajor fund budgetary comparison schedules, supporting schedules, and general information section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining financial statements, individual nonmajor fund budgetary comparison schedules and 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining financial statements, individual nonmajor fund budgetary comparison schedules and supporting schedules are fairly stated in all material respects in relation to the basic 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 15, 2018, 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 solely 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 effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Plainview, Texas
March 15, 2018

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, 2017. 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 \$95,899,352 at September 30, 2017 and \$95,764,044 at September 30, 2016, increasing 0.1%.
- Total liabilities were \$36,743,183 at September 30, 2017 and \$38,540,686 at September 30, 2016, decreasing 4.6%.
- The total assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows at the close of the fiscal year by \$62,676,554, an increase of 1.2%. Of this amount, \$24,699,780 in unrestricted net position 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 \$736,352.

Governmental Funds

- Total current assets were \$18,077,135 at September 30, 2017 and \$18,521,252 at September 30, 2016, decreasing 2.4%.
- All combined governmental funds reported an ending fund balance of \$16,974,070 or a 0.5% increase from the previous year.
- For the year ended September 30, 2017, total revenues exceeded total expenditures by \$75,573.

Proprietary Funds

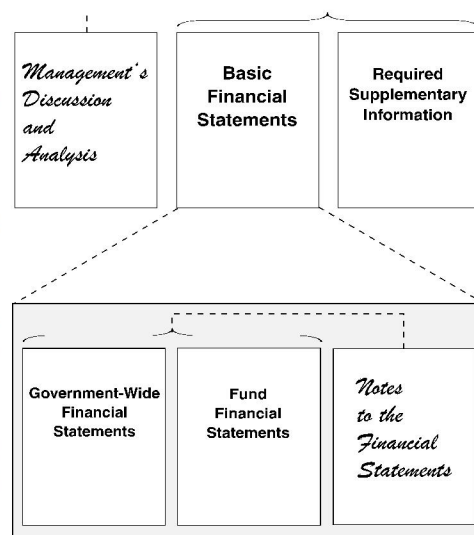
- Net position for combined enterprise funds grew by 3.9% to \$40,503,642. Of this amount, \$14,279,574 is unrestricted and available to be used to meet the ongoing obligations to citizens and creditors.
- The change in net position or net income generated from operations of the combined enterprise funds during the year ended September 30, 2017 is reported at \$1,519,687.
- A net decrease in cash and cash equivalents of \$8,088,114 is reported for the combined enterprise funds. This is primarily from the purchase of investments consisting of certificates of deposit.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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



The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements.

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

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

Government-wide Statements

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the

Figure A-2. Major Features of the City's Government-wide and Fund Financial 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	• Statement of net position	• Balance sheet	• Statement of net position	• Statement of fiduciary net position
	• Statement of activities	• Statement of revenues, expenditures & changes in fund balances	• Statement of revenues, expenses and changes in fund net position • Statement of cash flows	• Statement of changes in fiduciary net position
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'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 position and how they have changed. Net position—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 position 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 position.

The City's combined net position totaled \$62,676,554 at September 30, 2017, \$736,352 more than the prior year. (See Table A-1).

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

	Governmental Activities		Business -type Activities		Total		Total Percent
	2017	2016	2017	2016	2017	2016	Change
Current assets							
Cash and cash equivalents	\$ 5,025	\$ 15,262	\$ 2,972	\$ 10,519	\$ 7,997	\$ 25,781	-69.0%
Investments	17,065	6,870	12,979	4,351	30,044	11,221	167.7%
Receivables	1,424	1,236	1,305	1,277	2,729	2,513	8.6%
Other assets	9	170	-	-	9	170	-94.7%
Due from other governments	72	118	-	-	72	118	-39.0%
Internal balances	337	447	(337)	(447)	-	-	0.0%
Inventories	152	130	98	114	250	244	2.5%
Total current assets	24,084	24,233	17,017	15,814	41,101	40,047	2.6%
Noncurrent assets	1,685	1,942	12,640	13,330	14,325	15,272	-6.2%
Capital assets	33,715	32,989	57,641	56,313	91,356	89,302	2.3%
Less accumulated depreciation	(22,980)	(22,234)	(27,900)	(26,624)	(50,880)	(48,858)	4.1%
Total assets	36,504	36,930	59,398	58,833	95,902	95,763	0.1%
Deferred outflows of resource	3,203	3,952	969	1,187	4,172	5,139	-18.8%
Total outflows of resources	3,203	3,952	969	1,187	4,172	5,139	-18.8%
Accounts payable and accrued liabilities	973	1,413	707	373	1,680	1,786	-5.9%
Deposits and escrow held	-	-	532	504	532	504	5.6%
Compensated absences	1,006	1,004	95	93	1,101	1,097	0.4%
Pension and OPEB obligation	14,766	14,769	1,359	1,561	16,125	16,330	-1.3%
Water contract obligations	-	-	5,999	6,500	5,999	6,500	-7.7%
Landfill closure/postclosure	-	-	1,486	1,437	1,486	1,437	3.4%
Bonds payable	-	-	9,822	10,886	9,822	10,886	-9.8%
Total liabilities	16,745	17,186	20,000	21,354	36,745	38,540	-4.7%
Deferred inflows of resources	452	293	200	129	652	422	54.5%
	452	293	200	129	652	422	54.5%
Net position							
Invested in capital assets, net of related debt	10,735	10,755	25,488	24,616	36,223	35,371	2.4%
Restricted	1,017	913	737	734	1,754	1,647	6.5%
Unrestricted	10,758	11,735	13,942	13,187	24,700	24,922	-0.9%
Total net position	\$ 22,510	\$ 23,403	\$ 40,167	\$ 38,537	\$ 62,677	\$ 61,940	1.2%

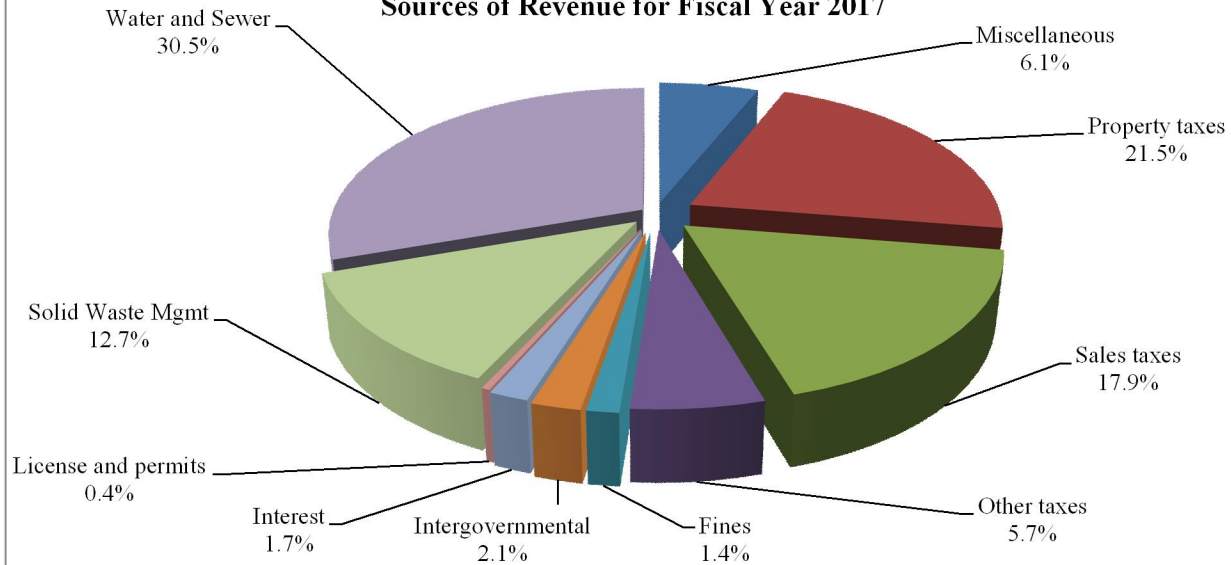
As noted earlier, net position may serve, over time, as a useful indicator of a government's financial position. A large portion of the City's net position (58 percent) reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The City uses 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 position.

The City's total revenues for the period ended September 30, 2017 were \$24,935,156. A significant portion, 45.1 percent, of the City's revenue comes from taxes (See Figure A-3) while 43.4 percent comes from charges for utility services. The total cost of all programs and services was \$23,370,223.

**Figure A-3
Sources of Revenue for Fiscal Year 2017**



Expenses by Activity for Fiscal Year 2017

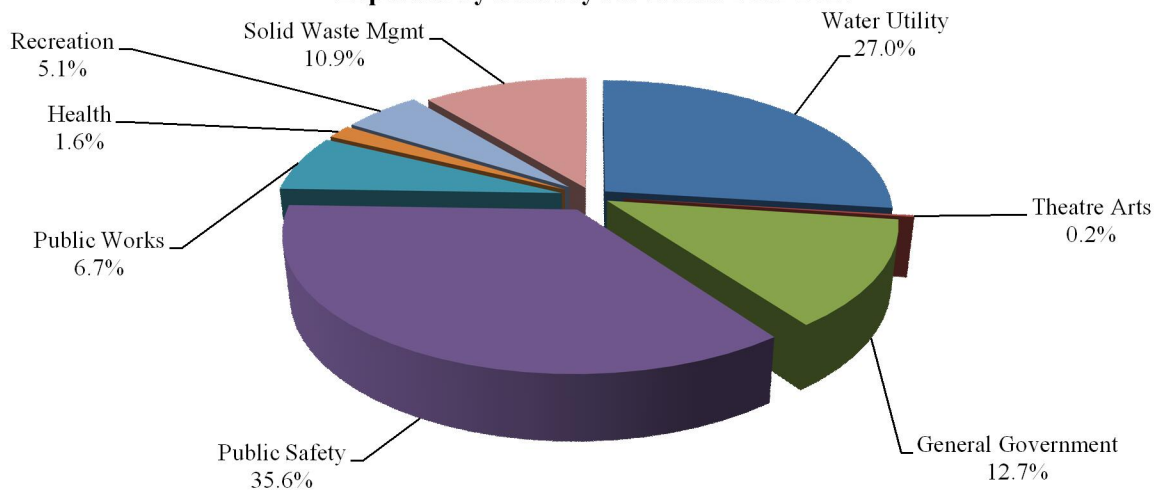


Table A-2
Changes in City's Net Position
(In thousands dollars)

	Governmental Activities		Business-type Activities		Total		Total Percent
	2017	2016	2017	2016	2017	2016	Change
Program revenues:							
Charges for services	\$ 1,223	\$ 1,388	\$ 10,827	\$ 10,321	\$ 12,050	\$ 11,709	2.9%
Grants and contributions							
Operating	545	553	-	-	545	553	-1.4%
Capital	1	17	-	-	1	17	-94.1%
General revenues:							
Property taxes	5,398	4,967	-	-	5,398	4,967	8.7%
Other taxes	5,934	5,995	-	-	5,934	5,995	-1.0%
Other	631	379	376	393	1,007	772	30.4%
Total revenues	13,732	13,299	11,203	10,714	24,935	24,013	3.8%
Expenses:							
General government	2,975	2,603	-	-	2,975	2,603	14.3%
Public safety	8,321	8,470	-	-	8,321	8,470	-1.8%
Public works	1,570	1,641	-	-	1,570	1,641	-4.3%
Recreation and culture	1,210	1,286	-	-	1,210	1,286	-5.9%
Health	385	391	-	-	385	391	-1.5%
Solid waste management	-	-	2,552	2,523	2,552	2,523	1.1%
Water and sewer	-	-	6,308	6,902	6,308	6,902	-8.6%
Theatre arts	-	-	49	68	49	68	-27.9%
Total expenses	14,461	14,391	8,909	9,493	23,370	23,884	-2.2%
Transfers	(164)	601	(664)	(601)	(828)	-	0.0%
Change in net position	(893)	(491)	1,630	620	737	129	471.3%
Net position - beginning	23,403	23,894	38,537	37,917	61,940	61,811	0.2%
Net position - ending	<u>\$ 22,510</u>	<u>\$ 23,403</u>	<u>\$ 40,167</u>	<u>\$ 38,537</u>	<u>\$ 62,677</u>	<u>\$ 61,940</u>	1.2%

Table A-2 above reflects a comparative detail of changes in net position 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 decreased net position by \$893 thousand. 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 rate stayed the same at .6288 per \$100 valuation. There was a small increase in valuations and favorable collections with an increase of property tax revenues of \$431 thousand, or 8.7%.
- The franchise tax on utilities increased \$55 thousand, or 4.2%, hotel occupancy tax decreased \$48 thousand, or 11.9%, and general sales tax decreased \$84 thousand, or 2.0%.
- The cost of all *governmental* activities this year was \$14.5 million compared to the previous year of \$14.4 million, a 0.5% increase.
- The amount that our taxpayers paid for these services was \$11.3 million.
- Some of the cost was paid by those who directly benefited from the programs, \$1.2 million, or by grants and contributions, \$546 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
	2017	2016		2017	2016	
General government	\$ 2,975	\$ 2,603	14.3%	\$ 2,181	\$ 1,713	27.3%
Public safety	8,321	8,470	-1.8%	7,716	7,766	-0.6%
Public works	1,570	1,641	-4.3%	1,569	1,624	-3.4%
Recreation and culture	1,210	1,286	-5.9%	1,160	1,234	-6.0%
Health	385	391	-1.5%	66	95	-30.5%
Total governmental activities	<u>\$ 14,461</u>	<u>\$ 14,391</u>	0.5%	<u>\$ 12,692</u>	<u>\$ 12,432</u>	2.1%

Business-type Activities

As shown in Table A-2, business-type activities increased net position by \$1.6 million.

- Charges for services generated revenues of \$10.8 million for the period ended September 30, 2017 compared to \$10.3 million for the previous period.
- Expenses totaled \$8.9 million for 2017 and \$9.5 million for 2016, a 6.2% decrease. This year there was decrease in expenses for repairs for the CRMWA.
- Transfers from business-type activities to support general government activities were \$664 thousand for the period, a 10.5% 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, unassigned 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 \$16,974,070, an increase of \$75,573. The increase is mainly due to increases in revenue and transfers.

- Total assets of the Governmental Funds decreased 2.4%. This decrease is mainly attributable to the decrease in cash, cash equivalents, investments and restricted cash from \$17,129,476 at the end of the prior period to \$16,544,669 at the end of fiscal year 2017.
- Total liabilities of the Governmental Funds decreased 40.3% from \$1,220,628 in 2016 to \$728,614 in 2017. The change was mainly due to the decrease in accounts payable of \$506,038 from the work on the streets.
- Of the combined ending fund balance, approximately \$13.41 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 position amount of \$7,326,393. Of this amount, \$2,365,072 is invested in capital assets. The remainder of the unrestricted net position are generally used for property insurance and to replace capital assets.

Of the combined unrestricted net position of the enterprise funds at the end of fiscal year 2017, approximately \$14.3 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

The primary purpose of the General Fund is to account for general revenues such as property taxes, sales taxes and other taxes and expenditures related to essential city functions and programs. The General Fund is comprised of multiple departments that carry out many of the City's essential functions from street repair and maintenance, traffic, fire and police protection, health services and code compliance, and other administrative functions to name a few. 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:
 - \$250,000 to Capital Improvement Fund
 - \$84,000 to Street Improvement
 - \$25,000 to Internal Service 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, 2017 amounts to \$40,476,596 (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
	2017	2016	2017	2016	2017	2016	
Land	\$ 584	\$ 647	\$ 552	\$ 552	\$ 1,136	\$ 1,199	-5.3%
Buildings	4,287	4,288	2,703	2,696	6,990	6,984	0.1%
System improvements	-	-	45,845	45,734	45,845	45,734	0.2%
Infrastructure	19,168	18,171	-	-	19,168	18,171	5.5%
Machinery and equipment	9,554	9,381	7,459	7,233	17,013	16,614	2.4%
Construction in progress	122	23	1,082	98	1,204	121	895.0%
Totals at historical cost	33,715	32,510	57,641	56,313	91,356	88,823	2.9%
Accumulated depreciation	(22,980)	(22,234)	(27,900)	(26,624)	(50,880)	(48,858)	4.1%
Net capital assets	<u>\$ 10,735</u>	<u>\$ 10,276</u>	<u>\$ 29,741</u>	<u>\$ 29,689</u>	<u>\$ 40,476</u>	<u>\$ 39,965</u>	1.3%

Additional information on the City's capital assets can be found in the financial statements (Exhibits F-1 thru F-3) as well as the notes to the financial statements (Note 6) of this report.

Long Term Debt

At year end the City had \$9.405 million 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).

The CRMWA issued debt to finance the purchase of additional water rights of which, the City is contractually obligated for its portion of \$5,998,771. More detail on the City's long-term obligations may be found in the notes to the financial statements (Note 8).

Bond Ratings

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

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

	Governmental Activities		Business-type Activities		Total		Total Percent Change
	2017	2016	2017	2016	2017	2016	
Bond and certificates of obligation	\$ -	\$ -	\$ 9,822	\$ 10,886	\$ 9,822	\$ 10,886	-9.8%
Water Supply Contract obligation	-	-	5,999	6,500	5,999	6,500	-7.7%
Total outstanding debt	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,821</u>	<u>\$ 17,386</u>	<u>\$ 15,821</u>	<u>\$ 17,386</u>	-9.0%

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Economic indicators including sales tax collections, hotel occupancy rates, construction activity at the local level and regional level as well as the unemployment rate suggest that the Plainview economy is stable.

- The total employment estimate for December 2017 is 11,564. The unemployment rate peaked in June 2013 at 15% and is now sitting at 4.1% as of December 2017.
- Sales Tax Collections totaled \$4,096,627 in FYE 2017.
- Hotel Occupancy Tax Collections totaled \$358,356 in FYE 2017.
- Construction Activity. Building Valuations totaled \$19.4 million in 2017 compared to \$6.5 million in 2016.

The City continues to take a conservative approach to the budget as the economic outlook improves and resources continue to be allocated for future development. The Strategic Plan coupled with the goals and strategies in the long-range Comprehensive Plan for the City and the Hale County Economic Development Plan and Targeted Industry Study will continue to be the guidepost over the next two to five-year time frame for the investments made by the City to encourage new growth, development and diversification in the local economy.

The following factors were considered when preparing the FYE 2018 Budget:

- The Property Tax Rate included in this budget is \$0.6312 per \$100 valuation, which is an increase from the \$0.6288 per \$100 valuation rate used last year. This rate is the same as the effective tax rate. The proposed property tax rate will be used to move the General Fund to a more balanced position and will support increased personnel costs to provide basic services to the City.
- The General Fund expenditure budget for the upcoming year increased by 0.10%. There was an 0.8% increase in the assessed property valuations. The main increases in the budget were for the compensation study. There is no budgeted reduction of services. Many of the costs such as health insurance, materials and supplies have increased. The city is striving to stabilize employee healthcare costs as the City continues to make structural changes to the health insurance program.
- Compensation Costs in the budget included adjustments in employee pay rates derived from the compensation and classification study that was completed and adopted in January 2017.
- In the Solid Waste Management Fund, the 2017-2018 operating budget was increased by 0.39% from the year before. Included in the budget are funds to replace several large pieces of equipment. No increase in the collection and disposal fees was proposed for the Solid Waste Management Fund.
- In the Utility (Water & Sewer) Fund, the 2017-2018 operating budget increased slightly by 1.69% from the year before but still faces the challenges of increased costs for infrastructure maintenance and CRMWA repairs. The main increases in expenditures are for major one-time equipment purchases. There was not an increase in the base water rates. The City did incorporate a 5% increase in the tiered water conservation rate structure this year. No increases were included for base sewer rates but the City did incorporate a 5% increase in the consumption rate.

The following major projects are incorporated into the FYE 2018 Budget:

- In 2010, the City Council authorized the issuance of Certificates of Obligation to construct 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 City will complete the construction of the Milwee Lift Station and Sanitary Sewer Line project in 2018; this is the last project planned with the 2010 Certificates of Obligation.
- The City and Hale County partnered together to develop the Plainview-Hale County Business Park. In 2016, the City and County received a \$1.0 million Public Works Construction grant from the U.S. Department of Commerce, Economic Development Administration to assist with the development of the business park. The planning and design phase is complete and construction will soon begin on Phase 1. Phase 1 will include approximately 100 acres of shovel ready sites for business and industrial development.

- A compensation study was completed in January 2017. Funds were included in the budget to fund the increases in the pay plan as well as anticipated increases in the health insurance premiums.
- The Plainview-Hale County Airport completed a \$4.6 million construction project that included runway resurfacing, taxiway reconstruction and lighting improvements. The project was funded in cooperation with Texas Department of Transportation Aviation Division and the Federal Aviation Administration. Now the process has begun to consolidate all airport assets by acquiring airport assets (Hangars, Terminal/Office Buildings, etc) owned by others other than the City and County. The City and County are working closely with TXDOT Aviation to access federal funds to assist with the purchase of these assets.
- The City was awarded a Texas Parks and Wildlife Recreational Grant to rehabilitate and upgrade the Travis Trussell Duck Pond. This will include a lighted walking trail, wildlife viewing areas and off-street parking. The total estimated cost for the project is \$501,898.
- The City included \$255,000 for the Annual Street Seal Coat Project.

SUBSEQUENT EVENTS

Last year the City formed a Citizen Advisory Committee that prioritized major capital improvements needed over the next 5 year time frame and considered financing options to pay for the proposed projects. After the budget was adopted an election was held and voters approved the sale of General Obligation Bonds to finance these projects. These projects were not included in the budget. The total of the projects is \$25,255,000. The proceeds will be received in March of 2018. The interest rate is 3.23% with an estimated required I & S Tax rate of .207.

- Proposition A \$7,150,000 24th Street Reconstruction Columbia Street to Dimmitt Hwy
- Proposition B \$6,000,000 City Hall/Police Department Relocation & Renovation
- Proposition C \$5,325,000 Fire Station No. 2 Relocation at I-27 & Dimmitt Hwy
- Proposition D \$3,800,000 16th Street Pool Reconstruction at 16th Street Park
- Proposition E \$1,480,000 Downtown Improvements Broadway Street & 6th Street
- Proposition F \$1,500,000 Baseball Field Improvements Broadway Park/Regional Park

In the process of issuing bonds the City obtained a rating from Standard and Poors of AA-/Stable on the 2018 Bonds and the ratings on previous years bonds outstanding was affirmed at this same rate.

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 7th, Plainview, Texas 79072, call (806) 296-1130, or e-mail sbeversdorf@plainviewtx.org.



