

Comprehensive Annual Financial Report



PLAINVIEW, TX

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City of Plainview, Texas

**For the Fiscal Year Ended
September 30, 2018**



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Financial Statements
September 30, 2018

City of Plainview, Texas

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Introductory Section

March 3, 2019

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, 2018, 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, 2018, 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, 2018, 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.

The City of Plainview had federal expenditures of \$857,682 for the fiscal year ended September 30, 2018, which exceeded the \$750,000 threshold requiring the City to have a Single Audit on the City's major federal program (Investments for Public Works and Economic Development Facilities Grant) to determine if the City was in compliance with the requirements of the OMB Compliance Supplement. The independent auditor concluded, based upon the audit, that the City complied, in all material respects, with the compliance requirements for the major federal program for the year ended September 30, 2018. The report is included in the compliance 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 \$35.4 million in investments with an average maturity of 217 days and an average yield of 2.5%.

It is the City of Plainview's policy that all demand deposits and time deposits be secured by pledged collateral or other approved instruments 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. The finance department retains the irrevocable letters of credit. Collateral and irrevocable letters of credit are reviewed monthly by the finance staff to assure the market value of the securities pledged and the letters of credit are 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.

On October 1, 2017 the City adopted GASB Statement 75, Accounting and Financial Reporting for Postemployment Benefits other than Pensions(OPEB). This requires the City to report the cost and obligations associated with providing retirees access to the City's health insurance plan. The OPEB liability measured at December 31, 2017 was \$1,173,854.

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, 2017. The funded ratio of actuarial accrued liability of this plan was 37.7%. 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 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 37.28% at December 31, 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, 2017 and reported the fiduciary net position as a percentage of total pension liability was 96.03% at December 31, 2017. The City's contribution rate at year end was 13.47% of payroll and the employees individually contribute 7%.

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 2019 are .22% more than for the same five-month period last year.

Employment. The total labor force has increased from 12,124 in December 2017 to 12,541 in December 2018. The unemployment rate as of December 2018 is 4.4%.

Healthcare. Covenant Hospital Plainview, as part of the Covenant Health System and Providence - St. Joseph Health System, serves as a small regional hub for medical care. The hospital is undergoing a \$40.0 million renovation and expansion project. The surgical wing expansion was completed in 2016. Recently, renovations to the Radiology Department were completed. The new radiology features include state of the art equipment with everything from nuclear medicine and cardiovascular tests to basic radiology services, ultrasound, echocardiography, vascular and mammograms.

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 1,300 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 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 \$19.74 million in 2018 compared to \$19.37 million in 2017.

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 and expansion, 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. Construction will be completed in July 2019. 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 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. Xcel Energy started construction on a 478 MW wind farm in Hale County.

Downtown Revitalization. The City created a Downtown Tax Increment Reinvestment Zone (TIRZ) No. 1 in partnership with Hale County in May 2018. Conrad Lofts will complete the renovations to the historic Hilton Hotel to serve as a new downtown apartment complex in 2019. A new travel center was completed at the intersection of U.S. Highway 70 and Business 27 (Columbia Street) in February 2019. These projects will serve as catalyst projects for downtown redevelopment.

In addition, the Texas Department of Agriculture awarded a \$250,000 grant from the Texas Capital Fund – Main Street Program for downtown sidewalk improvements in January 2019. This funding will be included with the bond funds allocated for the Downtown Streetscape Project approved by voters in 2017.

Water Planning. The City, through its membership in the Canadian River Municipal Water Authority (CRMWA), is in the planning process for more transmission lines to develop the additional water rights purchased in 2011. This acquisition doubled the amount of groundwater owned by CRMWA and available to its member cities including Plainview.

Water and Sewer. The Texas Department of Agriculture awarded a Community Development Block Grant in the amount of \$275,000 for sewer collection system improvements and water line replacements. Construction will begin in 2019.

In addition, the City will begin an assessment on the Water Treatment Plant as well as an update to the Water Distribution Study to identify future upgrades to the Water System.

2018 General Obligation Bond Program. In November 2017, voters authorized \$25.0 million in General Obligations Bonds for various 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.

Construction has started on the new Aquatics Complex with an anticipated completion date in the Fall of 2019. The