PLAINVIEW, TX

explore the opportunities

**Basic Financial
Statements**

CITY OF PLAINVIEW, TEXAS

Statement of Net Position

September 30, 2017

Exhibit A-1

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 5,024,567	\$ 2,972,279	\$ 7,996,846
Investments	17,064,527	12,979,327	30,043,854
Receivables, net	1,424,315	1,304,023	2,728,338
Due from other governments	72,081	-	72,081
Internal balances	336,921	(336,921)	-
Inventories, at cost	151,513	96,840	248,353
Other assets	8,578	-	8,578
Investment in joint venture	1,190,068	-	1,190,068
Restricted assets:			
Cash and cash equivalents	494,804	2,832,413	3,327,217
Capital assets:			
Nondepreciable	704,895	1,633,868	2,338,763
Depreciable, net	10,030,345	28,107,490	38,137,835
Unamortized water contract costs and other assets	-	9,807,419	9,807,419
Total Assets	36,502,614	59,396,738	95,899,352
DEFERRED OUTFLOWS OF RESOURCES			
Pension	3,203,154	747,318	3,950,472
Deferred charge for debt refunding	-	221,642	221,642
Total Outflows of Resources	3,203,154	968,960	4,172,114
LIABILITIES			
Accounts and wages payable	972,101	680,889	1,652,990
Accrued interest payable	-	26,351	26,351
Payable from restricted assets	-	531,838	531,838
Noncurrent liabilities:			
Due within one year	4,446	1,631,624	1,636,070
Due in more than one year	15,767,430	17,128,504	32,895,934
Total Liabilities	16,743,977	19,999,206	36,743,183
DEFERRED INFLOWS OF RESOURCES			
Pension	451,958	199,771	651,729
Total Inflows of Resources	451,958	199,771	651,729
NET POSITION			
Net investment in capital assets	10,735,240	25,487,563	36,222,803
Restricted for:			
Debt service	-	736,505	736,505
Tourism	808,438	-	808,438
PEG fund	121,872	-	121,872
Law enforcement	16,743	-	16,743
Municipal Court	70,413	-	70,413
Unrestricted	10,757,127	13,942,653	24,699,780
Total Net Position	\$ 22,509,833	\$ 40,166,721	\$ 62,676,554

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

CITY OF PLAINVIEW, TEXAS

Statement of Activities

Year Ended September 30, 2017

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities:				
General government - administration	\$ 2,325,580	\$ 108,298	\$ 278,032	-
General government - other	649,667	327,174	81,180	-
Public safety	8,320,861	598,411	5,986	-
Public works	1,570,443	-	-	1,041
Health	384,885	138,875	179,619	-
Recreation and culture	1,210,356	50,703	-	-
Total Governmental Activities	<u>14,461,792</u>	<u>1,223,461</u>	<u>544,817</u>	<u>1,041</u>
Business-Type Activities:				
Solid waste management	2,552,045	3,192,195	-	-
Water and sewer	6,308,099	7,622,606	-	-
Theatre arts	48,287	12,063	-	-
Total Business-Type Activities	<u>8,908,431</u>	<u>10,826,864</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>\$ 23,370,223</u>	<u>\$ 12,050,325</u>	<u>\$ 544,817</u>	<u>\$ 1,041</u>

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

Transfer to fiduciary fund

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning

Net Position - Ending

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

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (1,939,250)		\$ (1,939,250)
(241,313)		(241,313)
(7,716,464)		(7,716,464)
(1,569,402)		(1,569,402)
(66,391)		(66,391)
(1,159,653)		(1,159,653)
<u>(12,692,473)</u>		<u>(12,692,473)</u>
	\$ 640,150	640,150
	1,314,507	1,314,507
	<u>(36,224)</u>	<u>(36,224)</u>
	<u>1,918,433</u>	<u>1,918,433</u>
	1,918,433	(10,774,040)
5,398,266	-	5,398,266
4,096,627	-	4,096,627
397,059	-	397,059
1,354,941	-	1,354,941
84,963	-	84,963
262,346	126,135	388,481
242,204	187,816	430,020
126,800	61,816	188,616
(828,581)	-	(828,581)
664,205	<u>(664,205)</u>	-
<u>11,798,830</u>	<u>(288,438)</u>	<u>11,510,392</u>
(893,643)	1,629,995	736,352
<u>23,403,476</u>	<u>38,536,726</u>	<u>61,940,202</u>
<u>\$ 22,509,833</u>	<u>\$ 40,166,721</u>	<u>\$ 62,676,554</u>

CITY OF PLAINVIEW, TEXAS
Balance Sheet - Governmental Funds
September 30, 2017

Exhibit A-3

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 2,600,197	\$ 70,495	\$ 2,670,692
Investments	12,874,423	504,747	13,379,170
Interest receivable	5,290	186	5,476
Accounts receivable (net)	401,107	-	401,107
Taxes receivable (net)	966,879	38,675	1,005,554
Due from other governments	67,388	4,693	72,081
Inventories	48,251	-	48,251
Restricted cash and cash equivalents	-	494,804	494,804
Total Assets	<u><u>\$ 16,963,535</u></u>	<u><u>\$ 1,113,600</u></u>	<u><u>\$ 18,077,135</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE			
Liabilities			
Accounts payable	\$ 391,645	\$ 22,280	\$ 413,925
Wages payable	306,334	3,909	310,243
Compensated absences payable	4,446	-	4,446
Total Liabilities	<u><u>702,425</u></u>	<u><u>26,189</u></u>	<u><u>728,614</u></u>
Deferred Inflows of Resources			
Unavailable revenue			
Property taxes	221,522	-	221,522
Fines and fees	100,429	-	100,429
Emergency Medical Services	52,500	-	52,500
Total Deferred Inflows of Resources	<u><u>374,451</u></u>	<u><u>-</u></u>	<u><u>374,451</u></u>
Fund Balance			
Nonspendable	48,251	-	48,251
Restricted	-	1,017,466	1,017,466
Assigned	2,429,905	69,945	2,499,850
Unassigned	13,408,503	-	13,408,503
Total Fund Balance	<u><u>15,886,659</u></u>	<u><u>1,087,411</u></u>	<u><u>16,974,070</u></u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u><u>\$ 16,963,535</u></u>	<u><u>\$ 1,113,600</u></u>	<u><u>\$ 18,077,135</u></u>

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 Position
September 30, 2017

Exhibit A-4

Total Fund Balances - Governmental Funds	\$ 16,974,070
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Amounts reported for *governmental activities* in the statement of net position 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 position.	7,663,314
--	-----------

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 \$26,652,477 and accumulated depreciation was \$18,282,309.	8,370,168
--	-----------

The City's investment in joint venture is not reported in the governmental funds but is included in the statement of net position.	1,190,068
--	-----------

Other adjustments are necessary to convert the modified accrual basis of accounting to the accrual basis of accounting. Net property taxes receivable of \$221,522, net fines receivable of \$100,429 and net emergency medical services receivable of \$52,500 were unavailable to pay for current period expenditures and are deferred in the governmental funds but included in the statement of net position.	374,451
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Included in the items related to debt is the recognition of the City's net pension liability in the amount of \$13,782,835, a deferred outflow of resources of \$3,163,659, and a deferred inflow of resources of \$441,459. The net effect is to decrease net position.	(11,060,635)
--	--------------

Long-term liabilities for compensated absences are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds but are included in the statement of net position.	<u>(1,001,603)</u>
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Net Position of Governmental Activities	<u><u>\$ 22,509,833</u></u>
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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, 2017

Exhibit A-5

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES			
Taxes:			
Property taxes	\$ 5,384,335	\$ -	\$ 5,384,335
Sales and use taxes	4,096,627	-	4,096,627
Selective sales and use taxes	38,703	358,356	397,059
Franchise tax	1,354,941	-	1,354,941
Penalty and interest on taxes	84,963	-	84,963
Licenses and permits	90,856	-	90,856
Intergovernmental revenue and grants	188,980	348,872	537,852
Charges for services	817,081	-	817,081
Fines, forfeitures and fees	298,369	58,762	357,131
Investment earnings	176,550	8,781	185,331
Rents and royalties	525	-	525
Contributions and donations	-	6,963	6,963
Other revenue	264,688	-	264,688
Total Revenues	<u>12,796,618</u>	<u>781,734</u>	<u>13,578,352</u>
EXPENDITURES			
Current			
General government - administration	1,683,877	516,527	2,200,404
General government - other	596,432	77,441	673,873
Public safety	7,690,479	30,334	7,720,813
Public works	1,241,287	-	1,241,287
Health	407,333	-	407,333
Recreation and culture	1,090,193	-	1,090,193
Capital outlay	650,006	88,711	738,717
Total Expenditures	<u>13,359,607</u>	<u>713,013</u>	<u>14,072,620</u>
Excess (Deficiency) of Revenue over Expenditures	<u>(562,989)</u>	<u>68,721</u>	<u>(494,268)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	635,878	-	635,878
Transfers out	(30,701)	(35,336)	(66,037)
Total Other Financing Sources (Uses)	<u>605,177</u>	<u>(35,336)</u>	<u>569,841</u>
Net Change in Fund Balance	42,188	33,385	75,573
Fund Balance - October 1	<u>15,844,471</u>	<u>1,054,026</u>	<u>16,898,497</u>
Fund Balance - September 30	<u><u>\$ 15,886,659</u></u>	<u><u>\$ 1,087,411</u></u>	<u><u>\$ 16,974,070</u></u>

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

CITY OF PLAINVIEW, TEXAS
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures,
and Changes in Fund Balance to the Statement of Activities
Year Ended September 30, 2017

Exhibit A-6

Total Net Change in Fund Balance - Governmental Funds	\$	75,573
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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 position of the internal service funds is reported with governmental activities.		(97,748)
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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.		738,717
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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.		1,041
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Assets were disposed of that were not fully depreciated. The remaining net book value is deducted from proceeds received to calculate the gain reported in the government wide financial statements. This is the remaining net book value.		(94,199)
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Depreciation is not recognized as an expenditure in governmental funds since it does not require the use of current financial resources.		(692,206)
--	--	-----------

The net increase for the year in the investment in joint venture is not reported in the governmental funds but is included in the statement of activities.		117,970
--	--	---------

Long-term liabilities for compensated absences are accrued in the government-wide financial statements, but are not reported in the fund financial statements.		(3,194)
--	--	---------

Certain expenditures for the pension that are recorded to the fund financial statements must be recorded as deferred outflows of resources. The increase in contributions made after the measurement date caused the changes in net position to increase in the amount of \$19,291. The City's unrecognized deferred inflows and outflows as of the measurement date must be amortized and the City's pension expense must be recognized. These cause the change in net position to decrease in the amount of \$931,212. The net effect is a decrease in net position.		(911,921)
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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 \$13,931, a net decrease in fine revenues of \$6,607 and a net decrease in emergency medical services of \$35,000 which is an increase to net position.		(27,676)
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Change in Net Position of Governmental Activities	\$	<u><u>(893,643)</u></u>
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The accompanying notes are an integral part of these financial statements.

CITY OF PLAINVIEW, TEXAS
Statement of Net Position - Proprietary Funds
September 30, 2017

	Business-type Activities	
	Solid Waste Management Fund	Water and Sewer Fund
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 1,224,882	\$ 1,619,276
Investments	6,518,951	6,460,376
Interest receivable	2,783	2,640
Accounts receivable, net	367,141	931,268
Other assets	-	-
Inventories, at cost	-	96,568
Total Current Assets	8,113,757	9,110,128
Noncurrent Assets:		
Restricted Assets		
Cash and cash equivalents	-	2,832,413
Capital Assets		
Nondepreciable	400,000	1,228,868
Depreciable, net	4,151,173	23,933,738
Unamortized water supply contract costs	-	9,807,419
Total Noncurrent Assets	4,551,173	37,802,438
Total Assets	12,664,930	46,912,566
DEFERRED OUTFLOWS OF RESOURCES		
Pension	276,370	468,325
Deferred charge for debt refunding	-	221,642
Total Outflows of Resources	276,370	689,967
LIABILITIES		
Current Liabilities:		
Accounts payable	36,091	548,380
Wages payable	34,274	59,180
Accrued interest payable	-	26,351
Current portion of long-term liabilities		
Accrued compensated absences	2,467	3,997
Bonds and certificates of obligation	-	1,050,000
Water contract obligation	-	575,160
Total Current Liabilities	72,832	2,263,068

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

Nonmajor Enterprise Fund	Total Enterprise Funds	Governmental Activities	
		Total Internal Service Funds	
\$ 128,121	\$ 2,972,279	\$ 2,353,875	
-	12,979,327	3,685,357	
-	5,423	1,562	
191	1,298,600	10,616	
-	-	8,578	
272	96,840	103,262	
128,584	17,352,469	6,163,250	
-	2,832,413	-	
5,000	1,633,868	46,486	
22,579	28,107,490	2,318,586	
-	9,807,419	-	
27,579	42,381,190	2,365,072	
156,163	59,733,659	8,528,322	
2,623	747,318	39,495	
-	221,642	-	
2,623	968,960	39,495	
2,622	587,093	235,532	
342	93,796	12,401	
-	26,351	-	
-	6,464	-	
-	1,050,000	-	
-	575,160	-	
2,964	2,338,864	247,933	

CITY OF PLAINVIEW, TEXAS
Statement of Net Position - Proprietary Funds - continued
September 30, 2017

	<u>Business-type Activities - Enterprise Funds</u>	
	<u>Solid Waste Management Fund</u>	<u>Water and Sewer Fund</u>
Long-Term Liabilities (net of current portion):		
Accrued landfill closure / postclosure costs	1,485,706	-
Payable from restricted assets:		
Deposits and escrow	-	531,838
Noncurrent portion of long-term liabilities		
Accrued compensated absences	33,131	55,398
Net pension liability	502,780	851,302
Net other postemployment benefits obligation	-	-
Bonds and certificates of obligation	-	8,355,000
Unamortized premiums and deferred losses on bonds	-	416,804
Water contract obligations	-	5,423,611
Total Noncurrent Liabilities	<u>2,021,617</u>	<u>15,633,953</u>
Total Liabilities	<u>2,094,449</u>	<u>17,897,021</u>
Deferred Inflows of Resources		
Pensions	<u>73,776</u>	<u>125,296</u>
Total Deferred Inflows of Resources	<u>73,776</u>	<u>125,296</u>
NET POSITION		
Net investment in capital assets	4,551,173	20,908,811
Restricted for debt service	-	736,505
Unrestricted	<u>6,221,902</u>	<u>7,934,900</u>
Total Net Position	<u>\$ 10,773,075</u>	<u>\$ 29,580,216</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds		
Net position 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
-	1,485,706	-
-	531,838	-
-	88,529	-
4,772	1,358,854	71,961
-	-	911,031
-	8,355,000	-
-	416,804	-
-	5,423,611	-
4,772	17,660,342	982,992
7,736	19,999,206	1,230,925
699	199,771	10,499
699	199,771	10,499
27,579	25,487,563	2,365,072
-	736,505	-
122,772	14,279,574	4,961,321
\$ 150,351	\$ 40,503,642	\$ 7,326,393
	(336,921)	
	\$ 40,166,721	

CITY OF PLAINVIEW, TEXAS

Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds
Year Ended September 30, 2017

	Business-type Activities	
	Solid Waste Management Fund	Water and Sewer Fund
OPERATING REVENUE		
Charges for services	\$ 3,192,195	\$ 7,622,606
Other revenue	45,890	77,300
Total Operating Revenues	<u>3,238,085</u>	<u>7,699,906</u>
OPERATING EXPENSES		
Personnel services - salaries and wages	665,139	1,144,219
Personnel services - employee benefits	387,774	595,377
Purchased professional & technical services	301,239	611,116
Purchased property services	210,357	528,327
Other operating expenses	144,397	1,116,006
Supplies	282,466	550,728
Depreciation and amortization	599,810	1,225,010
Total Operating Expenses	<u>2,591,182</u>	<u>5,770,783</u>
Operating Income (Loss)	<u>646,903</u>	<u>1,929,123</u>
NONOPERATING REVENUES (EXPENSES)		
Gain (loss) on sale of property	84,487	(22,671)
Investment earnings	74,996	111,412
Bond premium accretion	-	48,884
Interest expense	-	(629,567)
Refunding loss amortization	-	(27,764)
Grant revenue	2,794	-
Total Nonoperating Revenues (Expenses)	<u>162,277</u>	<u>(519,706)</u>
Income Before Contributions and Transfers	<u>809,180</u>	<u>1,409,417</u>
CONTRIBUTIONS AND TRANSFERS		
Transfers in	-	-
Transfers out	(270,002)	(429,453)
Total Contributions and Transfers	<u>(270,002)</u>	<u>(429,453)</u>
Change in Net Position	539,178	979,964
Net Position - Beginning of Year	<u>10,233,897</u>	<u>28,600,252</u>
Net Position - End of Year	<u>\$ 10,773,075</u>	<u>\$ 29,580,216</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds		
Change in net position 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	
\$ 12,063	\$ 10,826,864	\$ 3,052,624	
151	123,341	214	
12,214	10,950,205	3,052,838	
6,788	1,816,146	110,513	
3,270	986,421	49,749	
-	912,355	39,663	
13,149	751,833	113,051	
8,995	1,269,398	1,559,996	
13,469	846,663	40,962	
2,656	1,827,476	530,859	
48,327	8,410,292	2,444,793	
(36,113)	2,539,913	608,045	
-	61,816	81,859	
1,408	187,816	56,873	
-	48,884	-	
-	(629,567)	-	
-	(27,764)	-	
-	2,794	-	
1,408	(356,021)	138,732	
(34,705)	2,183,892	746,777	
35,250	35,250	133,102	
-	(699,455)	(867,319)	
35,250	(664,205)	(734,217)	
545	1,519,687	12,560	
149,806	38,983,955	7,313,833	
\$ 150,351	\$ 40,503,642	\$ 7,326,393	
	110,308		
	\$ 1,629,995		

CITY OF PLAINVIEW, TEXAS
Statement of Cash Flows - Proprietary Funds
Year Ended September 30, 2017

	Business-type Activities	
	Solid Waste Management Fund	Water and Sewer Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from user charges	\$ 3,187,458	\$ 7,605,770
Cash from operating transactions - other funds	-	-
Cash payments to employees for services	(1,027,498)	(1,704,402)
Cash payments for goods and services	(894,184)	(2,449,405)
Other operating cash receipts	45,890	77,300
Net Cash Provided (Used) by Operating Activities	<u>1,311,666</u>	<u>3,529,263</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Increase (decrease) in deposits and escrow held	-	28,198
Receipt of grant	2,794	-
Transfers to other funds	(270,002)	(429,453)
Transfers from other funds	-	-
Net Cash (Used) Provided by Noncapital Financing Activities	<u>(267,208)</u>	<u>(401,255)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of capital assets	(538,940)	(1,217,719)
Principal paid on long-term debt	-	(1,515,802)
Interest paid on long-term debt	-	(632,104)
Proceeds from issuance of long term debt	-	-
Payments to bond refunding escrow agent	-	-
Bond issuance costs	-	-
Intergovernmental grants	-	-
Proceeds from the sale of capital assets	87,500	-
Net Cash Used by Capital and Related Financing Activities	<u>(451,440)</u>	<u>(3,365,625)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Redemption (purchase) of investments	(4,476,601)	(4,151,241)
Interest on investments	72,213	108,772
Net Cash Provided by Investing Activities	<u>(4,404,388)</u>	<u>(4,042,469)</u>
Net (Decrease) Increase in Cash and Restricted Cash	(3,811,370)	(4,280,086)
Cash and Cash Equivalents - October 1	<u>5,036,252</u>	<u>8,731,775</u>
Cash and Cash Equivalents - September 30	<u>\$ 1,224,882</u>	<u>\$ 4,451,689</u>

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

Nonmajor Enterprise Fund	Total Enterprise Funds	Governmental Activities	
		Total Internal Service Funds	
\$ 11,997	\$ 10,805,225	\$ -	
-	-	3,054,375	
(9,405)	(2,741,305)	(159,262)	
(36,059)	(3,379,648)	(1,573,434)	
151	123,341	214	
(33,316)	4,807,613	1,321,893	
-	28,198	-	
-	2,794	-	
-	(699,455)	(867,319)	
35,250	35,250	133,102	
35,250	(633,213)	(734,217)	
-	(1,756,659)	(575,039)	
-	(1,515,802)	-	
-	(632,104)	-	
-	-	-	
-	-	-	
-	-	-	
-	-	-	
-	87,500	98,819	
-	(3,817,065)	(476,220)	
-	(8,627,842)	(874,329)	
1,408	182,393	55,311	
1,408	(8,445,449)	(819,018)	
3,342	(8,088,114)	(707,562)	
124,779	13,892,806	3,061,437	
\$ 128,121	\$ 5,804,692	\$ 2,353,875	

CITY OF PLAINVIEW, TEXAS
Statement of Cash Flows - Proprietary Funds - continued
Year Ended September 30, 2017

	Business-type Activities - Enterprise Funds	
	Solid Waste Management Fund	Water and Sewer Fund
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income (loss)	\$ 646,903	\$ 1,929,123
Adjustments to reconcile operating income to net cash		
Provided (used) by operating activities		
Depreciation and amortization	599,810	1,225,010
Landfill closure/postclosure	48,656	-
(Increase) decrease in operating assets and liabilities:		
Accounts receivable (net)	(4,737)	(16,836)
Prepaid expense	-	-
Inventories	-	16,939
Accounts payable	(4,381)	339,833
Wages payable	262	576
Net other postemployment benefits obligations	-	-
Net pension liability	(71,658)	(131,006)
Deferred Outflows - pensions	68,710	121,772
Deferred Inflows - pensions	26,184	43,912
Accrued compensated absences	1,917	(60)
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,311,666</u>	<u>\$ 3,529,263</u>
RECONCILIATION OF TOTAL CASH AND CASH EQUIVALENTS		
Cash and cash equivalents - Statement of Net Position	\$ 1,224,882	\$ 1,619,276
Restricted Cash - Statement of Net Position	-	2,832,413
Total cash and cash equivalents	<u>\$ 1,224,882</u>	<u>\$ 4,451,689</u>

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

Nonmajor Enterprise Fund	Total Enterprise Funds	Governmental Activities	
		Total Internal Service Funds	
\$ (36,113)	\$ 2,539,913	\$ 608,045	
2,656	1,827,476	530,859	
-	48,656	-	
(66)	(21,639)	1,751	
-	-	161,356	
(136)	16,803	(21,729)	
(310)	335,142	48,713	
38	876	540	
-	-	(8,102)	
142	(202,522)	(16,201)	
158	190,640	13,466	
315	70,411	3,195	
-	1,857	-	
<u>\$ (33,316)</u>	<u>\$ 4,807,613</u>	<u>\$ 1,321,893</u>	
\$ 128,121	\$ 2,972,279	\$ 2,353,875	
-	2,832,413	-	
<u>\$ 128,121</u>	<u>\$ 5,804,692</u>	<u>\$ 2,353,875</u>	

CITY OF PLAINVIEW, TEXAS
Statement of Fiduciary Net Position
Fiduciary Funds
September 30, 2017

Exhibit A-10

	Private Purpose Trust Fund
ASSETS:	
Cash and equivalents	\$ -
Total Assets	-
LIABILITIES:	
Due to others	-
Total Liabilities	\$ -

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

CITY OF PLAINVIEW, TEXAS
Statement of Changes in Fiduciary Fund Net Position
Fiduciary Funds
September 30, 2017

Exhibit A-11

	<u>Private Purpose Trust Fund</u>
ADDITIONS:	
Transfer In	<u>\$ 828,581</u>
Total Additions	<u> 828,581</u>
DEDUCTIONS:	
Other Operating Costs	<u> 828,581</u>
Total Deductions	<u> 828,581</u>
Change in Net Position	-
Total Net Position - September 1 (Beginning)	<u>-</u>
Total Net Position - August 31 (Ending)	<u><u>\$ -</u></u>

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



PLAINVIEW, TX

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CITY OF PLAINVIEW, TEXAS
Notes to the Financial Statements
For the Year Ended September 30, 2017

Note 1: 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.

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 accounting principles generally accepted in the United States of America (GAAP) 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. GAAP 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 GAAP.

Basis of Presentation

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

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function.

The City does not allocate indirect expenses in the statement of activities. Program revenues include (a) fees, fines and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the City's funds, with separate statements presented for each fund category. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

CITY OF PLAINVIEW, TEXAS
Notes to the Financial Statements
For the Year Ended September 30, 2017

Note 1: Summary of Significant Accounting Policies – continued

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 fund:

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 type:

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.

Measurement Focus, Basis of Accounting

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

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

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

CITY OF PLAINVIEW, TEXAS
Notes to the Financial Statements
For the Year Ended September 30, 2017

Note 1: Summary of Significant Accounting Policies – continued

Assets, Liabilities, Deferred Inflows/Outflows of Resources and Net Position or Equity

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.

Fair Value Measurements

The City adopted GASB Statement No. 72, *Fair Value Measurement and Application*, which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction. Fair value accounting requires characterization of the inputs used to measure fair value into three-level fair value hierarchy as follows:

Level 1 inputs are based on unadjusted quoted market prices for identical assets or liabilities in an active market the entity has the ability to access.

Level 2 inputs are observable inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent from the entity.

Level 3 inputs are observable inputs that reflect the entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available.

There are three general valuation techniques that may be used to measure fair value:

Market approach – uses prices generated by market transactions involving identical or comparable assets or liabilities.

Cost approach – uses the amount that currently would be required to replace the service capacity of an asset (replacement cost).

Income approach – uses valuation techniques to convert future amounts to present amounts based on current market expectations.

The City has no recurring fair value measurements as of September 30, 2017 as the City's investments are not measured at fair value but rather the investment in TexPool and certificates of deposit are valued at amortized cost.

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.

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.

Capital Assets - Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their acquisition value. 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 \$5,000 is used.

CITY OF PLAINVIEW, TEXAS
Notes to the Financial Statements
For the Year Ended September 30, 2017

Note 1: Summary of Significant Accounting Policies – continued

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

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 3.

Deferred Outflows/Inflows of Resources - In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

Deferred outflows/inflows of resources are separate elements of the financial statements. The City has deferred inflows of resources, included on the governmental fund financial statements, for unavailable revenue from property taxes and fines. Additionally, the City has deferred inflows of resources, included on the enterprise fund financial statements and government wide financial statements, for pension related items as described in Note 9. The City has deferred outflows of resources, included on the enterprise fund financial statements and government wide financial statements, for deferred charges on bond refundings and pension related items as described in Note 9.

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 position.

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.

Pension – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

CITY OF PLAINVIEW, TEXAS
Notes to the Financial Statements
For the Year Ended September 30, 2017

Note 1: Summary of Significant Accounting Policies – continued

Fund balance - Details of constraints on fund balances of governmental funds at September 30, 2017 are as follows:

	General Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable:			
Inventories	\$ 48,251	\$	\$ 48,251
Restricted to:			
Tourism		808,438	808,438
PEG fund		121,872	121,872
Law Enforcement		16,743	16,743
Municipal Court		70,413	70,413
Assigned to:			
Travis Trussell Duck Pond		69,945	69,945
Capital Improvement	993,458		993,458
Street Improvement	2,082		2,082
Economic Development	1,434,365		1,434,365
Unassigned	13,408,503		13,408,503
	<u>\$ 15,886,659</u>	<u>\$ 1,087,411</u>	<u>\$ 16,974,070</u>

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, 2017 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.

Committed – includes amounts that can be used only for the specific purposes as established by the City Council's resolution. The City Council is the City's highest level of decision-making authority; and the formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is a resolution approved by the City's Council at the City Council's board meeting. As of September 30, 2017, the City had no committed funds.

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.

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.

CITY OF PLAINVIEW, TEXAS
Notes to the Financial Statements
For the Year Ended September 30, 2017

Note 1: Summary of Significant Accounting Policies – continued

Compensated Absences – 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. Details pertaining to both Sick Leave and Vacation are as follows:

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

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

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

Note 2: Deposits and Investments

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, 2017, it had no custodial credit risk for deposits.

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.

CITY OF PLAINVIEW, TEXAS
Notes to the Financial Statements
For the Year Ended September 30, 2017

Note 2: Deposits and Investments – continued

As of September 30, 2017, and for the year then ended, the City had the following investments:

Investment Type	Amount	Percentage of Total	Credit Rating	Investment Maturity Less than 1 Year
TexPool	\$ 101,350	0.34%	AAAm	\$ 101,350
Certificate of Deposits	29,942,504	99.66%	N/A	29,942,504
Total Portfolio	<u>\$ 30,043,854</u>	<u>100.00%</u>		<u>\$ 30,043,854</u>

Investment pools are not categorized as to investment risk since specific securities relating to the government cannot be identified. The City utilizes Texas Local Government Investment Pool (TexPool). The reported value of the pools are the same as the fair value of the pool shares.

Under the TexPool Participation Agreement, administrative and investment services to TexPool are provided by Federated Investors, Inc. through an agreement with the State of Texas Comptroller of Public Accounts. The State Comptroller is the sole officer, director, and shareholder of the Texas Treasury Safekeeping Trust Company authorized to operate TexPool. The reported value of the pool is the same as the fair value of the pool shares. TexPool is subject to annual review by an independent auditor consistent with the Public Funds Investment Act. Audited financial statements of the Pool are available at First Public, 12008 Research Blvd., Austin, Texas 78759. In addition, TexPool is subject to review by the State Auditor's Office and by the Internal Auditor of the Comptroller's Office.

Interest rate risk. In accordance with its investment policy, the City manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to 365 days. The maximum allowable stated maturity of any individual investment owned by the City shall not exceed two years from the time of purchase.

Credit risk. State law and City policy limit investments in local government investment pools to those rated no lower than AAA or an equivalent rating by at least one nationally recognized rating service. The City's investments are rated as to credit quality as shown in the above table.

Concentration of credit risk. The City's investment policy does not limit investments in any one issuer except that the investment portfolio shall be diversified in terms of investment instruments, maturity scheduling, and continuously investing a portion of the portfolio in readily available funds such as local government investment pools.

CITY OF PLAINVIEW, TEXAS
Notes to the Financial Statements
For the Year Ended September 30, 2017

Note 3: Receivables

The receivables detailed below are reported net of allowances for doubtful accounts in the fund financial statements as of September 30, 2017:

	General Fund	Nonmajor Governmental Funds	Solid Waste Management Fund	Water and Sewer Fund	Nonmajor Enterprise Funds	Internal Service Funds	Total
Receivables:							
Taxes	\$ 1,066,631	\$ 38,675	\$ -	\$ -	\$ -	\$ -	\$ 1,105,306
Accounts	460,075	-	368,729	935,946	191	10,616	1,775,557
Fines	669,524	-	-	-	-	-	669,524
Due from other governments	67,388	4,693	-	-	-	-	72,081
Interest	5,290	186	2,783	2,640	-	1,562	12,461
Gross receivables	2,268,908	43,554	371,512	938,586	191	12,178	3,634,929
Less: allowance for uncollectibles	(828,244)	-	(1,588)	(4,678)	-	-	(834,510)
Net total receivables	<u>\$ 1,440,664</u>	<u>\$ 43,554</u>	<u>\$ 369,924</u>	<u>\$ 933,908</u>	<u>\$ 191</u>	<u>\$ 12,178</u>	<u>\$ 2,800,419</u>

Note 4: Interfund Balances and Activity

Transfers To and From Other Funds

Transfer From	Transfer To	Amount	Purpose
General fund	Internal service fund	25,000	Fleet Services
General fund	Internal service fund	5,701	Health insurance
Water and sewer fund	Internal service fund	1,286	Health insurance
Water and sewer fund	General fund	40,000	Economic development
Water and sewer fund	General fund	363,167	Transfer in lieu of franchise fees
Water and sewer fund	Internal service fund	25,000	Fleet Services
Solid waste mgmt. fund	General fund	35,000	Economic development
Solid waste mgmt. fund	General fund	159,102	Transfer in lieu of franchise fees
Solid waste mgmt. fund	Internal service fund	900	Health insurance
Solid waste mgmt. fund	Internal service fund	75,000	Fleet Services
Nonmajor governmental fund	Nonmajor busn. type activities	35,250	Theatre arts
Nonmajor governmental fund	Internal service fund	86	Health insurance
Internal service fund	General fund	38,609	Assets purchased with insurance
Internal service fund	Fiduciary fund	828,581	Insurance Premiums
Internal service fund	Internal service fund	129	Health insurance
		<u>\$ 1,632,811</u>	

CITY OF PLAINVIEW, TEXAS
Notes to the Financial Statements
For the Year Ended September 30, 2017

Note 5: Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents consisted of the following at September 30, 2017:

Nonmajor governmental funds	
Special revenue funds cash	\$ 494,804
	<u>494,804</u>
Water and Sewer Fund	
Debt Service	762,856
Customer Deposits / Escrow	531,838
Capital Projects (Unspent Bond Proceeds)	<u>1,537,719</u>
	<u>\$ 2,832,413</u>

Note 6: Capital Assets

Capital asset activity for the period ended September 30, 2017 was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
<i>Governmental Activities</i>				
Capital assets not being depreciated				
Land	\$ 647,423	\$ 21,483	\$ (85,597)	\$ 583,309
Construction in progress	457,640	105,886	(441,940)	121,586
Total capital assets not being depreciated	<u>1,105,063</u>	<u>127,369</u>	<u>(527,537)</u>	<u>704,895</u>
Capital assets being depreciated				
Building and improvements	4,288,450	5,027	(6,014)	4,287,463
Machinery and equipment	9,424,295	626,509	(496,782)	9,554,022
Infrastructure	18,170,635	997,833	-	19,168,468
Total capital assets being depreciated	<u>31,883,380</u>	<u>1,629,369</u>	<u>(502,796)</u>	<u>33,009,953</u>
Less accumulated depreciation for:				
Building and improvements	(2,475,223)	(114,583)	-	(2,589,806)
Machinery and equipment	(6,611,317)	(651,908)	477,233	(6,785,992)
Infrastructure	(13,147,236)	(456,576)	-	(13,603,812)
Total accumulated depreciation	<u>(22,233,776)</u>	<u>(1,223,067)</u>	<u>477,233</u>	<u>(22,979,610)</u>
Capital assets being depreciated, net	<u>9,649,604</u>	<u>406,302</u>	<u>(25,563)</u>	<u>10,030,343</u>
Governmental activities capital assets, net	<u>\$ 10,754,667</u>	<u>\$ 533,671</u>	<u>\$ (553,100)</u>	<u>\$ 10,735,238</u>

CITY OF PLAINVIEW, TEXAS
Notes to the Financial Statements
For the Year Ended September 30, 2017

Note 6: Capital Assets – continued

	Beginning Balance	Additions	Retirements	Ending Balance
<i>Business-Type Activities</i>				
Capital assets not being depreciated				
Land	\$ 552,359	\$ -	\$ -	\$ 552,359
Construction in progress	97,833	983,676	-	1,081,509
Total capital assets not being depreciated	650,192	983,676	-	1,633,868
Capital assets being depreciated				
Building and improvements	2,696,221	7,000	-	2,703,221
Machinery and equipment	7,232,437	654,991	(428,189)	7,459,239
Improvements and system	45,733,971	110,996	-	45,844,967
Total capital assets being depreciated	55,662,629	772,987	(428,189)	56,007,427
Less accumulated depreciation for:				
Building and improvements	(2,153,964)	(29,797)	-	(2,183,761)
Machinery and equipment	(4,413,030)	(546,759)	402,504	(4,557,285)
Improvements and system	(20,056,991)	(1,101,900)	-	(21,158,891)
Total accumulated depreciation	(26,623,985)	(1,678,456)	402,504	(27,899,937)
Capital assets being depreciated, net	29,038,644	(905,469)	(25,685)	28,107,490
Business-type activities capital assets, net	<u>\$ 29,688,836</u>	<u>\$ 78,207</u>	<u>\$ (25,685)</u>	<u>\$ 29,741,358</u>

Depreciation was charged to functions as follows:

Governmental Activities

General government - administration	\$ 63,030
General government - other	51,740
Public safety	475,119
Public works	389,501
Health	28,494
Recreation and culture	215,183
	<u>\$ 1,223,067</u>

Business-type Activities

Solid Waste Management Fund	\$ 599,810
Water and Sewer Fund	1,075,990
Theatre Arts	2,656
	<u>\$ 1,678,456</u>

The estimated cost to complete the construction in progress as of September 30, 2017 was \$2,319,915.

CITY OF PLAINVIEW, TEXAS
Notes to the Financial Statements
For the Year Ended September 30, 2017

Note 7: Other Assets

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

	Water and Sewer Fund
Water Supply Contract Costs	\$ 12,665,987
(Less) Accumulated Amortization	<u>(2,858,568)</u>
Water Supply Contract Costs, net	<u>\$ 9,807,419</u>

Note 8: Long-Term Obligations

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the period ended September 30, 2017 are as follows:

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Governmental Activities					
Compensated Absences	\$ 1,003,508	\$ 2,541	\$ -	\$ 1,006,049	\$ 4,446
Net Pension Liability	13,850,060	4,736	-	13,854,796	-
Net OPEB Obligation	919,133	64,647	(72,749)	911,031	-
Total Governmental Activities	<u>\$ 15,772,701</u>	<u>\$ 71,924</u>	<u>\$ (72,749)</u>	<u>\$ 15,771,876</u>	<u>\$ 4,446</u>
Business-Type Activities					
Certificates of Obligation and bonds	\$ 10,420,000	\$ -	\$ (1,015,000)	\$ 9,405,000	\$ 1,050,000
Bond premium, net	465,687	-	(48,883)	416,804	-
Subtotal	10,885,687	-	(1,063,883)	9,821,804	1,050,000
Water contract obligations	6,499,573	-	(500,802)	5,998,771	575,160
Accrued landfill closure / postclosure costs	1,437,050	48,656	-	1,485,706	-
Compensated Absences	93,136	1,857	-	94,993	6,464
Net Pension Liability	1,561,376	-	(202,522)	1,358,854	-
Total Business-Type Activities	<u>\$ 20,476,822</u>	<u>\$ 50,513</u>	<u>\$ (1,767,207)</u>	<u>\$ 18,760,128</u>	<u>\$ 1,631,624</u>

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

The Solid Waste Management Fund includes funds used to liquidate the liability for accrued landfill closures / post-closure cash.

CITY OF PLAINVIEW, TEXAS
Notes to the Financial Statements
For the Year Ended September 30, 2017

Note 8: Long-Term Obligations – continued

Debt service requirements for long-term debt as of September 30, 2017 are as follows:

Year Ended September 30,	Bonds Payable and Water Contract Obligations		
	Principal	Interest	Total
2018	\$ 1,625,160	\$ 586,219	\$ 2,211,379
2019	1,594,010	525,940	2,119,950
2020	1,646,421	465,606	2,112,027
2021	1,715,620	401,744	2,117,364
2022	1,042,787	348,404	1,391,191
2023-2027	5,048,202	1,081,046	6,129,248
2028-2031	2,731,571	188,934	2,920,505
	<u>\$ 15,403,771</u>	<u>\$ 3,597,893</u>	<u>\$ 19,001,664</u>

Long-term debt interest cost incurred for Business-type Activities for the year ended September 30, 2017 was as follows:

Interest charged to expense	\$ 629,567
Interest capitalized	5,805
Total interest incurred	<u>\$ 635,372</u>

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

Refunding Bonds and Tax and Revenue Certificates of Obligation

While the 2009 General Obligation Refunding Bonds 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 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.

Details pertaining to the outstanding Certificates of Obligation and Bonds as of September 30, 2017 are as follows:

Description	Purpose	Maturity	Interest Rates	Balance
2009 General Obligation Refunding Bonds	Refunding - waste water treatment plant bonds	3/1/2021	2.0 to 3.625%	\$ 2,700,000
2010 Tax and Revenue Certificates of Obligation	Water and sewer system improvements	3/1/2030	3.0 to 3.8%	6,705,000
				<u>\$ 9,405,000</u>

CITY OF PLAINVIEW, TEXAS
Notes to the Financial Statements
For the Year Ended September 30, 2017

Note 8: Long-Term Obligations – continued

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.

Surface Water Supply Contract Obligations

A significant portion of the City's water is supplied by a series of underground wells, together with surface water, which is purchased from the Canadian River Municipal Water Authority (CRMWA). CRMWA is a water district that was created in 1953 by the Texas legislature to construct a dam, water reservoir, and aqueduct system for the purpose of supplying water to surrounding cities. Its geographic area includes the surface water in the Texas Panhandle known as Lake Meredith, a series of underground wells, and the aqueduct system, which supplies 11 cities.

In connection with the financing of the initial construction project and subsequent projects undertaken by CRMWA, the City is obligated for its proportionate share of CRMWA debt as follows:

Description	Maturity	Interest Rates	Balance
Refunding Series 2010 (CUA)	2/15/2020	3.0% to 3.5%	\$ 94,445
Refunding Series 2010 (BUREC)	10/1/2018	3.0% to 5.0%	111,561
Refunding Series 2012	2/15/2025	4.50%	1,517,270
Series 2009	2/15/2029	4.16%	548,298
Series 2011	2/15/2031	3.0% to 5.0%	2,400,570
Refunding Series 2014	2/15/2027	2.0% to 5.0%	977,408
Refunding Series 2014	2/15/2027	2.0% to 5.0%	349,219
			<u>\$ 5,998,771</u>

The 11 cities that are members of the aqueduct system have the right to elect the 19 members of the CRMWA governing board. The City's contractual share of the available water is approximately 3.691%. Each member may sell part or all of its rights under the contract to other members of the aqueduct system. Each member city is assessed its proportionate share of operating costs, which are accounted for by the City as operating costs.

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, 2017:

Costs of operations	\$ 388,433
Water pumping and chemical costs	311,289
Debt service	807,277
Total	<u>\$ 1,506,999</u>

The City's costs of its rights to the surface and ground water are recorded in the Water and Sewer Enterprise Fund and are being amortized over 85 years, which is the estimated useful life of the CRMWA facilities and water basis.

Such costs that have been capitalized by the City as of September 30, 2017 are as follows:

Capitalized contract costs	\$ 12,665,987
Accumulated amortization	(2,858,568)
Net unamortized costs	<u>\$ 9,807,419</u>

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.

CITY OF PLAINVIEW, TEXAS
Notes to the Financial Statements
For the Year Ended September 30, 2017

Note 8: Long-Term Obligations – continued

The financial statements of CRMWA as of September 30, 2017, and for the year then ended, reflect the following:

Assets:	9/30/2017
Current assets	\$ 27,502,169
Noncurrent assets	490,042,386
Deferred Outflows of Resources:	
Deferred charge on refunding	-
Liabilities:	
Current liabilities	17,000,830
Noncurrent liabilities	157,904,217
Net Position:	
Net investment in capital assets	167,184,251
Restricted	160,360,765
Unrestricted	15,094,492
Total Net Position	342,639,508
Operating revenues	17,310,749
Operating expenses	(17,731,592)
Nonoperating revenues and expenses, net	2,345,361
Increase (decrease) in net position	1,924,518

Note 9: Employee Retirement Benefits

Texas Municipal Retirement System

Plan Description

The City participates as one of 872 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401(a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tmrs.com.

All eligible employees of the City are required to participate in TMRS.

Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

CITY OF PLAINVIEW, TEXAS
Notes to the Financial Statements
For the Year Ended September 30, 2017

Note 9: Employee Retirement Benefits – continued

Texas Municipal Retirement System – continued

The plan provisions are adopted by the governing body of each city, within the options available in the state statutes governing TMRS. The City has elected that members can retire at age 60 and above with 5 or more years of service or with 25 years of service regardless of age. The City does not provide supplemental death benefits. Members may work for more than one TMRS city during their career. If a member is vested in one TMRS city, he or she is immediately vested upon employment with another TMRS city. Similarly, once a member has met the eligibility requirements for retirement in a TMRS city, he or she is eligible in other TMRS cities as well.

Employees covered by benefit terms: At the December 31, 2016 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	112
Inactive employees entitled to but not yet receiving benefits	40
Active employees	146
Total	<u>298</u>

Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the city matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the city. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The City did not change its employee contribution rate during the year. The contribution rates for the City were 13.78% and 14.19% in calendar years 2016 and 2017, respectively. The City's contributions to TMRS for the year ended September 30, 2017, were \$977,353, and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2016, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions: The Total Pension Liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.0% per year
Investment Rate of Return	6.75% net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Table, with male rates multiplied by 109% and female rates multiplied by 103%. Based on the size of the city, rates are multiplied by a factor of 100%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with male rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

CITY OF PLAINVIEW, TEXAS
Notes to the Financial Statements
For the Year Ended September 30, 2017

Note 9: Employee Retirement Benefits – continued

Texas Municipal Retirement System – continued

Actuarial assumptions used in the December 31, 2016, valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period December 31, 2010 through December 31, 2014. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2014 valuation. After the Asset Allocation Study analysis and experience investigation study, the Board amended the long-term expected rate of return on pension plan investments from 7% to 6.75%. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without and adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	17.50%	4.55%
International Equity	17.50%	6.35%
Core Fixed Income	10.00%	1.00%
Non-Core Fixed Income	20.00%	4.15%
Real Return	10.00%	4.15%
Real Estate	10.00%	4.75%
Absolute Return	10.00%	4.00%
Private Equity	5.00%	7.75%
Total	100.00%	

Discount Rate: The discount rate used to measure the Total Pension Asset was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

CITY OF PLAINVIEW, TEXAS
Notes to the Financial Statements
For the Year Ended September 30, 2017

Note 9: Employee Retirement Benefits – continued

Texas Municipal Retirement System – continued

Changes in the Net Pension Liability:

	Increase (Decrease)		
	Plan		
	Total Pension Liability	Fiduciary Net Position	Net Pension Liability/(Asset)
	(a)	(b)	(a) - (b)
Balance at 12/31/2015	\$ 39,514,861	\$ 34,414,981	\$ 5,099,880
Changes for the year:			
Service Cost	1,001,561	-	1,001,561
Interest	2,623,657	-	2,623,657
Difference between expected and actual experience	(569,418)	-	(569,418)
Changes of assumptions	-	-	-
Contributions - employer	-	958,277	(958,277)
Contributions - employee	-	432,506	(432,506)
Net investment income	-	2,325,769	(2,325,769)
Benefit payments, including refunds of employee contributions	(2,293,310)	(2,293,310)	-
Administrative expense	-	(26,267)	26,267
Other changes	-	(1,416)	1,416
Net changes	762,490	1,395,559	(633,069)
Balance at 12/31/2016	\$ 40,277,351	\$ 35,810,540	\$ 4,466,811

Sensitivity of the net pension liability to changes in the discount rate : The following presents the net pension liability of the City, calculated using the discount rate of 6.75% as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's net pension liability (asset)	\$ 9,846,027	\$ 4,466,811	\$ 32,001

Pension Plan Fiduciary Net Position: Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at www.tmrs.com.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2017, the City recognized pension expense of \$1,185,496.

CITY OF PLAINVIEW, TEXAS
Notes to the Financial Statements
For the Year Ended September 30, 2017

Note 9: Employee Retirement Benefits – continued

Texas Municipal Retirement System – continued

At September 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ -	\$ 651,729
Changes in actual assumptions	112,067	-
Difference between projected and actual investment earnings	1,597,461	-
Contributions subsequent to the measurement date	742,087	-
Total	<u>\$ 2,451,615</u>	<u>\$ 651,729</u>

\$742,087 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2018. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31:</u>	
2018	\$ 323,871
2019	392,549
2020	341,929
2021	(550)
2022	-
Thereafter	-
	<u>\$ 1,057,799</u>

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, 2015, which is the date of the latest actuarial valuation.

Retirees and beneficiaries currently receiving benefits	34
Active members:	
Vested	11
Nonvested	25
Total membership	<u>70</u>

CITY OF PLAINVIEW, TEXAS
Notes to the Financial Statements
For the Year Ended September 30, 2017

Note 9: Employee Retirement Benefits – continued

Firemen's Relief and Retirement Fund - continued

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 if vested on January 1, 2017. Members hired on or after October 1, 1994 may retire at age 54 with 20 years of service if not vested on January 1, 2017. As of the December 31, 2016 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.

Actuarial assumptions were as follows:

Actuarial Cost Method	Entry Age Normal Actuarial Cost Method
Asset Valuation Method	5-years Smoothing Actuarial Value
Amortization Method	Level Percent of Payroll
Remaining Amortization Period	31.6 years, closed period
Actuarial Assumptions:	
Investment Rate of Return	7.75%
Projected Salary Increases	5.0%
Payroll growth	3.5%
Amortization Increases	4.0%
Cost-of-living Adjustments	None

Changes in Net Pension Liability

At September 30, 2017, the City reported a Net Pension Liability amount of \$10,746,840. The Net Pension Liability was measured as of December 31, 2016, and the Total Pension Liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of December 31, 2016.

CITY OF PLAINVIEW, TEXAS
Notes to the Financial Statements
For the Year Ended September 30, 2017

Note 9: Employee Retirement Benefits – continued

Firemen's Relief and Retirement Fund – continued

	Increase (Decrease)	
	Plan	Net Pension
Total Pension Liability	Fiduciary Net Position	Liability/(Asset)
(a)	(b)	(a) - (b)
Balance at 9/30/2016	\$ 15,608,454	\$ 10,311,556
Changes for the year:		
Service Cost	214,415	214,415
Interest	1,193,655	1,193,655
Changes of benefit terms	-	-
Difference between expected and actual experience	-	-
Changes of assumptions	-	-
Contributions - employer	-	(486,198)
Contributions - employee	-	(275,801)
Net investment income	-	(223,344)
Benefit payments, including refunds of employee contributions	(841,741)	-
Administrative expense	-	12,556
Net changes	566,329	435,283
Balance at 9/30/2017	\$ 16,174,783	\$ 10,746,839

Sensitivity of the Net Pension Liability to Changes in the Discount Rate: The following presents the net pension liability, calculated using the discount rate of 7.75%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75%) or 1-percentage-point higher (8.75%) than the current rate:

	1% Decrease in Discount Rate (6.75%)	Discount Rate (7.75%)	1% Increase in Discount Rate (8.75%)
Firefighters' Fund Net Pension Liability	\$ 12,583,859	\$ 10,746,839	\$ 9,221,507

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Expense Components	FYE 9/30/2017
Service Cost	\$ 214,415
Interest on TPL	1,193,655
Differences between expected and actual experience	63,789
Changes in Assumptions	229,144
Employee Contributions	(275,801)
Projected Earnings on Pension Plan Investments	(406,933)
Differences between projected and actual earnings on plan investments	222,203
Pension Plan Administrative Expenses	12,557
Total Pension Expense	\$ 1,253,029

CITY OF PLAINVIEW, TEXAS
Notes to the Financial Statements
For the Year Ended September 30, 2017

Note 9: Employee Retirement Benefits – continued

Firemen's Relief and Retirement Fund – continued

For the year ended September 30, 2017, the City recognized a pension expense of \$1,253,029. At September 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 102,064	\$ -
Changes in actual assumptions	366,630	-
Difference between projected and actual investment earnings	655,369	-
Contributions subsequent to the measurement date	374,794	-
Total	<u>\$ 1,498,857</u>	<u>\$ -</u>

\$374,794 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2017.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31:</u>	
2018	\$ 515,136
2019	397,965
2020	174,245
2021	36,717
2022	-
Thereafter	-
	<u>\$ 1,124,063</u>

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.

Note 10: Health Care Coverage

The City provided health insurance benefits to eligible employees who chose to participate. Employees, at their option, authorize payroll withholdings to pay contributions for dependent coverage. Blue Cross Blue Shield, a licensed insurer, provided the health insurance coverage.

CITY OF PLAINVIEW, TEXAS
Notes to the Financial Statements
For the Year Ended September 30, 2017

Note 11: 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. Retiree coverage terminates at the end of the month that the retiree becomes eligible for Medicare or Medicaid.

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 if vested on 1/1/17

Hires at and after October 1, 1994 – age 54 with 20 years of service if not vested on 1/1/17

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:

High PPO \$500 Buy Up

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

\$10, \$35, \$75 Co-pay Drug Program

PPO \$1,000 Standard

80%/20% Medical with \$1,000 Deductible and \$3,000 OOP

\$10, \$35, \$75 Co-pay Drug Program

\$2,600 HSA Base

80%/20% Medical with \$2,600 Deductible and \$3,000 OOP

Deductible/\$10, \$35, \$75 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.

CITY OF PLAINVIEW, TEXAS
Notes to the Financial Statements
For the Year Ended September 30, 2017

Note 11: Other Postemployment Benefits – continued

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.

Schedule of Monthly Premiums as of May 1, 2017:

Category	Monthly Premium		
	\$500 Deductible	\$1,000 Deductible	HSA Base
Retiree (under 65)	\$ 779	739	600
Spouse	1,636	1,552	1,260
+ Children	1,480	1,404	1,140
Full Family	2,259	2,143	1,740
Active Employee	779	739	600
Spouse	1,636	1,552	1,260
+ Children	1,480	1,404	1,140
Full Family	2,259	2,143	1,740
Cobra	795	754	612

The City will contribute \$1,500 Employee/\$2,000 Family to a Health Savings Account for active employees on the high deductible plan.

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 year ended September 30, 2017 is as follows:

Annual required contribution (ARC)	\$ 99,116
Interest on OPEB obligation	36,765
Adjustment to ARC	(71,234)
Annual OPEB cost at end of year	64,647
Net employer contributions	(72,749)
Increase in net OPEB obligation	(8,102)
Net OPEB obligation at beginning of year	919,133
Net OPEB obligation at end of year	\$ 911,031

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ended September 30, 2017 and the preceding two fiscal years were 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
9/30/2015	\$ 59,557	\$ 194,407	30.6%	\$ 914,786	\$ 194,407	30.6%
9/30/2016	61,990	66,337	93.4%	919,133	66,337	93.4%
9/30/2017	72,749	64,647	112.5%	911,031	64,647	112.5%

CITY OF PLAINVIEW, TEXAS
Notes to the Financial Statements
For the Year Ended September 30, 2017

Note 11: Other Postemployment Benefits – continued

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

	<u>12/31/2015</u>
Actuarial value of assets	-
Actuarial accrued liability (AAL)	907,296
Funded ratio	0.0%
Unfunded (over-funded) AAL (UAAL)	907,296

Under the reporting parameters, the City's retiree health care plan is 0% funded with an estimated actuarial accrued liability exceeding actuarial assets by \$907,296 at December 31, 2015, which is the date of the last actuarial valuation.

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:

Inflation rate	2.5% per year
Investment rate of return	4.00%, net of expenses
Actuarial cost method	Projected Unit Credit Cost Method
Amortization method	Level as a percentage of employee payroll
Amortization period	14 years, closed
Salary growth rate	3.0% per year
Healthcare cost trend rate	Initial rate of 7.5% declining to an ultimate rate of 4.25% after 15 years

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.

Note 12: 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. 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, 2017

Note 12: Risk Management – continued

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.

Note 13: 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 collectability 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.

Note 14: 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 \$1,485,706 reported as landfill closure and postclosure care liability as of September 30, 2017, represents the cumulative amount reported to date based on the use of 22.80 percent of the estimated capacity of the landfill. The City will recognize the remaining estimated cost of closure and postclosure of \$5,030,550 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2017. The City expects to close the landfill in the year 2095. 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 \$1,485,706 as of September 30, 2017.

Note 15: Investment in Joint Venture

Plainview/Hale County Airport

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.

CITY OF PLAINVIEW, TEXAS
Notes to the Financial Statements
For the Year Ended September 30, 2017

Note 15: Investment in Joint Venture – continued

Year Ending Date	12/31/2016
Total current assets	\$ 117,991
Total property and equipment	1,780,716
Total current liabilities	1,972
Net position invested in capital assets	1,780,716
Unrestricted net position	116,019
Total net position	1,896,735
Total operating revenues	66,254
Total operating expenses	102,863
Net increase (decrease) in net position	(36,609)
City's 50% share of increase (decrease) in net position	(18,305)

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, 2017 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.

City of Plainview/Hale County Business Park

The City of Plainview/Hale County Business Park is under equal joint ownership by the City of Plainview and the County of Hale. General administration is accomplished by the Community Development Program Committee composed of five members. Two members are appointed by the City and two members are appointed by the County. The fifth board member is the Plainview Hale County Economic Development Corporation. The degree of control of each government consists of its representation on the Board. The City of Plainview is the fiscal agent for the joint venture.

Year Ending Date	9/30/2017
Total current assets	\$ 220,472
Total property and equipment	483,401
Total current liabilities	220,472
Net position invested in capital assets	483,401
Unrestricted net position	-
Total net position	483,401
Total operating revenues	561,668
Total operating expenses	289,118
Net increase (decrease) in net position	272,550
City's 50% share of increase (decrease) in net position	136,275

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

Sarianne Beversdorf, Director of Finance
City of Plainview
121 W. Seventh St.
Plainview, TX 79072

The City's interest in the joint venture is accounted for using the equity method.

CITY OF PLAINVIEW, TEXAS
Notes to the Financial Statements
For the Year Ended September 30, 2017

Note 16: Related Parties

At September 30, 2017, the City of Plainview has a payable to the City of Plainview / Hale County Business Park (Business Park) for \$110,236. The City of Plainview has a receivable from the Business Park for \$129,223. The contributions made from the City to the Business Park were \$144,559. The City also donated property to the Business Park valued at \$272,550. Hale County reimbursed the City for their portion of that cost, \$136,275.

The City of Plainview paid \$39,776 to the Plainview/Hale County Airport for its portion of expenses.

Note 17: Subsequent Event

A bond election passed to issue general obligation bonds for six projects in the amount of \$25,255,000. The City expects to issue these bonds late March of 2018.



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, 2017

	Budgeted Amounts		Actual
	Original	Final	GAAP Basis
REVENUES			
Taxes			
Property taxes	\$ 5,282,555	\$ 5,282,555	\$ 5,384,335
General sales and use tax	3,870,000	3,870,000	4,096,627
Selective sales and use tax	30,000	30,000	38,703
Franchise tax	1,364,000	1,364,000	1,354,941
Penalty and interest on taxes	67,500	67,500	84,963
Licenses and permits	97,900	97,900	90,856
Intergovernmental revenue and grants	203,540	203,540	188,980
Charges for services	736,520	736,520	817,081
Fines and forfeitures	342,660	342,660	298,369
Investment earnings	35,000	35,000	149,129
Rents and royalties	500	500	525
Other revenue	862,800	1,020,585	263,688
Total Revenues	12,892,975	13,050,760	12,768,197
EXPENDITURES			
Current			
General government - administration			
City council	62,535	62,535	(5,004)
City manager	439,725	439,725	203,221
Nondepartmental	459,330	668,250	575,022
Legal	268,315	334,965	164,678
Finance	77,085	77,085	(58,478)
Human resources	99,200	99,200	93,246
Information technology	178,930	178,930	178,898
Property tax appraisal / collection	126,250	126,250	121,199
Total general government - admin	1,711,370	1,986,940	1,272,782
General government - other			
Municipal court	163,400	163,400	155,886
Community development	161,905	164,305	158,398
Code compliance	252,145	272,145	240,383
Main Street	106,025	121,825	41,765
Airport	3,000	3,000	-
Total general government - other	686,475	724,675	596,432
Health			
City-county health department	145,265	145,265	142,852
Health TDH - ORAS	85,225	85,225	82,973
Health TDH-IMM	176,650	181,080	181,508
Total Health	407,140	411,570	407,333

Adjustments to Budget Basis	Actual Budget Basis	Variance with Final Budget
\$	\$ 5,384,335	\$ 101,780
	4,096,627	226,627
	38,703	8,703
	1,354,941	(9,059)
	84,963	17,463
	90,856	(7,044)
	188,980	(14,560)
	817,081	80,561
	298,369	(44,291)
	149,129	114,129
	525	25
844,400	1,108,088	87,503
844,400	13,612,597	561,837
57,005	52,001	10,534
186,245	389,466	50,259
	575,022	93,228
132,665	297,343	37,622
130,305	71,827	5,258
	93,246	5,954
	178,898	32
	121,199	5,051
506,220	1,779,002	207,938
	155,886	7,514
	158,398	5,907
	240,383	31,762
78,860	120,625	1,200
	-	3,000
78,860	675,292	49,383
	142,852	2,413
	82,973	2,252
	181,508	(428)
-	407,333	4,237

CITY OF PLAINVIEW, TEXAS
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget to Actual - General Fund
Year Ended September 30, 2017

	Budgeted Amounts		Actual
	Original	Final	GAAP Basis
EXPENDITURES - continued			
Current - continued			
Public safety			
Police	3,639,135	3,708,305	3,503,816
Fire	3,564,905	3,608,425	3,563,896
Traffic control	196,660	200,260	118,874
Emergency operations center	114,890	119,515	119,635
Street lighting	194,500	232,000	226,862
Animal control	162,895	165,395	157,396
Total public safety	7,872,985	8,033,900	7,690,479
Public works			
Public works - general	161,245	161,245	(93,002)
Street cleaning	225,980	228,355	217,150
Streets - other	1,020,835	1,112,235	1,016,237
Building operations	105,005	114,505	91,821
Total public works	1,513,065	1,616,340	1,237,331
Recreation and culture			
Parks	788,290	801,790	665,698
Swimming pool	24,500	24,500	22,489
Library	437,545	440,545	402,006
Total Parks and Recreation	1,250,335	1,266,835	1,090,193
Capital outlay	17,000	66,000	90,306
Total Expenditures	13,458,370	14,106,260	12,384,856
Excess of Revenues Over (Under) Expenditures	(565,395)	(1,055,500)	383,341
Other Financing Sources (Uses)			
Transfers in	509,000	509,000	560,878
Transfers out	(40,000)	(404,701)	(404,701)
Total Other Financing Sources (Uses)	469,000	104,299	156,177
Change in Fund Balance	(96,395)	(951,201)	539,518
Fund Balance - October 1	12,917,236	12,917,236	12,917,236
Fund Balance - September 30	<u>\$ 12,820,841</u>	<u>\$ 11,966,035</u>	<u>\$ 13,456,754</u>

Adjustments to Budget Basis	Actual Budget Basis	Variance with Final Budget
	3,503,816	204,489
	3,563,896	44,529
	118,874	81,386
	119,635	(120)
	226,862	5,138
	157,396	7,999
-	7,690,479	343,421
259,320	166,318	(5,073)
	217,150	11,205
	1,016,237	95,998
	91,821	22,684
259,320	1,496,651	119,689
	665,698	136,092
	22,489	2,011
	402,006	38,539
-	1,090,193	176,642
	90,306	(24,306)
844,400	13,229,256	877,004
-	383,341	1,438,841
	560,878	51,878
	(404,701)	-
-	156,177	51,878
-	539,518	1,490,719
-	12,917,236	-
\$ -	\$ 13,456,754	\$ 1,490,719

CITY OF PLAINVIEW, TEXAS
Required Supplementary Information
Schedule of Funding Progress - OPEB Plan
Year Ended September 30, 2017

Exhibit B-2

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)
CITY OF PLAINVIEW RETIREE HEALTH CARE OPEB PLAN:						
12/31/09	\$ -	\$ 3,036,824	\$ 3,036,824	0.0%	N/A	N/A
12/31/11	-	3,965,033	3,965,033	0.0%	N/A	N/A
12/31/13	-	2,102,393	2,102,393	0.0%	N/A	N/A
12/31/15	-	907,296	907,296	0.0%	N/A	N/A

CITY OF PLAINVIEW, TEXAS

Exhibit B-3

Schedule of Changes in Net Position Liability and Related Ratios

Texas Municipal Retirement System

Year Ended September 30, 2017

	Year Ended December 31, 2016	Year Ended December 31, 2015	Year Ended December 31, 2014
Total Pension Liability			
Service cost	\$ 1,001,561	\$ 967,833	\$ 836,912
Interest on total pension liability	2,623,657	2,620,150	2,535,501
Differences between expected and actual experience	(569,418)	(374,526)	(335,859)
Change of assumptions	-	246,279	-
Benefit payments/refunds of contributions	(2,293,310)	(1,783,357)	(2,002,126)
Net change in total pension liability	762,490	1,676,379	1,034,428
Total pension liability, beginning	39,514,861	37,838,482	36,804,054
Total pension liability, ending (a)	<u>\$ 40,277,351</u>	<u>\$ 39,514,861</u>	<u>\$ 37,838,482</u>
Fiduciary Net Position			
Contributions - Employer	\$ 958,277	\$ 999,335	\$ 982,725
Contributions - Employee	432,506	439,639	394,106
Net investment income	2,325,769	51,262	1,914,838
Benefit payments/refunds of contributions	(2,293,310)	(1,783,357)	(2,002,126)
Administrative expenses	(26,267)	(31,224)	(19,992)
Other	(1,416)	(1,541)	(1,644)
Net change in fiduciary net position	1,395,559	(325,886)	1,267,907
Fiduciary net position, beginning	34,414,981	34,740,867	33,472,960
Fiduciary net position, ending (b)	<u>\$ 35,810,540</u>	<u>\$ 34,414,981</u>	<u>\$ 34,740,867</u>
Net pension liability / (asset), ending = (a) - (b)	<u>4,466,811</u>	<u>5,099,880</u>	<u>3,097,615</u>
Fiduciary net position as a percentage of total pension liability	88.91%	87.09%	91.81%
Pensionable covered payroll	\$ 6,178,661	\$ 6,280,553	\$ 5,630,088
Net pension liability as a percentage of covered payroll	72.29%	81.20%	55.02%

CITY OF PLAINVIEW, TEXAS

Exhibit B-4

Schedule of Changes in Net Position Liability and Related Ratios

Firemen's Relief and Retirement Fund Pension Plan

Year Ended September 30, 2017

	Year Ended December 31 2016	Year Ended December 31 2015	Year Ended December 31 2014
Total Pension Liability			
Service cost	\$ 214,415	\$ 247,001	\$ 238,404
Interest on total pension liability	1,193,655	1,032,210	1,033,343
Differences between expected and actual experience	-	229,642	-
Change of assumptions	-	824,918	-
Benefit payments/refunds of contributions	(841,741)	(693,960)	(796,307)
Net change in total pension liability	566,329	1,639,811	475,440
Total pension liability, beginning	15,608,454	13,968,643	13,493,203
Total pension liability, ending (a)	<u>\$ 16,174,783</u>	<u>\$ 15,608,454</u>	<u>\$ 13,968,643</u>
Fiduciary Net Position			
Contributions - Employer	\$ 486,198	\$ 496,188	\$ 440,812
Contributions - Employee	275,801	285,079	261,936
Net investment income	223,344	(260,075)	177,500
Benefit payments/refunds of contributions	(841,741)	(693,960)	(796,307)
Administrative expenses	(12,556)	(7,176)	(76,558)
Other	-	-	-
Net change in fiduciary net position	131,046	(179,944)	7,383
Fiduciary net position, beginning	5,296,898	5,476,842	5,469,459
Fiduciary net position, ending (b)	<u>\$ 5,427,944</u>	<u>\$ 5,296,898</u>	<u>\$ 5,476,842</u>
Net pension liability / (asset), ending = (a) - (b)	<u>10,746,839</u>	<u>10,311,556</u>	<u>8,491,801</u>
Fiduciary net position as a percentage of total pension li	33.56%	33.94%	39.21%
Pensionable covered payroll	\$ 1,970,007	\$ 2,036,279	\$ 1,836,743
Net pension liability as a percentage of covered payroll	545.52%	506.39%	462.33%

CITY OF PLAINVIEW, TEXAS
Schedule of Employer Contributions
Texas Municipal Retirement System
For Fiscal Year 2017

Exhibit B-5

<u>Year Ending September 30,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Employer Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Pensionable Covered Payroll</u>	<u>Actual Contribution as a Percentage of Covered Payroll</u>
2015	\$ 891,149	\$ 965,416	\$ (74,267)	\$ 5,988,907	16.1%
2016	840,196	964,940	(124,744)	6,097,216	15.8%
2017	856,829	977,353	(120,524)	6,217,914	15.7%

CITY OF PLAINVIEW, TEXAS
Schedule of Employer Contributions
Firemen's Relief and Retirement Fund Pension Plan
For Fiscal Year 2017

Exhibit B-6

<u>Year Ending September 30,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Employer Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Pensionable Covered Payroll</u>	<u>Actual Contribution as a Percentage of Covered Payroll</u>
2015	\$ 621,787	\$ 449,830	\$ 171,957	\$ 1,836,743	24.5%
2016	702,748	500,465	202,283	1,965,212	25.5%
2017	781,267	504,960	276,307	2,016,713	25.0%

CITY OF PLAINVIEW, TEXAS
Notes to Required Supplementary Information
For the Year Ended September 30, 2017

Note 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 Exhibit B-1	\$	539,518
Investment earnings		27,421
Other revenue		1,000
General government - administration		(411,095)
Public works		(3,956)
Capital outlay		(559,700)
Net transfers		449,000
Change in Fund Balance Exhibit A-5	\$	<u>42,188</u>

Note 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 \$200,000 to the Economic Development project, transfer of \$250,000 to capital improvements, transfer of \$84,000 to street improvements, and \$138,965 for the sale of city property.
7. All budget appropriations lapse at year end.

CITY OF PLAINVIEW, TEXAS
Notes to Required Supplementary Information
For the Year Ended September 30, 2017

Note C: Net Pension Liability – Texas Municipal Retirement System

Assumptions

The following methods and assumptions were used to determine contribution rates:

Valuation date	Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.
Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	29 years
Asset valuation method	10-year smoothed market; 15% soft corridor
Inflation	2.5%
Salary increases	3.50% to 10.5%, including inflation
Investment rate of return	6.75%
Retirement age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the 2010 – 2014.
Mortality	RP-2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.

Changes of Benefit Terms

There were no changes of benefit terms that affected measurement of the total pension liability during the measurement period.

Changes in the Size or Composition of the Population Covered by the Benefit Terms

There were no changes in the size or composition of the population covered by the benefit terms during the measurement period.

Changes of Assumptions

There were no changes of assumptions or other inputs that affected measurement of the total pension liability during the measurement period.

CITY OF PLAINVIEW, TEXAS
Notes to Required Supplementary Information
For the Year Ended September 30, 2017

Note D: Net Pension Liability – Firemen’s Relief and Retirement Pension Plan

Assumptions

The following methods and assumptions were used to determine contribution rates:

Valuation date	December 31, 2015
Actuarially determined contribution rates	Calculated in the year contributions are reported based on 40 year (open)period amortization
Actuarial cost method	Entry age
Amortization method	Open period level percent of pay
Remaining amortization period	31.6 years
Asset valuation method	Actuarial value of assets
Salary increases	5.00%
Investment rate of return	7.75%, net of plan expenses
Retirement	Active firefighters are assumed to retire at the later of age 53 or 20 years of service (or age on the valuation date, if older.) Terminated firefighters entitled to deferred benefits are assumed to retire at age 53 or age on valuation date, if older. All members hired prior to October 1, 1994 are assumed to elect DROP for the maximum period allowed. Post October 1, 1994 hires are assumed to retire prior to DROB eligibility.
Mortality	RP-2014 Blue Collar Mortality tables adjusted backward to 2006 with Scale MP-2014 and projected with Scale MP-2015
Changes of Benefit Terms	None
Changes in the size or composition of the population covered by the benefit term	None
Changes of Assumptions	The discount rate was changed to 7.75% net of investment expenses only, with a separate assumption that annual administrative expenses will equal 0.75% of payroll. The salary scale was changed from 5.0% to a service graded scale. The payroll growth assumption was lowered from 4.0% to 3.5%. The termination rates were adjusted to reflect Fund experience (previously based on T-2 (Excess over GAT-51) from the Actuary’s Pension Handbook). The mortality assumption was updated to the RP-2014 blue collar mortality tables adjusted backward to 2006 with Scale MP-2014 and projected with Scale MP-2015. The 4% load for subsidies has been removed as the DROP is now being explicitly valued. There have been no other changes in principal actuarial assumptions from the prior valuation.



PLAINVIEW, TX

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**Combining Statements &
Budget Comparisons**

COMBINING STATEMENTS AND BUDGETARY COMPARISONS

CITY OF PLAINVIEW, TEXAS

Combining Balance Sheet

General Funds

September 30, 2017

	General Fund	Capital Improvement Fund	Street Improvement Fund
ASSETS			
Cash and cash equivalents	\$ 1,626,881	\$ 839,261	\$ 2,970
Investments	11,259,617	201,755	-
Interest receivable	4,686	139	-
Accounts receivable (net)	401,107	-	-
Taxes receivable (net)	966,879	-	-
Due from other governments	67,388	-	-
Inventories	48,251	-	-
Total Assets	\$ 14,374,809	\$ 1,041,155	\$ 2,970
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 232,824	\$ 47,697	\$ 888
Wages payable	306,334	-	-
Compensated absences payable	4,446	-	-
Total Liabilities	543,604	47,697	888
Deferred Inflows of Resources			
Unavailable revenue			
Property taxes	221,522	-	-
Fines and fees	100,429	-	-
Emergency Medical Services	52,500	-	-
Total Deferred Inflows of Resources	374,451	-	-
Fund Balances			
Nonspendable	48,251	-	-
Assigned	-	993,458	2,082
Unassigned	13,408,503	-	-
Total Fund Balance	13,456,754	993,458	2,082
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 14,374,809	\$ 1,041,155	\$ 2,970

Economic Development Fund	Total General Funds
\$ 131,085	\$ 2,600,197
1,413,051	12,874,423
465	5,290
-	401,107
-	966,879
-	67,388
-	48,251
<u>\$ 1,544,601</u>	<u>\$ 16,963,535</u>

\$ 110,236	\$ 391,645
-	306,334
-	4,446
<u>110,236</u>	<u>702,425</u>

-	221,522
-	100,429
-	52,500
<u>-</u>	<u>374,451</u>

-	48,251
1,434,365	2,429,905
-	13,408,503
<u>1,434,365</u>	<u>15,886,659</u>

<u>\$ 1,544,601</u>	<u>\$ 16,963,535</u>
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CITY OF PLAINVIEW, TEXAS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balance - General Funds
Year Ended September 30, 2017

	General Fund	Capital Improvement Fund	Street Improvement Fund
REVENUES			
Taxes:			
Property taxes	\$ 5,384,335	\$ -	\$ -
Sales and use taxes	4,096,627	-	-
Selective sales and use taxes	38,703	-	-
Franchise tax	1,354,941	-	-
Penalty and interest on taxes	84,963	-	-
Licenses and permits	90,856	-	-
Intergovernmental revenue and grants	188,980	-	-
Charges for services	817,081	-	-
Fines and fees	298,369	-	-
Investment earnings	149,129	8,738	3,384
Rents and royalties	525	-	-
Other revenue	263,688	1,000	-
Total Revenues	<u>12,768,197</u>	<u>9,738</u>	<u>3,384</u>
EXPENDITURES			
Current			
General government - administration	1,272,782	129,032	-
General government - other	596,432	-	-
Public safety	7,690,479	-	-
Public works	1,237,331	-	-
Health	407,333	-	-
Recreation and culture	1,090,193	-	-
Capital outlay	90,306	52,335	507,365
Total Expenditures	<u>12,384,856</u>	<u>181,367</u>	<u>507,365</u>
Excess (Deficiency) of Revenue over Expenditures	<u>383,341</u>	<u>(171,629)</u>	<u>(503,981)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	560,878	250,000	84,000
Transfers out	(404,701)	-	-
Total Other Financing Sources (Uses)	<u>156,177</u>	<u>250,000</u>	<u>84,000</u>
Net Change in Fund Balance	539,518	78,371	(419,981)
Fund Balance - October 1	<u>12,917,236</u>	<u>915,087</u>	<u>422,063</u>
Fund Balance - September 30	<u>\$ 13,456,754</u>	<u>\$ 993,458</u>	<u>\$ 2,082</u>

Economic Development Fund	Elimination	Total General Funds
\$ -	\$ -	\$ 5,384,335
-	-	4,096,627
-	-	38,703
-	-	1,354,941
-	-	84,963
-	-	90,856
-	-	188,980
-	-	817,081
-	-	298,369
15,299	-	176,550
-	-	525
-	-	264,688
<u>15,299</u>	<u>-</u>	<u>12,796,618</u>
282,063	-	1,683,877
-	-	596,432
-	-	7,690,479
3,956	3,956	1,241,287
-	-	407,333
-	-	1,090,193
-	-	650,006
<u>286,019</u>	<u>3,956</u>	<u>13,359,607</u>
<u>(270,720)</u>	<u>(3,956)</u>	<u>(562,989)</u>
115,000	(374,000)	635,878
-	374,000	(30,701)
<u>115,000</u>	<u>-</u>	<u>605,177</u>
(155,720)	(3,956)	42,188
<u>1,590,085</u>	<u>-</u>	<u>15,844,471</u>
<u>\$ 1,434,365</u>	<u>\$ (3,956)</u>	<u>\$ 15,886,659</u>

CITY OF PLAINVIEW, TEXAS
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2017

	Hotel - Motel Occupancy Tax Fund	Police Seizure Fund	Federal Shared Forfeiture Fund	RSVP Fund
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Investments	504,747	-	-	-
Interest receivable	186	-	-	-
Taxes receivable	29,157	-	-	-
Due from other governments	-	-	-	4,693
Restricted cash and cash equivalents	283,415	16,743	-	4,815
Total Assets	<u>\$ 817,505</u>	<u>\$ 16,743</u>	<u>\$ -</u>	<u>\$ 9,508</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 7,334	\$ -	\$ -	\$ 7,332
Wages payable	1,733	-	-	2,176
Total Liabilities	<u>9,067</u>	<u>-</u>	<u>-</u>	<u>9,508</u>
Fund Balances				
Restricted	808,438	16,743	-	-
Assigned	-	-	-	-
Total Fund Balances	<u>808,438</u>	<u>16,743</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 817,505</u>	<u>\$ 16,743</u>	<u>\$ -</u>	<u>\$ 9,508</u>

Municipal Court Security Fee Fund	Municipal Court Technology Fund	PEG Fund	HRA Home RSP 2011 Fund	Travis Trussell Duck Pond Fund	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 70,495	\$ 70,495
-	-	-	-	-	504,747
-	-	-	-	-	186
-	-	9,518	-	-	38,675
-	-	-	-	-	4,693
33,662	43,815	112,354	-	-	494,804
<u>\$ 33,662</u>	<u>\$ 43,815</u>	<u>\$ 121,872</u>	<u>\$ -</u>	<u>\$ 70,495</u>	<u>\$ 1,113,600</u>
\$ -	7,064	\$ -	-	550	\$ 22,280
-	-	-	-	-	3,909
-	7,064	-	-	550	26,189
33,662	36,751	121,872	-	-	1,017,466
-	-	-	-	69,945	69,945
33,662	36,751	121,872	-	69,945	1,087,411
<u>\$ 33,662</u>	<u>\$ 43,815</u>	<u>\$ 121,872</u>	<u>\$ -</u>	<u>\$ 70,495</u>	<u>\$ 1,113,600</u>

CITY OF PLAINVIEW, TEXAS
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
Year Ended September 30, 2017

	Hotel - Motel Occupancy Tax Fund	Police Seizure Fund	Federal Shared Forfeited Fund	RSVP Fund
REVENUE				
Selective sales and use tax	\$ 358,356	\$ -	\$ -	\$ -
Intergovernmental revenue and grants	-	-	-	68,487
Fines, forfeitures and fees	-	4,815	-	-
Investment earnings	7,672	-	-	-
Contributions and donations	-	-	-	6,963
Total Revenues	<u>366,028</u>	<u>4,815</u>	<u>-</u>	<u>75,450</u>
EXPENDITURES				
Current				
General government - administration	241,870	-	-	-
General government - other	-	-	-	75,407
Public safety	-	29,006	1,328	-
Capital outlay	5,864	-	-	-
Total Expenditures	<u>247,734</u>	<u>29,006</u>	<u>1,328</u>	<u>75,407</u>
Excess (Deficiency) of Revenues over Expenditures	<u>118,294</u>	<u>(24,191)</u>	<u>(1,328)</u>	<u>43</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(35,293)	-	-	(43)
Total Other Financing Sources (Uses)	<u>(35,293)</u>	<u>-</u>	<u>-</u>	<u>(43)</u>
Net Change in Fund Balance	83,001	(24,191)	(1,328)	-
Fund Balance - October 1	<u>725,437</u>	<u>40,934</u>	<u>1,328</u>	<u>-</u>
Fund Balance - September 30	<u>\$ 808,438</u>	<u>\$ 16,743</u>	<u>\$ -</u>	<u>\$ -</u>

Municipal Court Security Fee Fund	Municipal Court Technology Fund	PEG Fund	HRA Home RSP 2011 Fund	Travis Trussell Duck Pond Fund	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 358,356
-	-	-	274,657	5,728	348,872
6,446	8,574	38,927	-	-	58,762
-	-	1,109	-	-	8,781
-	-	-	-	-	6,963
<u>6,446</u>	<u>8,574</u>	<u>40,036</u>	<u>274,657</u>	<u>5,728</u>	<u>781,734</u>
-	-	-	274,657	-	516,527
514	854	666	-	-	77,441
-	-	-	-	-	30,334
-	7,064	-	-	75,783	88,711
<u>514</u>	<u>7,918</u>	<u>666</u>	<u>274,657</u>	<u>75,783</u>	<u>713,013</u>
<u>5,932</u>	<u>656</u>	<u>39,370</u>	<u>-</u>	<u>(70,055)</u>	<u>68,721</u>
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(35,336)</u>
-	-	-	-	-	(35,336)
<u>5,932</u>	<u>656</u>	<u>39,370</u>	<u>-</u>	<u>(70,055)</u>	<u>33,385</u>
<u>27,730</u>	<u>36,095</u>	<u>82,502</u>	<u>-</u>	<u>140,000</u>	<u>1,054,026</u>
<u>\$ 33,662</u>	<u>\$ 36,751</u>	<u>\$ 121,872</u>	<u>\$ -</u>	<u>\$ 69,945</u>	<u>\$ 1,087,411</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, 2017

Exhibit D-1

	Budgeted Amounts		Actual	Variance
	Original	Final	GAAP Basis	with Final Budget
REVENUE				
Selective sales and use tax	\$ 290,000	\$ 290,000	\$ 358,356	\$ 68,356
Investment earnings	1,500	1,500	7,672	6,172
Total Revenues	<u>291,500</u>	<u>291,500</u>	<u>366,028</u>	<u>74,528</u>
EXPENDITURES				
Current				
General government - administration	275,260	280,260	241,870	38,390
Capital outlay	-	55,000	5,864	49,136
Total Expenditures	<u>275,260</u>	<u>335,260</u>	<u>247,734</u>	<u>87,526</u>
Excess (Deficiency) of Revenue over Expenditures	<u>16,240</u>	<u>(43,760)</u>	<u>118,294</u>	<u>162,054</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(35,250)	(35,250)	(35,293)	(43)
Total Other Financing Sources (Uses)	<u>(35,250)</u>	<u>(35,250)</u>	<u>(35,293)</u>	<u>(43)</u>
Net Change in Fund Balance	(19,010)	(79,010)	83,001	162,011
Fund Balance - October 1	<u>725,437</u>	<u>725,437</u>	<u>725,437</u>	<u>-</u>
Fund Balance - September 30	<u>\$ 706,427</u>	<u>\$ 646,427</u>	<u>\$ 808,438</u>	<u>\$ 162,011</u>

CITY OF PLAINVIEW, TEXAS
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Police Seizure Fund
Year Ended September 30, 2017

Exhibit D-2

	Budgeted Amounts		Actual	Variance
	Original	Final	GAAP Basis	with Final Budget
REVENUE				
Intergovernmental revenue and grants	\$ -	\$ 23,330	\$ -	\$ (23,330)
Fines, forfeitures and fees	4,000	4,000	4,815	815
Total Revenues	4,000	27,330	4,815	(22,515)
EXPENDITURES				
Current				
Public safety	3,100	23,630	29,006	(5,376)
Capital outlay	50,000	50,000	-	50,000
Total Expenditures	53,100	73,630	29,006	44,624
Excess (Deficiency) of Revenue over Expenditures	<u>(49,100)</u>	<u>(46,300)</u>	<u>(24,191)</u>	<u>22,109</u>
Net Change in Fund Balance	(49,100)	(46,300)	(24,191)	22,109
Fund Balance - October 1	<u>40,934</u>	<u>40,934</u>	<u>40,934</u>	<u>-</u>
Fund Balance - September 30	<u>\$ (8,166)</u>	<u>\$ (5,366)</u>	<u>\$ 16,743</u>	<u>\$ 22,109</u>

CITY OF PLAINVIEW, TEXAS

Exhibit D-3

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Federal Shared Forfeited Fund
Year Ended September 30, 2017

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget
	Original	Final		
REVENUE				
Total Revenues	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Current				
Public safety	4,400	4,400	1,328	3,072
Total Expenditures	4,400	4,400	1,328	3,072
Excess (Deficiency) of Revenue over Expenditures	(4,400)	(4,400)	(1,328)	3,072
Fund Balance - October 1	1,328	1,328	1,328	-
Fund Balance - September 30	<u>\$ (3,072)</u>	<u>\$ (3,072)</u>	<u>\$ -</u>	<u>\$ 3,072</u>

CITY OF PLAINVIEW, TEXAS

Exhibit D-4

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - RSVP Fund
Year Ended September 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>GAAP</u>	<u>with Final</u>
			<u>Basis</u>	<u>Budget</u>
REVENUE				
Intergovernmental revenue and grants	\$ 66,815	\$ 66,815	\$ 68,487	\$ 1,672
Contributions and donations	23,410	23,410	6,963	(16,447)
Total Revenues	<u>90,225</u>	<u>90,225</u>	<u>75,450</u>	<u>(14,775)</u>
EXPENDITURES				
Current				
General government - other	90,225	90,225	75,407	14,818
Total Expenditures	<u>90,225</u>	<u>90,225</u>	<u>75,407</u>	<u>14,818</u>
Excess (Deficiency) of Revenue over Expenditures	<u>-</u>	<u>-</u>	<u>43</u>	<u>43</u>
OTHER FINANCING SOURCES (USES)				
Transfer out	<u>-</u>	<u>-</u>	<u>(43)</u>	<u>(43)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(43)</u>	<u>(43)</u>
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - October 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - September 30	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

CITY OF PLAINVIEW, TEXAS

Exhibit D-5

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Municipal Court Security Fee Fund
Year Ended September 30, 2017

	Budgeted Amounts		Actual	Variance
	Original	Final	GAAP Basis	with Final Budget
REVENUE				
Fines, forfeitures and fees	\$ 7,000	\$ 7,000	\$ 6,446	\$ (554)
Total Revenues	<u>7,000</u>	<u>7,000</u>	<u>6,446</u>	<u>(554)</u>
EXPENDITURES				
Current				
General government - other	-	-	514	(514)
Total Expenditures	<u>-</u>	<u>-</u>	<u>514</u>	<u>(514)</u>
Excess (Deficiency) of Revenue over Expenditures	7,000	7,000	5,932	(1,068)
Fund Balance - October 1	<u>27,730</u>	<u>27,730</u>	<u>27,730</u>	<u>-</u>
Fund Balance - September 30	<u>\$ 34,730</u>	<u>\$ 34,730</u>	<u>\$ 33,662</u>	<u>\$ (1,068)</u>

CITY OF PLAINVIEW, TEXAS

Exhibit D-6

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Municipal Court Technology Fund
Year Ended September 30, 2017

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget
	Original	Final		
REVENUE				
Fines, forfeitures and fees	\$ 8,500	\$ 8,500	\$ 8,574	\$ 74
Total Revenues	<u>8,500</u>	<u>8,500</u>	<u>8,574</u>	<u>74</u>
EXPENDITURES				
Current				
General government - other	1,000	1,000	854	146
Capital outlay	15,000	15,000	7,064	7,936
Total Expenditures	<u>16,000</u>	<u>16,000</u>	<u>7,918</u>	<u>8,082</u>
Excess (Deficiency) of Revenue over Expenditures	(7,500)	(7,500)	656	8,156
Fund Balance - October 1	<u>36,095</u>	<u>36,095</u>	<u>36,095</u>	<u>-</u>
Fund Balance - September 30	<u><u>\$ 28,595</u></u>	<u><u>\$ 28,595</u></u>	<u><u>\$ 36,751</u></u>	<u><u>\$ 8,156</u></u>

CITY OF PLAINVIEW, TEXAS

Exhibit D-7

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - PEG Fund

Year Ended September 30, 2017

	Budgeted Amounts		Actual	Variance
	Original	Final	GAAP Basis	with Final Budget
REVENUE				
Fines, forfeitures and fees	\$ 39,000	\$ 39,000	\$ 38,927	\$ (73)
Investment earnings	150	150	1,109	959
Total Revenues	<u>39,150</u>	<u>39,150</u>	<u>40,036</u>	<u>886</u>
EXPENDITURES				
Current				
General government - administration	-	-	666	(666)
Total Expenditures	<u>-</u>	<u>-</u>	<u>666</u>	<u>(666)</u>
Excess (Deficiency) of Revenue over Expenditures	39,150	39,150	39,370	220
Fund Balance - October 1	<u>82,502</u>	<u>82,502</u>	<u>82,502</u>	<u>-</u>
Fund Balance - September 30	<u>\$ 121,652</u>	<u>\$ 121,652</u>	<u>\$ 121,872</u>	<u>\$ 220</u>

CITY OF PLAINVIEW, TEXAS

Exhibit D-8

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - HRA - HOME RSP 2011
Year Ended September 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual GAAP Basis</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUE				
Intergovernmental revenue and grants	\$ 296,000	\$ 296,000	\$ 274,657	\$ (21,343)
Total Revenues	<u>296,000</u>	<u>296,000</u>	<u>274,657</u>	<u>(21,343)</u>
EXPENDITURES				
General government - administration	296,000	296,000	274,657	21,343
Total Expenditures	<u>296,000</u>	<u>296,000</u>	<u>274,657</u>	<u>21,343</u>
Excess (Deficiency) of Revenue over Expenditures	-	-	-	-
Fund Balance - October 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - September 30	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

CITY OF PLAINVIEW, TEXAS

Exhibit D-9

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Travis Trussell Duck Pond
Year Ended September 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>GAAP</u>	<u>with Final</u>
			<u>Basis</u>	<u>Budget</u>
REVENUE				
Intergovernmental revenue and grants			5,728	\$ (5,728)
Total Revenues	-	-	5,728	(5,728)
EXPENDITURES				
Capital Outlay			75,783	(75,783)
Total Expenditures	-	-	75,783	(75,783)
Excess (Deficiency) of Revenue over Expenditures	-	-	(70,055)	(70,055)
Net Change in Fund Balance	-	-	(70,055)	(70,055)
Fund Balance - October 1	140,000	140,000	140,000	-
Fund Balance - September 30	\$ 140,000	\$ 140,000	\$ 69,945	\$ (70,055)

CITY OF PLAINVIEW, TEXAS

Exhibit D-10

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Capital Improvement Fund
Year Ended September 30, 2017

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget
	Original	Final		
REVENUE				
Investment earnings	\$ 3,000	\$ 3,000	\$ 8,738	\$ 5,738
Miscellaneous revenue	-	-	1,000	1,000
Total Revenues	<u>3,000</u>	<u>3,000</u>	<u>9,738</u>	<u>6,738</u>
EXPENDITURES				
Current				
General government - administration	100,000	100,000	129,032	(29,032)
Capital outlay	470,000	470,000	52,335	417,665
Total Expenditures	<u>570,000</u>	<u>570,000</u>	<u>181,367</u>	<u>388,633</u>
Excess (Deficiency) of Revenue over Expenditures	(567,000)	(567,000)	(171,629)	395,371
OTHER FINANCING SOURCES (USES)				
Transfer in	-	250,000	250,000	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>250,000</u>	<u>250,000</u>	<u>-</u>
Net Change in Fund Balance	(567,000)	(317,000)	78,371	395,371
Fund Balance - October 1	<u>915,087</u>	<u>915,087</u>	<u>915,087</u>	<u>-</u>
Fund Balance - September 30	<u>\$ 348,087</u>	<u>\$ 598,087</u>	<u>\$ 993,458</u>	<u>\$ 395,371</u>

CITY OF PLAINVIEW, TEXAS
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Street Improvement Fund
Year Ended September 30, 2017

Exhibit D-11

	Budgeted Amounts		Actual	Variance
	Original	Final	GAAP Basis	with Final Budget
REVENUE				
Investment earnings	\$ 1,000	\$ 1,000	\$ 3,384	\$ 2,384
Total Revenues	1,000	1,000	3,384	2,384
EXPENDITURES				
Current				
Capital outlay	-	507,900	507,365	535
Total Expenditures	-	507,900	507,365	535
Excess (Deficiency) of Revenue over Expenditures	1,000	(506,900)	(503,981)	2,919
OTHER FINANCING SOURCES (USES)				
Transfer in	-	84,000	84,000	-
Total Other Financing Sources (Uses)	-	84,000	84,000	-
Net Change in Fund Balance	1,000	(422,900)	(419,981)	2,919
Fund Balance - October 1	422,063	422,063	422,063	-
Fund Balance - September 30	<u>\$ 423,063</u>	<u>\$ (837)</u>	<u>\$ 2,082</u>	<u>\$ 2,919</u>

CITY OF PLAINVIEW, TEXAS

Exhibit D-12

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Economic Development Fund
Year Ended September 30, 2017

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget
	Original	Final		
REVENUE				
Investment earnings	\$ 2,000	\$ 2,000	\$ 15,299	\$ 13,299
Total Revenues	<u>2,000</u>	<u>2,000</u>	<u>15,299</u>	<u>13,299</u>
EXPENDITURES				
Current				
General government - administration	659,450	1,630,160	282,063	1,348,097
Public works	-	-	3,956	(3,956)
Total Expenditures	<u>659,450</u>	<u>1,630,160</u>	<u>286,019</u>	<u>1,348,097</u>
Excess (Deficiency) of Revenue over Expenditures	(657,450)	(1,628,160)	(270,720)	1,357,440
OTHER FINANCING SOURCES (USES)				
Transfer in	115,000	115,000	115,000	-
Total Other Financing Sources (Uses)	<u>115,000</u>	<u>115,000</u>	<u>115,000</u>	<u>-</u>
Net Change in Fund Balance	(542,450)	(1,513,160)	(155,720)	1,357,440
Fund Balance - October 1	<u>1,590,085</u>	<u>1,590,085</u>	<u>1,590,085</u>	<u>-</u>
Fund Balance - September 30	<u><u>\$ 1,047,635</u></u>	<u><u>\$ 76,925</u></u>	<u><u>\$ 1,434,365</u></u>	<u><u>\$ 1,357,440</u></u>

CITY OF PLAINVIEW, TEXAS
Combining Statement of Net Position
Internal Service Funds
September 30, 2017

	Unemployment Compensation Fund	Equipment Replacement Fund	Property Insurance Fund
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 103,340	\$ 740,748	\$ 537,347
Investments	-	1,312,037	1,363,854
Interest receivable	-	621	536
Accounts receivable, net	-	-	-
Other assets	-	-	-
Inventories	-	-	-
Total current assets	<u>103,340</u>	<u>2,053,406</u>	<u>1,901,737</u>
Noncurrent Assets:			
Capital assets:			
Nondepreciable	-	46,486	-
Depreciable, net	<u>-</u>	<u>2,300,467</u>	<u>-</u>
Total noncurrent assets	<u>-</u>	<u>2,346,953</u>	<u>-</u>
Total Assets	<u>103,340</u>	<u>4,400,359</u>	<u>1,901,737</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pensions	<u>-</u>	<u>-</u>	<u>-</u>
Total Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	11,898	53,179	2,100
Wages payable	<u>-</u>	<u>-</u>	<u>-</u>
Total current liabilities	<u>11,898</u>	<u>53,179</u>	<u>2,100</u>
Noncurrent Liabilities:			
Noncurrent portion of long-term liabilities			
Net pension liability	-	-	-
Net other postemployment benefits obligation	<u>-</u>	<u>-</u>	<u>-</u>
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>11,898</u>	<u>53,179</u>	<u>2,100</u>
Deferred Inflows of Resources			
Pensions	<u>-</u>	<u>-</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION			
Investment in capital assets	-	2,346,953	-
Unrestricted	<u>91,442</u>	<u>2,000,227</u>	<u>1,899,637</u>
Total Net Position	<u>\$ 91,442</u>	<u>\$ 4,347,180</u>	<u>\$ 1,899,637</u>

Health Insurance Fund	Cafeteria Plan Fund	Fleet Services Fund	Total Internal Service Funds
\$ 852,128	\$ 22,345	\$ 97,967	\$ 2,353,875
1,009,466	-	-	3,685,357
405	-	-	1,562
-	-	10,616	10,616
-	8,578	-	8,578
-	-	103,262	103,262
<u>1,861,999</u>	<u>30,923</u>	<u>211,845</u>	<u>6,163,250</u>
-	-	-	46,486
-	-	18,119	2,318,586
-	-	18,119	2,365,072
<u>1,861,999</u>	<u>30,923</u>	<u>229,964</u>	<u>8,528,322</u>
-	-	39,495	39,495
-	-	39,495	39,495
161,451	-	6,904	235,532
-	-	12,401	12,401
<u>161,451</u>	<u>-</u>	<u>19,305</u>	<u>247,933</u>
-	-	71,961	71,961
911,031	-	-	911,031
<u>911,031</u>	<u>-</u>	<u>71,961</u>	<u>982,992</u>
<u>1,072,482</u>	<u>-</u>	<u>91,266</u>	<u>1,230,925</u>
-	-	10,499	10,499
-	-	10,499	10,499
-	-	18,119	2,365,072
789,517	30,923	149,575	4,961,321
<u>\$ 789,517</u>	<u>\$ 30,923</u>	<u>\$ 167,694</u>	<u>\$ 7,326,393</u>

CITY OF PLAINVIEW, TEXAS
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Funds
Year Ended September 30, 2017

	Unemployment Compensation Fund	Equipment Replacement Fund	Property Insurance Fund
OPERATING REVENUES			
Charges for services	\$ 10,100	\$ 612,335	\$ 195,293
Other revenue	-	-	-
Total Operating Revenues	<u>10,100</u>	<u>612,335</u>	<u>195,293</u>
OPERATING EXPENSES			
Personnel services - salaries and wages	-	-	-
Personnel services - employee benefits	-	-	-
Purchased professional & technical services	710	-	-
Purchased property services	-	62,058	-
Other operating expenses	22,239	-	270,949
Supplies	-	-	-
Depreciation and amortization	-	527,960	-
Total Operating Expenses	<u>22,949</u>	<u>590,018</u>	<u>270,949</u>
Operating Income (Loss)	<u>(12,849)</u>	<u>22,317</u>	<u>(75,656)</u>
NONOPERATING REVENUES (EXPENSES)			
Gain (loss) on disposition of property	-	54,040	-
Investment earnings	-	19,549	18,857
Total Nonoperating Revenues (Expenses)	<u>-</u>	<u>73,589</u>	<u>18,857</u>
Income (Loss) Before Transfers	<u>(12,849)</u>	<u>95,906</u>	<u>(56,799)</u>
Transfer in	-	-	-
Transfers out	-	-	(38,609)
Total Transfers	<u>-</u>	<u>-</u>	<u>(38,609)</u>
Change in Net Position	<u>(12,849)</u>	<u>95,906</u>	<u>(95,408)</u>
Net Position - October 1	<u>104,291</u>	<u>4,251,274</u>	<u>1,995,045</u>
Net Position - September 30	<u>\$ 91,442</u>	<u>\$ 4,347,180</u>	<u>\$ 1,899,637</u>

Health Insurance Fund	Cafeteria Plan Fund	Fleet Services Fund	Total Internal Service Funds
\$ 2,072,820	\$ 26,321	\$ 135,755	\$ 3,052,624
-	-	214	214
<u>2,072,820</u>	<u>26,321</u>	<u>135,969</u>	<u>3,052,838</u>
-	-	110,513	110,513
-	-	49,749	49,749
38,403	550	-	39,663
-	-	50,993	113,051
1,231,246	27,111	8,451	1,559,996
-	-	40,962	40,962
-	-	2,899	530,859
<u>1,269,649</u>	<u>27,661</u>	<u>263,567</u>	<u>2,444,793</u>
<u>803,171</u>	<u>(1,340)</u>	<u>(127,598)</u>	<u>608,045</u>
-	-	27,819	81,859
18,238	229	-	56,873
<u>18,238</u>	<u>229</u>	<u>27,819</u>	<u>138,732</u>
821,409	(1,111)	(99,779)	746,777
8,102	-	125,000	133,102
(828,581)	-	(129)	(867,319)
<u>(820,479)</u>	<u>-</u>	<u>124,871</u>	<u>(734,217)</u>
930	(1,111)	25,092	12,560
<u>788,587</u>	<u>32,034</u>	<u>142,602</u>	<u>7,313,833</u>
<u>\$ 789,517</u>	<u>\$ 30,923</u>	<u>\$ 167,694</u>	<u>\$ 7,326,393</u>

CITY OF PLAINVIEW, TEXAS
Combining Statement of Cash Flows
Internal Service Funds
Year Ended September 30, 2017

	Unemployment Compensation Fund	Equipment Replacement Fund	Property Insurance Fund
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash from operating transactions - other funds	\$ 10,100	\$ 612,335	\$ 195,293
Cash payments to employees for services	-	-	-
Cash payments for goods and services	(12,821)	(22,166)	(268,849)
Other operating cash receipts	-	-	-
Net Cash Provided (Used) by Operating Activities	<u>(2,721)</u>	<u>590,169</u>	<u>(73,556)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from other funds	-	-	-
Transfers to other funds	-	-	(38,609)
Net Cash (Used) Provided by Noncapital Financing Activities	<u>-</u>	<u>-</u>	<u>(38,609)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	-	(567,594)	-
Proceeds from the sale of capital assets	-	71,000	-
Net Cash (Used) by Capital and Related Financing Activities	<u>-</u>	<u>(496,594)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments	-	(94,386)	(552,087)
Interest on investments	-	18,928	18,321
Net Cash Provided by Investing Activities	<u>-</u>	<u>(75,458)</u>	<u>(533,766)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(2,721)	18,117	(645,931)
Cash and Cash Equivalents - October 1	<u>106,061</u>	<u>722,631</u>	<u>1,183,278</u>
Cash and Cash Equivalents - September 30	<u><u>\$ 103,340</u></u>	<u><u>\$ 740,748</u></u>	<u><u>\$ 537,347</u></u>

Health Insurance Fund	Cafeteria Plan Fund	Fleet Services Fund	Total Internal Service Funds
\$ 2,072,820	\$ 26,321	\$ 137,506	\$ 3,054,375
-	-	(159,262)	(159,262)
(1,121,985)	(29,053)	(118,560)	(1,573,434)
-	-	214	214
<u>950,835</u>	<u>(2,732)</u>	<u>(140,102)</u>	<u>1,321,893</u>
8,102	-	125,000	133,102
<u>(828,581)</u>	<u>-</u>	<u>(129)</u>	<u>(867,319)</u>
<u>(820,479)</u>	<u>-</u>	<u>124,871</u>	<u>(734,217)</u>
-	-	(7,445)	(575,039)
<u>-</u>	<u>-</u>	<u>27,819</u>	<u>98,819</u>
<u>-</u>	<u>-</u>	<u>20,374</u>	<u>(476,220)</u>
(227,856)	-	-	(874,329)
<u>17,833</u>	<u>229</u>	<u>-</u>	<u>55,311</u>
<u>(210,023)</u>	<u>229</u>	<u>-</u>	<u>(819,018)</u>
(79,667)	(2,503)	5,143	(707,562)
<u>931,795</u>	<u>24,848</u>	<u>92,824</u>	<u>3,061,437</u>
<u>\$ 852,128</u>	<u>\$ 22,345</u>	<u>\$ 97,967</u>	<u>\$ 2,353,875</u>

CITY OF PLAINVIEW, TEXAS
Combining Statement of Cash Flows
Internal Service Funds
Year Ended September 30, 2017

	Unemployment Compensation Fund	Equipment Replacement Fund	Property Insurance Fund
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating income (loss)	\$ (12,849)	\$ 22,317	\$ (75,656)
Adjustments to reconcile operating income to net cash			
Provided (used) by operating activities			
Depreciation and amortization	-	527,960	-
(Increase) decrease in operating assets and liabilities:			
Accounts receivable (net)	-	-	-
Prepaid expense	-	-	-
Inventories	-	-	-
Accounts payable	10,128	39,892	2,100
Wages payable	-	-	-
Net other postemployment benefits obligation	-	-	-
Net pension liability	-	-	-
Deferred Outflows - pensions	-	-	-
Deferred Inflows - pensions	-	-	-
Net Cash Provided (Used) by Operating Activities	<u>\$ (2,721)</u>	<u>\$ 590,169</u>	<u>\$ (73,556)</u>

Health Insurance Fund	Cafeteria Plan Fund	Fleet Services Fund	Total Internal Service Funds
\$ 803,171	\$ (1,340)	\$ (127,598)	\$ 608,045
-	-	2,899	530,859
-	-	1,751	1,751
162,748	(1,392)	-	161,356
-	-	(21,729)	(21,729)
(6,982)	-	3,575	48,713
-	-	540	540
(8,102)	-	-	(8,102)
-	-	(16,201)	(16,201)
-	-	13,466	13,466
-	-	3,195	3,195
<u>\$ 950,835</u>	<u>\$ (2,732)</u>	<u>\$ (140,102)</u>	<u>\$ 1,321,893</u>



PLAINVIEW, TX

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**Capital Assets -
Governmental Funds**

CITY OF PLAINVIEW, TEXAS
Schedule of Capital Assets Used in the Operation
Of Governmental Funds by Sources*
September 30, 2017

Exhibit F-1

Capital Assets Used in the Operation of Governmental Funds:

Land	\$	583,309
Buildings		3,794,124
Improvements other than buildings		19,168,468
Machinery and equipment		3,031,477
Construction in progress		75,100
		<hr/>
Total	\$	26,652,478
		<hr/>

Investment in Capital Assets:

Acquired prior to October 1, 1990	\$	10,302,959
Acquired after September 30, 1990		
General fund		
General revenues	\$	3,113,266
Capital improvements		4,246,570
Street improvements		7,580,476
Special revenue funds		
Hotel/Motel tax fund		791,211
Police seizure		18,051
PEG Fund		
Homeland security grant		331,928
RSVP fund		4,334
Travis Trussell duck pond grant		75,783
SECO grant		84,346
Criminal justice division equipment grant		10,186
Municipal court security fund		55,861
Municipal court technology fund		37,507
		<hr/>
		16,349,519
		<hr/>
Total	\$	26,652,478
		<hr/>

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

CITY OF PLAINVIEW, TEXAS
Schedule of Capital Assets Used in the Operation
Of Governmental Funds by Function and Activity*
For the Year Ended September 30, 2017

Exhibit F-2

	Land	Buildings	Improvements Other Than Buildings
From General Fund			
General government	\$ 457,404	\$ 586,037	\$ 7,265,414
Police		247,676	10,500
Fire / EMS		257,252	10,423
Traffic and safety			71,130
Animal control		149,754	11,739
Civil defense	10,500	168,599	
Engineering			
Street		16,223	
Recreation	1,125	50,490	497,145
Library		326,135	
Health			
Capital improvement fund	70,215	1,166,067	2,822,279
Street improvement fund	18,503		8,479,838
	<hr/>	<hr/>	<hr/>
Total General Fund	557,747	2,968,233	19,168,468
	<hr/>	<hr/>	<hr/>
From Special Revenue Funds			
Hotel/Motel tax fund	\$ 4,080	\$ 746,058	
Police seizure fund			
PEG fund			
Homeland security grant			
RSVP fund			
Travis Trussell duck pond grant	21,482		
SECO grant		73,640	
Criminal justice division equipment grant			
Municipal court security fund		6,193	
Municipal court technology fund			
	<hr/>	<hr/>	<hr/>
Total Special Revenue Funds	\$ 25,562	\$ 825,891	\$ -
	<hr/>	<hr/>	<hr/>
Total	\$ 583,309	\$ 3,794,124	\$ 19,168,468
	<hr/>	<hr/>	<hr/>

* 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
\$	335,394	\$ -	\$ 8,644,249
	366,216		624,392
	516,062		783,737
	280,281		351,411
	5,082		166,575
	9,070		188,169
	6,398		6,398
	369,435		385,658
	333,498		882,258
	116,614		442,749
	21,331		21,331
	167,208	20,800	4,246,569
	1,435		8,499,776
	<u>2,528,024</u>	<u>20,800</u>	<u>25,243,272</u>
\$	41,073	\$ -	\$ 791,211
	18,051		18,051
			-
	331,928		331,928
	4,334		4,334
		54,300	75,782
	10,706		84,346
	10,186		10,186
	49,668		55,861
	37,507		37,507
\$	<u>503,453</u>	<u>\$ 54,300</u>	<u>\$ 1,409,206</u>
\$	<u>3,031,477</u>	<u>\$ 75,100</u>	<u>\$ 26,652,478</u>

CITY OF PLAINVIEW, TEXAS
Schedule of Changes in Capital Assets Used in the Operation
Of Governmental Funds by Function and Activity*
For the Year Ended September 30, 2017

Exhibit F-3

	Capital Assets 9/30/16	Additions (Deletions)	Capital Assets 9/30/17
From General Fund			
General government	\$ 8,595,644	\$ 48,606	\$ 8,644,250
Police	615,599	8,793	624,392
Fire / EMS	804,113	(20,376)	783,737
Traffic and safety	356,103	(4,692)	351,411
Animal control	166,575		166,575
Civil defense	187,294	875	188,169
Engineering	6,398		6,398
Street	356,698	28,960	385,658
Recreation	897,743	(15,485)	882,258
Library	442,749		442,749
Health	28,059	(6,728)	21,331
Capital improvements	4,194,234	52,335	4,246,569
Street improvements	7,992,409	507,365	8,499,774
Total General Fund	\$ 24,643,618	\$ 599,653	\$ 25,243,271
From Special Revenue Funds			
Hotel/Motel tax fund	\$ 785,347	\$ 5,864	\$ 791,211
Police seizure fund	41,201	(23,150)	18,051
PEG Fund	8,879	(8,879)	-
Homeland security grant	331,928		331,928
RSVP fund	4,334		4,334
Travis Trussell duck pond grant	-	75,783	75,783
SECO grant	84,346		84,346
Justice assistance grant	122,287	(122,287)	-
Criminal justice division equipment grant	10,186		10,186
Municipal court security fund	55,861		55,861
Municipal court technology fund	30,443	7,064	37,507
Total Special Revenue Funds	\$ 1,474,812	\$ (65,605)	\$ 1,409,207
Total	\$ 26,118,430	\$ 534,048	\$ 26,652,478

* 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. accumulated depreciation is not included in this schedule.

**Debt Service
Requirements**

DEBT SERVICE REQUIREMENTS – SCHEDULES OF MATURITIES

Water and Sewer Utility Fund
 General Obligation Refunding Bonds, Series 2009
 Debt Service Requirements
 Schedule of Maturities
 2018-2021

<u>Fiscal Year</u>	<u>Outstanding Debt Beginning of Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
Total		<u>\$ 2,700,000</u>	<u>\$ 194,716</u>	<u>\$ 2,894,716</u>
Annual Average Requirements		<u>\$ 675,000</u>	<u>\$ 48,679</u>	<u>\$ 723,679</u>

Proceeds used for construction of a Water Reclamation and Treatment Facility

Water and Sewer Utility Fund
 Tax and Waterworks and Sewer System Revenue
 Certificates of Obligation, Series 2010
 Debt Service Requirements
 Schedule of Maturities
 2018-2030

<u>Fiscal Year</u>	<u>Outstanding Debt Beginning of Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 6,705,000	\$ 410,000	\$ 216,305	\$ 626,305
2019	6,295,000	430,000	203,705	633,705
2020	5,865,000	430,000	190,805	620,805
2021	5,435,000	450,000	177,605	627,605
2022	4,985,000	465,000	163,880	628,880
2023	4,520,000	480,000	149,465	629,465
2024	4,040,000	515,000	133,785	648,785
2025	3,525,000	535,000	116,717	651,717
2026	2,990,000	550,000	98,540	648,540
2027	2,440,000	570,000	79,215	649,215
2028	1,870,000	600,000	58,440	658,440
2029	1,270,000	620,000	36,170	656,170
2030	650,000	650,000	12,350	662,350
Total		<u>\$ 6,705,000</u>	<u>\$ 1,636,982</u>	<u>\$ 8,341,982</u>
Annual Average Requirements		<u>\$ 515,769</u>	<u>\$ 125,922</u>	<u>\$ 641,691</u>

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

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
 2018

<u>Fiscal Year</u>	<u>Outstanding Debt Beginning of Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 111,561	\$ 111,561	\$ 3,905	\$ 115,466
Total		<u>\$ 111,561</u>	<u>\$ 3,905</u>	<u>\$ 115,466</u>
Annual Average Requirements		<u>\$ 111,561</u>	<u>\$ 3,905</u>	<u>\$ 115,466</u>

Water and Sewer Utility Fund
 Water Supply Contract Obligation
 Contract Revenue Bonds, Series 2005 refunded Series 2012
 (CRMWA Conjective Use Groundwater Supply Project)
 Debt Service Requirements
 Schedule of Maturities
 2018-2025

Fiscal Year	Outstanding Debt Beginning of Year	Principal	Interest	Total
2018	\$ 1,517,270	\$ 46,058	\$ 75,676	\$ 121,734
2019	1,471,212	48,110	73,561	121,671
2020	1,423,102	168,178	71,155	239,333
2021	1,254,924	260,856	62,746	323,602
2022	994,068	274,099	49,704	323,803
2023	719,969	288,100	35,998	324,098
2024	431,869	302,980	21,593	324,573
2025	128,889	128,889	6,444	135,333
Total		<u>\$ 1,517,270</u>	<u>\$ 396,877</u>	<u>\$ 1,914,147</u>
Annual Average Requirements		<u>\$ 189,659</u>	<u>\$ 49,610</u>	<u>\$ 239,268</u>

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
 2018-2020

<u>Fiscal Year</u>	<u>Outstanding Debt Beginning of Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
Total		<u>\$ 94,445</u>	<u>\$ 6,565</u>	<u>\$ 101,010</u>
Annual Average Requirements		<u>\$ 31,482</u>	<u>\$ 2,188</u>	<u>\$ 33,670</u>

Water and Sewer Utility Fund
 Water Supply Contract Obligation
 Subordinate Lien Contract Revenue Bonds, Series 2011
 (CRMWA Conjective Use Groundwater Supply Project)
 Debt Service Requirements
 Schedule of Maturities
 2018-2031

Fiscal Year	Outstanding Debt Beginning of Year	Principal	Interest	Total
2018	\$ 2,400,568	\$ 133,019	\$ 113,456	\$ 246,475
2019	2,267,549	139,241	107,237	246,478
2020	2,128,308	145,338	101,218	246,556
2021	1,982,970	152,120	94,422	246,542
2022	1,830,850	159,524	86,970	246,494
2023	1,671,326	167,363	79,072	246,435
2024	1,503,963	175,762	70,704	246,466
2025	1,328,201	184,597	61,915	246,512
2026	1,143,604	193,805	52,686	246,491
2027	949,799	203,511	42,995	246,506
2028	746,288	213,154	33,381	246,535
2029	533,134	222,051	24,446	246,497
2030	311,083	232,379	14,065	246,444
2031	78,704	78,706	3,439	82,145
Total		<u>\$ 2,400,570</u>	<u>\$ 886,006</u>	<u>\$ 3,286,576</u>
Annual Average Requirements		<u>\$ 171,469</u>	<u>\$ 63,286</u>	<u>\$ 234,755</u>

Water and Sewer Utility Fund
 Water Supply Contract Obligation
 Contract Revenue Bonds, Series 2009
 (CRMWA Conjective Use Groundwater Supply Project)
 Debt Service Requirements
 Schedule of Maturities
 2018-2029

<u>Fiscal Year</u>	<u>Outstanding Debt Beginning of Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 548,298	\$ 35,311	\$ 23,886	\$ 59,197
2019	512,987	36,910	22,474	59,384
2020	476,077	38,694	20,748	59,442
2021	437,383	40,540	18,813	59,353
2022	396,843	42,262	17,060	59,322
2023	354,581	43,923	15,370	59,293
2024	310,658	45,707	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
Total		<u>\$ 548,298</u>	<u>\$ 169,316</u>	<u>\$ 717,614</u>
Annual Average Requirements		<u>\$ 45,692</u>	<u>\$ 14,110</u>	<u>\$ 59,801</u>

Water and Sewer Utility Fund

Water Supply Contract Obligation

Subordinate Lien Contract Revenue Refunding Bonds, Series 2014

(CRMWA Conjunctive Use Groundwater Supply Project - Refunding 2005 and 2006 Issues)

Debt Service Requirements

Schedule of Maturities

2018-2028

<u>Fiscal Year</u>	<u>Outstanding Debt Beginning of Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 1,326,627	\$ 223,756	\$ 66,331	\$ 290,087
2019	1,102,871	235,048	55,144	290,192
2020	867,823	154,922	43,391	198,313
2021	712,901	97,104	35,645	132,749
2022	615,797	101,902	30,790	132,692
2023	513,895	106,916	25,695	132,611
2024	406,979	112,406	20,349	132,755
2025	294,573	118,127	14,729	132,856
2026	176,446	123,849	8,822	132,671
2027	52,597	52,597	2,630	55,227
Total		<u>\$ 1,326,627</u>	<u>\$ 303,526</u>	<u>\$ 1,630,153</u>
Annual Average Requirements		<u>\$ 132,663</u>	<u>\$ 30,353</u>	<u>\$ 163,015</u>



PLAINVIEW, TX

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General Information

Schedule 1
City of Plainview
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental activities										
Invested in capital assets, net of related debt	\$ 9,159,664	\$ 9,088,340	\$ 8,878,102	\$ 8,917,698	\$ 8,858,640	\$ 8,755,160	\$ 8,037,890	\$ 10,764,547	\$ 10,754,667	\$ 10,735,240
Restricted	885,322	858,657	708,954	719,471	809,694	736,423	765,977	964,089	914,026	1,017,466
Unrestricted	16,374,882	17,052,397	18,120,254	19,206,004	19,692,463	20,103,431	21,609,705	12,164,955	11,734,783	10,757,127
Total governmental activities net position	\$ 26,419,868	\$ 26,999,394	\$ 27,707,310	\$ 28,843,173	\$ 29,360,797	\$ 29,595,014	\$ 30,413,572	\$ 23,893,591	\$ 23,403,476	\$ 22,509,833
Business-type activities										
Invested in capital assets, net of related debt	\$ 19,280,212	\$ 19,352,797	\$ 19,454,647	\$ 19,250,791	\$ 19,844,796	\$ 21,674,455	\$ 22,103,566	\$ 23,864,986	\$ 24,616,459	\$ 25,487,563
Restricted	249,382	261,049	295,291	457,277	725,569	727,406	729,431	731,602	733,968	736,505
Unrestricted	9,824,587	10,700,804	11,878,515	13,940,331	15,460,905	14,123,242	14,452,916	13,319,932	13,186,299	13,942,653
Total business-type activities net position	\$ 29,354,181	\$ 30,314,650	\$ 31,628,453	\$ 33,648,399	\$ 36,031,270	\$ 36,525,103	\$ 37,285,913	\$ 37,916,520	\$ 38,536,726	\$ 40,166,721
Primary government										
Invested in capital assets, net of related debt	\$ 28,439,876	\$ 28,441,137	\$ 28,332,749	\$ 28,168,489	\$ 28,703,436	\$ 30,429,615	\$ 30,141,456	\$ 34,629,533	\$ 35,371,126	\$ 36,222,803
Restricted	1,134,704	1,119,706	1,004,245	1,176,748	1,535,263	1,463,829	1,495,408	1,695,691	1,647,994	1,753,971
Unrestricted	26,199,469	27,753,201	29,998,769	33,146,335	35,153,368	34,226,673	36,062,621	25,484,887	24,921,082	24,699,780
Total primary government net position	\$ 55,774,049	\$ 57,314,044	\$ 59,335,763	\$ 62,491,572	\$ 65,392,067	\$ 66,120,117	\$ 67,699,485	\$ 61,810,111	\$ 61,940,202	\$ 62,676,554

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

Expenses	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental activities										
General government	\$ 1,364,075	\$ 1,814,265	\$ 1,966,824	\$ 1,762,080	\$ 1,663,084	\$ 2,216,373	\$ 1,741,234	\$ 2,257,021	\$ 2,602,622	\$ 2,975,247
Public safety	5,975,267	6,174,194	6,498,010	6,857,257	7,195,991	7,222,195	7,259,542	8,168,151	8,470,261	8,320,861
Public works	1,197,307	1,234,289	1,200,917	965,223	1,417,063	1,139,508	1,050,131	1,008,914	1,640,759	1,570,443
Health	386,649	422,516	400,138	458,362	415,163	620,373	525,068	413,803	390,773	384,885
Recreation and culture	1,013,098	1,208,656	1,148,095	1,260,092	1,198,777	1,215,322	1,315,218	1,219,629	1,286,453	1,210,356
Total governmental activities expenses	9,936,396	10,853,920	11,213,984	11,303,014	11,890,078	12,413,771	11,891,193	13,067,518	14,390,868	14,461,792
Business-type activities										
Solid waste management	2,201,151	2,323,580	2,520,166	2,573,083	2,416,578	2,556,595	2,417,951	2,506,886	2,522,679	2,552,045
Water and sewer	5,379,624	5,573,408	5,226,035	5,634,722	6,087,341	6,169,041	6,765,124	6,363,440	6,901,668	6,308,099
Theatre arts	32,388	39,376	37,434	39,255	37,899	33,725	46,169	36,512	68,218	48,287
Total business-type activities expenses	7,613,163	7,938,364	7,783,635	8,247,060	8,541,818	8,759,361	9,229,244	8,906,838	9,492,565	8,908,431
Total primary government expenses	\$ 17,549,559	\$ 18,792,284	\$ 18,997,619	\$ 19,550,074	\$ 20,431,896	\$ 21,173,132	\$ 21,120,437	\$ 21,974,356	\$ 23,883,433	\$ 23,370,223
Program revenues										
Governmental activities										
Charges for services	\$ 205,781	\$ 278,204	\$ 260,553	\$ 479,984	\$ 400,227	\$ 410,689	\$ 426,245	\$ 531,021	\$ 542,690	\$ 435,472
General government	701,235	656,572	660,570	546,086	444,024	527,576	581,150	466,488	674,344	598,411
Public works	-	-	-	-	-	-	-	-	-	-
Health	140,023	148,168	139,729	147,724	141,787	122,711	119,701	139,614	118,595	138,875
Recreation and culture	53,713	54,780	54,859	44,073	45,166	45,071	46,425	51,323	52,313	50,703
Operating grants and contributions	294,822	414,022	499,170	400,536	361,486	284,691	271,801	529,894	553,279	544,817
Capital grants and contributions	-	11,205	146,896	240,810	283,519	35,000	19,591	2,091,336	17,314	1,041
Total governmental activities program revenues	1,395,574	1,562,951	1,761,777	1,859,213	1,676,209	1,425,738	1,464,913	3,809,676	1,958,535	1,769,310
Business-type activities										
Charges for services	2,731,076	2,904,631	2,999,883	2,905,358	3,101,968	2,975,870	2,949,538	3,195,607	3,037,505	3,192,195
Solid waste management	5,852,233	6,037,512	6,097,265	7,615,276	7,920,904	6,972,714	7,538,997	7,217,371	7,271,527	7,622,606
Water and sewer	20,158	22,941	22,697	21,163	9,940	7,106	7,781	10,817	11,937	12,063
Theatre arts	1,000	1,000	-	-	-	-	-	12,599	-	-
Operating grants and contributions	-	-	58,000	-	128,755	242,851	84,220	233,093	-	-
Capital grants and contributions	8,604,467	9,006,646	9,177,845	10,541,797	11,161,567	10,198,541	10,580,536	10,669,487	10,320,969	10,826,864
Total business-type activities program revenues	\$ 10,000,041	\$ 10,569,597	\$ 10,939,622	\$ 12,401,010	\$ 12,837,776	\$ 11,624,279	\$ 12,045,449	\$ 14,479,163	\$ 12,279,504	\$ 12,596,183
Total primary government program revenues										

Schedule 2 (continued)
City of Plainview
Changes in Net Position, Last Ten Fiscal Years
(accural basis of accounting)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Net (expenses) / revenues										
Governmental activities	\$ (8,540,822)	\$ (9,290,969)	\$ (9,452,207)	\$ (9,443,801)	\$ (10,213,869)	\$ (10,988,033)	\$ (10,426,280)	\$ (9,257,842)	\$ (12,432,333)	\$ (12,692,473)
Business-type activities	991,304	1,068,282	1,394,210	2,294,737	2,619,749	1,439,180	1,351,292	1,762,649	828,404	1,918,433
Total primary government net expense	<u>\$ (7,549,518)</u>	<u>\$ (8,222,687)</u>	<u>\$ (8,057,997)</u>	<u>\$ (7,149,064)</u>	<u>\$ (7,594,120)</u>	<u>\$ (9,548,853)</u>	<u>\$ (9,074,988)</u>	<u>\$ (7,495,193)</u>	<u>\$ (11,603,929)</u>	<u>\$ (10,774,040)</u>
General revenues and other changes in net assets										
Governmental activities										
Taxes										
Property taxes	\$ 3,777,277	\$ 4,072,569	\$ 4,121,886	\$ 4,269,904	\$ 4,286,822	\$ 4,377,687	\$ 4,662,566	\$ 4,645,789	\$ 4,966,991	\$ 5,398,266
Sales taxes	3,523,496	3,489,461	3,533,785	3,688,408	3,790,688	3,829,054	3,864,922	4,237,638	4,180,786	4,096,627
Franchise taxes	1,391,824	1,151,056	1,393,606	1,397,897	1,347,673	1,344,875	1,463,657	1,425,060	1,300,049	1,354,941
Penalty and interest	61,680	75,689	75,093	75,788	86,664	83,552	91,107	77,588	75,004	84,963
Other taxes	322,021	282,371	296,271	318,044	341,798	349,135	325,207	434,508	439,039	397,059
Miscellaneous	39,827	66,226	107,740	70,018	137,196	328,539	145,607	140,649	293,360	262,346
Investment earnings	567,919	297,333	203,399	144,265	104,558	46,805	37,069	42,615	85,669	242,204
Special item	1,272,713	-	-	32,687	56,284	-	-	-	-	-
Gain on sale of capital assets	-	-	-	-	-	-	-	-	-	126,800
Transfers	460,018	435,790	428,343	605,683	579,810	862,603	654,703	521,117	601,320	(164,376)
Total governmental activities	<u>11,416,775</u>	<u>9,870,495</u>	<u>10,160,123</u>	<u>10,602,694</u>	<u>10,731,493</u>	<u>11,222,250</u>	<u>11,244,838</u>	<u>11,524,964</u>	<u>11,942,218</u>	<u>11,798,830</u>
Business-type activities										
Investment earnings	319,079	178,213	228,396	113,624	87,932	53,593	38,149	41,928	65,402	187,816
Miscellaneous	333,397	149,764	119,542	217,268	136,938	79,585	76,691	48,435	253,710	126,135
Special and extraordinary items	-	-	-	-	118,062	-	-	-	-	-
Gain on sale of capital assets	-	-	-	-	-	-	(50,619)	36,232	74,010	61,816
Transfers	(460,018)	(435,790)	(428,343)	(605,683)	(579,810)	(862,603)	(654,703)	(521,117)	(601,320)	(664,205)
Total business-type activities	<u>192,458</u>	<u>(107,813)</u>	<u>(80,405)</u>	<u>(274,791)</u>	<u>(236,878)</u>	<u>(729,425)</u>	<u>(590,482)</u>	<u>(394,522)</u>	<u>(208,198)</u>	<u>(288,438)</u>
Total primary government	<u>\$ 11,609,233</u>	<u>\$ 9,762,682</u>	<u>\$ 10,079,718</u>	<u>\$ 10,327,903</u>	<u>\$ 10,494,615</u>	<u>\$ 10,492,825</u>	<u>\$ 10,654,356</u>	<u>\$ 11,130,442</u>	<u>\$ 11,734,020</u>	<u>\$ 11,510,392</u>
Change in net position										
Governmental activities	\$ 2,875,953	\$ 579,526	\$ 707,916	\$ 1,158,893	\$ 517,624	\$ 234,217	\$ 818,558	\$ 2,267,122	\$ (490,115)	\$ (893,643)
Business-type activities	1,183,762	960,469	1,313,805	2,019,946	2,382,871	709,755	760,810	1,368,127	620,206	1,629,995
Total primary government	<u>\$ 4,059,715</u>	<u>\$ 1,539,995</u>	<u>\$ 2,021,721</u>	<u>\$ 3,178,839</u>	<u>\$ 2,900,495</u>	<u>\$ 943,972</u>	<u>\$ 1,579,368</u>	<u>\$ 3,635,249</u>	<u>\$ 130,091</u>	<u>\$ 736,352</u>

Schedule 3
City of Plainview
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General fund										
Nonspendable	\$ 49,183	\$ 43,829	\$ 40,223	\$ 42,453	\$ 42,022	\$ 38,470	\$ 48,866	\$ 48,094	\$ 48,915	\$ 48,251
Assigned	1,890,009	2,311,844	2,598,099	2,917,945	2,984,676	2,796,741	3,115,950	2,977,612	2,927,235	2,429,905
Unassigned	8,406,128	8,847,506	9,869,544	10,780,206	11,544,224	11,924,496	12,569,280	12,950,647	12,868,321	13,408,503
Total general fund	\$ 10,345,320	\$ 11,203,179	\$ 12,507,866	\$ 13,740,604	\$ 14,570,922	\$ 14,759,707	\$ 15,734,096	\$ 15,976,353	\$ 15,844,471	\$ 15,886,659
All other governmental funds										
Restricted	\$ 211,258	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted, reported in										
Special revenue funds:										
Hotel occupancy tax fund	394,591	410,710	434,157	483,846	568,494	539,048	625,654	809,024	725,437	808,438
Revolving loan fund	197,083	296,929	114,758	115,501	116,351	45,882	-	-	-	-
Police seizure funds	4,682	69,145	58,938	34,343	55,385	66,298	65,203	49,446	42,262	16,743
RSVP fund	-	-	-	-	-	-	-	-	-	-
Court security fee fund	39,332	41,849	48,875	33,787	40,304	46,432	15,052	23,032	27,730	33,662
Court technology fee fund	31,467	40,024	52,226	51,994	29,160	37,605	47,737	30,781	36,095	36,751
TLSAC library grant fund	6,909	-	-	-	-	-	-	-	-	-
Home program grant fund	32,621	47,621	-	-	-	-	-	-	-	-
PEG fund	-	-	-	-	-	-	-	-	-	-
JAG law enforcement grant funds	-	3,210	-	-	-	1,158	12,331	51,806	82,502	121,872
Assigned for Travis Trussell Duck Pond	-	-	-	-	-	-	-	-	140,000	69,945
Total all other governmental funds	\$ 917,943	\$ 909,488	\$ 708,954	\$ 719,471	\$ 809,694	\$ 736,423	\$ 765,977	\$ 964,089	\$ 1,054,026	\$ 1,087,411

Schedule 4
City of Plainview
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Taxes (see Schedule 5)	\$ 9,067,033	\$ 9,062,717	\$ 9,417,000	\$ 9,736,285	\$ 9,900,447	\$ 9,992,489	\$ 10,397,981	\$ 10,848,506	\$ 10,948,970	\$ 11,317,925
Licenses and permits	48,800	47,497	53,328	93,757	81,473	65,776	76,469	121,432	101,180	90,856
Intergovernmental	288,410	400,704	618,872	387,245	351,219	273,780	258,428	523,038	546,224	537,852
Charges for services	742,441	636,325	654,049	732,318	627,144	614,684	734,498	646,425	835,382	817,081
Fines	305,692	440,657	402,484	387,513	314,082	341,591	360,889	415,641	447,081	357,131
Investment earnings	388,711	219,224	154,808	108,277	79,479	46,805	37,069	42,615	85,669	185,331
Rents and Royalties	360	360	360	360	360	360	360	500	500	525
Contributions and donations	6,412	20,319	15,234	13,291	10,267	45,911	18,873	37,906	9,461	6,963
Other revenues	40,527	8,134	58,472	70,018	137,196	328,539	187,107	134,149	143,434	264,688
Total revenues	10,888,386	10,835,937	11,374,607	11,529,064	11,501,667	11,709,935	12,071,674	12,770,212	13,117,901	13,578,352
Expenditures										
General Government	1,314,345	1,718,989	1,836,624	1,649,313	1,530,785	2,114,446	1,733,808	2,330,382	2,500,788	2,874,277
Public safety	5,828,529	5,953,304	6,062,813	6,389,636	6,696,344	6,893,442	7,095,090	7,431,026	7,638,660	7,720,813
Public works	830,318	910,141	904,783	662,859	1,142,860	897,896	801,562	684,113	1,039,615	1,241,287
Health	381,296	406,096	389,144	419,261	405,574	377,067	369,804	401,300	379,824	407,333
Recreation and Culture	955,160	1,036,580	995,397	1,085,960	1,030,000	1,047,655	1,146,519	1,054,980	1,111,519	1,090,193
Capital outlay	171,215	165,660	291,537	521,325	357,832	86,867	167,276	1,112,492	989,521	738,717
Total expenditures	9,480,863	10,190,770	10,480,298	10,728,354	11,163,395	11,417,373	11,314,059	13,014,293	13,659,927	14,072,620
Excess of revenues over (under) expenditures	1,407,523	645,167	894,309	800,710	338,272	292,562	757,615	(244,081)	(542,026)	(494,268)
Other financing sources (uses)										
Sale of property	-	100	-	-	-	-	-	-	-	-
Transfers in	1,000,018	1,158,347	1,017,904	1,395,280	785,769	563,932	790,857	745,450	780,698	635,878
Transfers out	(790,000)	(954,210)	(808,061)	(952,735)	(203,500)	(740,980)	(544,529)	(61,000)	(280,617)	(66,037)
Total other financing sources (uses)	210,018	204,237	209,843	442,545	582,269	(177,048)	246,328	684,450	500,081	569,841
Net change in fund balances	\$ 1,617,541	\$ 849,404	\$ 1,104,152	\$ 1,243,255	\$ 920,541	\$ 115,514	\$ 1,003,943	\$ 440,369	\$ (41,945)	\$ 75,573
Debt service as a percentage of noncapital expenditures	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

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

(modified accrual basis of accounting)

Fiscal Year	Property	Sales & Use	Franchise	Occupancy	Mixed Beverage	Interest and Penalty	Total
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
2012	4,333,624	3,790,688	1,347,673	311,718	30,080	86,664	9,900,447
2013	4,385,873	3,829,054	1,344,875	321,718	27,417	83,552	9,992,489
2014	4,653,088	3,864,922	1,463,657	296,899	28,308	91,107	10,397,981
2015	4,673,712	4,237,638	1,425,060	391,324	43,184	77,588	10,848,506
2016	4,954,092	4,180,786	1,300,049	406,734	32,305	75,004	10,948,970
2017	5,384,335	4,096,627	1,354,941	358,356	38,703	84,963	11,317,925

Percent

Change							
2008-2016	42.9%	16.3%	-2.6%	22.0%	37.4%	37.7%	24.8%

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
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
2012	562,212,709	203,686,243	107,244,019	124,849,328	748,293,643	0.5785
2013	573,318,449	202,986,230	109,325,033	128,471,037	757,158,675	0.5785
2014	575,850,019	209,670,673	96,690,063	128,572,126	753,638,629	0.6185
2015	580,460,871	225,574,773	97,012,823	131,372,562	771,675,905	0.6038
2016	597,215,014	233,512,357	100,895,044	140,666,810	790,955,605	0.6288
2017	617,213,425	251,995,782	137,616,180	146,493,021	860,332,366	0.6288

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		
	General		Total Direct Rate	Plainview		Hale County
	Operating & Maintenance	Obligation Debt Service		Independent School District	High Plains Water District	
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
2012	0.5785	-	0.5785	1.0400	0.00776	0.492100
2013	0.5785	-	0.5785	1.0400	0.00754	0.492100
2014	0.6185	-	0.6185	1.0400	0.00810	0.492100
2015	0.6038	-	0.6038	1.0400	0.00826	0.492100
2016	0.6288	-	0.6288	1.0400	0.00826	0.492100
2017	0.6288	-	0.6288	1.1700	0.00750	0.507900

Source: Hale County Appraisal District

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

	2017			2008		
	Taxable Assessed Value	Rank	Percent of Taxable Assessed Value	Taxable Assessed Value	Rank	Percent of Taxable Assessed Value
Wal-Mart - Inventory	\$ 89,564,630	1	10.41	\$ 87,989,710	1	12.42
General Electric Company	30,300,000	2	3.52			
Wal-Mart Distribution	13,860,820	3	1.61	16,421,900	2	2.32
Excel Energy	10,394,712	4	1.21	4,710,482	6	0.66
Wal-Mart Stores	7,980,760	5	0.93	8,102,218	4	1.14
BNSF Railway	6,715,626	6	0.78	3,689,126	8	0.52
Reagor Dykes Auto Company	6,280,204	7	0.73			
Wal-Mart Stores - Inventory	5,899,149	8	0.69	7,685,296	5	1.08
Amos Energy	5,710,560	9	0.66			
Chromatin, Inc.	5,136,018	10	0.60			
Southwestern Bell				4,234,417	7	0.60
Acher Daniels Midland				13,149,281	3	1.86
Westview Center				3,080,602	10	0.44
Stonegate Center				3,400,860	9	0.48
Total	\$ 181,842,479		21.14	\$ 152,463,892		21.52

Source: Hale County Appraisal District

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

Fiscal Year Ended Sept 30	Taxes Levied for the Fiscal Year	Adjustments	Total Adjusted Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections To Date	
				Amount	Percentage of Levy		Amount	Percentage of Adjusted Levy
2008	\$ 3,784,098	\$ (20,110)	\$ 3,763,988	\$ 3,691,589	97.56 %	65,978	\$ 3,757,567	99.83 %
2009	4,124,614	(51,564)	4,073,050	3,969,938	96.25	95,801	\$ 4,065,739	99.82
2010	4,127,462	(5,906)	4,121,556	4,022,367	97.45	90,678	\$ 4,113,045	99.79
2011	4,271,943	(5,177)	4,266,766	4,162,047	97.43	96,130	\$ 4,258,177	99.80
2012	4,328,879	(10,510)	4,318,369	4,217,584	97.43	87,972	\$ 4,305,556	99.70
2013	4,380,163	(6,032)	4,374,131	4,274,369	97.58	84,333	\$ 4,358,702	99.65
2014	4,661,548	(3,586)	4,657,962	4,546,796	97.54	89,212	\$ 4,636,008	99.53
2015	4,659,380	(8,963)	4,650,417	4,560,197	97.87	58,063	\$ 4,618,260	99.31
2016	4,973,529	(5,894)	4,967,635	4,870,575	97.93	40,202	\$ 4,910,777	98.86
2017	5,409,770	(5,724)	5,404,046	5,298,547	97.94	-	\$ 5,298,547	98.05

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	Certificates of Obligation Bonds	General			Water Authority Indebtedness					
				Obligation Refunding Bonds	Obligation Refunding Bonds	Bonds						
2008	\$ -	\$ -	\$ -	\$ 9,065,000	\$ -	\$ 6,106,514	\$ 15,171,514	\$ 1.69%	\$ 711			
2009	-	-	-	1,570,000	6,875,000	5,821,287	14,266,287	1.51%	652			
2010	-	-	-	1,155,000	6,720,000	6,379,585	14,254,585	1.38%	642			
2011	-	-	-	9,625,000	6,180,000	6,062,818	21,867,818	2.13%	985			
2012	-	-	-	9,330,000	5,635,000	8,713,148	23,678,148	2.26%	1,067			
2013	-	-	-	8,740,000	5,075,000	8,123,989	21,938,989	2.07%	988			
2014	-	-	-	8,120,000	4,505,000	7,654,326	20,279,326	1.88%	914			
2015	-	-	-	7,495,000	3,920,000	6,984,518	18,399,518	1.71%	829			
2016	-	-	-	7,100,000	3,320,000	6,499,573	16,919,573	1.54%	762			
2017	-	-	-	6,705,000	2,700,000	5,998,771	15,403,771	n/a	694			

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.
Personel income data for fiscal year 2017 is unavailable.
See Schedule of Demographic and Economic Statistics for Population data.

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

Fiscal Year	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Certificates of Obligation Bonds	Total		
2008	\$ -	\$ -	\$ -	-	\$ -
2009	-	-	-	-	-
2010	-	-	-	-	-
2011	-	-	-	-	-
2012	-	-	-	-	-
2013	-	-	-	-	-
2014	-	-	-	-	-
2015	-	-	-	-	-
2016	-	-	-	-	-
2017	-	-	-	-	-

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, 2017

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Debt repaid with property taxes			
Plainview Independent School District	\$ -	68.24 %	\$ -
County of Hale	2,455,000	42.53	1,044,112
Other debt			
Plainview Independent School District	494,175	68.24	337,225
County of Hale	-	42.53	-
Subtotal overlapping debt			1,381,337
City direct debt			-
Total direct and overlapping debt			<u>\$ 1,381,337</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 Plainville
Pledged-Revenue Coverage
Last Ten Fiscal Years

Water and Sewer Revenue Bonds										Solid Waste Management Revenue Bonds									
Fiscal Year	Utility Operating Revenues	Less: Operating Expenses	Net Available Revenue	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage	Principal	Interest	Coverage	Principal	Interest	Coverage	Principal
2008	\$ 5,912,084	\$ 4,241,912	\$ 1,670,172	\$ 2,858,367	\$ 1,742,492	\$ 1,115,875	\$ 2,858,367	\$ 1,742,492	\$ 1,115,875	\$ -	\$ -	-	\$ -	\$ -	-	\$ -	\$ -	-	\$ -
2009	6,108,850	4,456,922	1,651,928	2,979,411	1,731,807	1,247,604	2,979,411	1,731,807	1,247,604	190,000	59,967	4.99	190,000	59,967	4.99	190,000	59,967	4.99	190,000
2010	6,193,488	4,192,542	2,000,946	3,125,995	1,887,998	1,237,997	3,125,995	1,887,998	1,237,997	205,000	44,012	4.97	205,000	44,012	4.97	205,000	44,012	4.97	205,000
2011	7,706,153	4,577,963	3,178,190	3,031,524	1,905,573	1,125,951	3,031,524	1,905,573	1,125,951	215,000	36,662	4.47	215,000	36,662	4.47	215,000	36,662	4.47	215,000
2012	7,964,800	4,915,329	3,049,471	3,194,854	1,757,067	1,437,787	3,194,854	1,757,067	1,437,787	225,000	28,963	5.66	225,000	28,963	5.66	225,000	28,963	5.66	225,000
2013	7,226,537	5,165,632	2,060,905	3,044,358	1,892,207	1,152,151	3,044,358	1,892,207	1,152,151	230,000	21,000	4.59	230,000	21,000	4.59	230,000	21,000	4.59	230,000
2014	7,555,713	5,712,418	1,843,295	3,008,243	1,847,416	1,160,827	3,008,243	1,847,416	1,160,827	240,000	12,775	4.59	240,000	12,775	4.59	240,000	12,775	4.59	240,000
2015	7,231,495	5,227,740	2,003,755	3,229,419	1,889,468	1,339,951	3,229,419	1,889,468	1,339,951	245,000	4,288	5.38	245,000	4,288	5.38	245,000	4,288	5.38	245,000
2016	7,476,677	5,839,667	1,637,010	3,086,065	1,966,406	1,119,659	3,086,065	1,966,406	1,119,659	-	-	-	-	-	-	-	-	-	-
2017	7,699,906	5,353,050	2,346,856	3,238,085	1,991,372	1,246,713	3,238,085	1,991,372	1,246,713	-	-	-	-	-	-	-	-	-	-

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		County Unemployment Rate
			Personal Income	Per Capita Personal Income	
2008	21,324	35,326	\$ 898,285,000	\$ 25,428	4.9%
2009	21,884	35,408	941,923,000	26,602	5.9%
2010	22,194	36,273	1,033,528,000	28,493	7.1%
2011	22,194	36,273	1,026,334,000	28,295	7.4%
2012	22,194	36,273	1,048,790,000	28,914	6.6%
2013	22,194	36,273	1,058,817,000	29,190	11.0%
2014	22,194	36,273	1,081,292,000	29,810	6.3%
2015	22,194	36,273	1,077,771,000	29,713	5.4%
2016	22,194	36,273	1,098,512,000	30,285	5.3%
2017	22,194	36,273	N/A	N/A	4.1%
				School Enrollment	
				5,784	
				5,846	
				5,842	
				5,780	
				5,801	
				5,522	
				5,559	
				5,659	
				5,586	
				5,519	

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

Note: Personal income data for calendar year 2017 is unavailable.

Schedule 15
City of Plainview
Principal Employers *
Last Ten Years

2008	2009	2010	2011
Azteca Milling	Azteca Milling	Azteca Milling	Azteca Milling
Cargill Meat Solutions	Cargill Meat Solutions	Cargill Meat Solutions	Cargill Meat Solutions
Central Plains MHMR Center	Central Plains MHMR Center	Central Plains MHMR Center	Central Plains MHMR Center
City of Plainview	City of Plainview	City of Plainview	City of Plainview
Covenant Hospital	Covenant Hospital	Covenant Hospital	Covenant Hospital
Plainview Independent School District	Plainview Independent School District	Plainview Independent School District	Plainview Independent School District
Texas Department of Criminal Justice	Texas Department of Criminal Justice	Texas Department of Criminal Justice	Texas Department of Criminal Justice
United Supermarkets	United Supermarkets	United Supermarkets	United Supermarkets
Wal-Mart Associates	Wal-Mart Associates	Wal-Mart Associates	Wal-Mart Associates
Wayland Baptist University	Wayland Baptist University	Wayland Baptist University	Wayland Baptist University
2012	2013	2014	2015
Azteca Milling	Azteca Milling	Azteca Milling	Azteca Milling
Cargill Meat Solutions	Central Plains MHMR Center	Central Plains MHMR Center	Central Plains MHMR Center
Central Plains MHMR Center	City of Plainview	City of Plainview	City of Plainview
City of Plainview	Covenant Hospital	Covenant Hospital	Covenant Hospital
Covenant Hospital	Hale County	Hale County	Hale County
Plainview Independent School District	Plainview Independent School District	Plainview Independent School District	Plainview Independent School District
Texas Department of Criminal Justice	Texas Department of Criminal Justice	Texas Department of Criminal Justice	Texas Department of Criminal Justice
United Supermarkets	United Supermarkets	United Supermarkets	United Supermarkets
Wal-Mart Associates	Wal-Mart Associates	Wal-Mart Associates	Wal-Mart Associates
Wayland Baptist University	Wayland Baptist University	Wayland Baptist University	Wayland Baptist University
2016	2017		
Azteca Milling	Azteca Milling		
Central Plains MHMR Center	Central Plains MHMR Center		
City of Plainview	City of Plainview		
Covenant Hospital	Covenant Hospital		
Hale County	Hale County		
Plainview Independent School District	Plainview Independent School District		
Texas Department of Criminal Justice	Texas Department of Criminal Justice		
United Supermarkets	United Supermarkets		
Wal-Mart Associates	Wal-Mart Associates		
Wayland Baptist University	Wayland Baptist University		

* Employers are listed alphabetically with no ranking intended. The number of employees is not disclosed due to confidentiality.
Sources: Texas Workforce Commission, Workforce Solutions South Plains, Plainview Chamber of Commerce, and Plainview/ Hale County Economic Development Corporation.



PLAINVIEW, TX

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

<u>Function/Program</u>	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government										
City Manager	2	2	2	2	2	2	2	2	2	3
Legal	2	2	2	2	2	2	2	2	2	2
Finance	1	1	1	1	1	1	1	1	1	1
Human Resources	1	1	1	1	1	1	1	1	1	1
Civil Service	1	1	1							
Administrative Services					2	2	2	2	2	0
Information Technology										2
Municipal Court	3	3	3	2	2	2	2	2	2	2
Community Development	2	2	2	2	2	2	2	2	2	2
Code Compliance	3	3	3	3	3	4	4	4	4	4
Main Street	1	1	1	1	1	1	1	1	1	1
RSVP	2	2	2	2	2	2	2	2	2	2
Public Safety										
Police	45	45	45	45	46	46	46	46	46	45
Emergency Operation Center										1
Fire / EMS	36	36	36	36	36	36	36	36	36	36
Traffic Control	3	3	3	3	3	3	3	3	3	3
Animal Control	2	2	2	2	2	2	2	2	2	2
Public Works										
Public Works	3	3	3	3	3	3	2	2	1	1
Street Cleaning	2	2	2	2	2	2	2	2	2	2
Street Department	7	7	7	7	7	5	5	5	5	5
Custodial Services	2	2	2	2	2	2	2	2	2	2
Health	7	7	7	7	7	6	6	6	6	6
Recreation and Culture										

Parks	12	12	12	11	11	11	11	11	11	11	11
Library	5	5	5	5	5	5	5	5	5	5	5
Convention and Tourism	1	1	1	1	1	1	1	1	1	1	1
Solid Waste Management											
Collection	11	11	11	11	11	11	11	11	11	11	11
Landfill	8	8	8	8	8	8	8	8	8	8	8
Recycling	1	1	1	1	1	1	1	1	1	1	1
Vector Mowing	1	1	1	1	1	1	1	1	1	1	1
Vector Spraying	1	1	1	1	1	1	1	1	1	1	1
Water & Sewer											
Utility Accounting	6	6	6	6	6	6	6	6	6	6	6
Meter Services	3	3	3	3	3	3	3	3	3	3	3
Water Production	7	7	7	7	7	7	7	7	7	7	7
Wastewater Treatment	5	5	5	5	5	5	5	5	5	5	5
Water Distribution	6	6	6	6	6	6	6	6	6	6	6
Water Collection	3	3	3	3	3	3	3	3	3	3	3
Fleet Services	4	4	4	4	4	4	4	4	4	4	4
Theatre Arts											
Total	199	199	199	197	199	196	195	194	194	195	195

Source: City of Plainview Annual Budget Personnel Summary

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

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

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General government										
Building permits issued	184	154	266	208	226	228	158	169	180	140
Building inspections	2,284	2,057	2,494	1,524	1,058	976	690	1,265	1,521	1,161
Public safety										
Police										
Calls for service	13,997	15,378	14,403	14,313	19,225	20,946	26,103	26,670	27,577	26,574
Citations issued	4,290	3,307	3,377	2,642	2,243	2,310	2,191	2,920	2,630	2,605
Arrests	1,712	1,659	1,593	1,594	1,346	1,309	1,285	1,170	1,020	1,109
Fire/EMS										
Total Fire calls	1,634	1,560	1,656	1,878	1,673	1,888	1,784	352	129	102
Fire-EMS Assists								1,558	1,681	1,781
Total EMS calls	2,027	1,915	1,949	2,139	2,067	2,367	2,194	2,107	2,482	2,536
Inspections	96	122	137	45	86	168	119	98	167	248
Public works										
Street seal coating (lane miles)	23.08	19.97	21.18	-	23.39	12.12	15.83	-	8.50	12.56
Street patch material used (tons)	487.0	184.6	437.7	335.8	279.3	266.5	179.2	213.0	287.8	276.1
Health										
Immunizations	5,462	6,452	5,018	4,739	2,892	2,296	1,585	1,374	1,605	1,279
Inspections	288	156	253	231	243	284	290	396	363	330
Recreation and culture										
Parks										
Shelter house permits	216	192	235	303	294	306	227	167	207	229
Library										
Volumes in collection	52,109	48,244	53,593	46,473	52,566	53,358	54,788	55,113	56,535	58,685
Volumes borrowed	51,418	55,319	55,019	48,543	47,277	42,339	40,624	40,613	42,855	37,721
Visitors	88,993	92,247	93,761	83,630	76,541	71,643	71,592	71,928	71,135	66,416

Solid waste management										
Refuse collected (annual tonnage)	28,317	31,200	31,200	28,099	27,789	20,535	22,458	24,556	25,607	28,451
Recyclables collected (annual tonnage)	592	1,061	646	841	636	382	652	379	667	587
Water										
New connections	12	13	14	18	25	3	21	22	17	9
Main line repairs	86	124	124	72	112	163	160	171	59	101
Average daily production (thousands of gallons)	4,298	4,442	4,406	5,463	5,037	4,089	3,234	2,719	3,016	3,030
Peak daily production (thousands of gallons)	10,659	8,647	8,561	10,048	8,766	6,539	5,949	3,532	6,041	5,564
Wastewater										
Average daily sewage treatment (thousands of gallons)	2,000	1,800	1,928	1,560	1,510	1,566	1,320	1,320	1,256	1,300
Theatre										
Events scheduled	108	101	102	85	40	37	38	40	58	51
Attendees	13,623	10,622	10,665	9,760	5,280	5,611	4,262	5,794	6,378	6,433

Sources: Various city departments

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

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	22	22	24	24	21	23	23	22	22	22
Staff and detective units, SWAT Van	12	12	13	14	16	14	14	16	16	16
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)	137	137	137	137	137	137	137	138	138	138
Streetslights	1,356	1,356	1,357	1,358	1,356	1,356	1,356	1,356	1,356	1,358
Traffic signals - City	7	7	7	7	7	7	7	7	7	7
Traffic signals - State	16	16	16	16	17	18	18	18	18	18
Recreation and culture										
Parks										
Developed parks acreage	286	286	286	286	286	286	286	286	286	286
Open spaces acreage	243	301	301	301	301	301	301	301	301	301
Playgrounds	14	14	14	14	14	14	14	14	14	14
Baseball/softball diamonds	19	19	21	21	21	21	21	21	21	21
Football/soccer fields	3	3	3	3	3	3	3	3	3	3
Skatepark										
Multi-purpose athletic courts	6	6	6	6	6	6	6	6	6	6
Community centers, pavilions, covered tables	5	5	7	7	7	26	26	26	29	29
Fitness center										
Library										
Internet access workstations	15	15	15	15	15	15	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)	10,593	10,495	10,495	10,303	10,216	10,136	10,051	9,975	10,163	10,101
Water										
Water mains (miles)	201	201	208	208	197	197	197	197	201	201
Fire hydrants	745	747	731	736	736	744	744	744	747	752
Storage capacity (thousands of gallons)	7,590	7,590	7,590	7,590	7,590	9,590	8,340	8,200	8,200	8,200
Wastewater										
Collection lines (miles)	140	140	164	164	164	164	164	164	164	164
Treatment capacity (thousands of gallons per day)	3,300	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.



PLAINVIEW, TX

explore the opportunities

**Compliance and Internal
Control**



Independent Auditor's 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 Honorable Mayor and Members of City Council
City of Plainview, Texas:

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Plainview, Texas (the City), as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 15, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City's internal control. Accordingly, we do not express an opinion on the effectiveness of City's internal control.

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 a 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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses as Finding 2017-A that we consider to be a significant deficiency

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from 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*.

City of Plainview, Texas's Response to Findings

The City's response to the findings identified in our audit are described in the accompanying schedule of findings and responses. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Eide Bailly LLP". The script is cursive and fluid, with the letters "E", "B", and "L" being particularly prominent.

Plainview, Texas
March 15, 2018

CITY OF PLAINVIEW, TEXAS
Schedule of Findings and Responses
For the Year Ended September 30, 2017

Summary of Auditor's Results

Type of auditor's report issued on the financial statements:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	None reported
Significant deficiencies identified that are not considered to be material weaknesses	Finding 2017-A
Noncompliance material to financial statements noted?	No

B. Findings Related to the Financial Statements which are Required to be Reported in Accordance with Government Auditing Standards

Finding 2017-A:	Calculation of Unbilled Utility Revenue
Type of Finding:	Significant Deficiency
Criteria or Specific Requirement:	The City records an accrual of revenue for unbilled utilities based on the number of days of the last billing period that were included in the fiscal year.
Statement of Condition:	It was noted the accrual of revenue for Zone 2 included 33 days of unbilled revenue.
Cause:	A review of the calculation of unbilled utility revenue was not performed.
Effect:	An additional 3 days of utility revenue was recorded.
Recommendations:	An employee from the City should review the calculation of unbilled utility revenue prior to recording.
View of Responsible Officials:	Management agrees with this finding and will make appropriate changes.



Corrective Action Plan
For the Year Ended September 30, 2017

Finding 2017-A The City will design and implement a review process for 2018.

Contact Person: Sarianne Beversdorf
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Expected Implementation date: September 30, 2018

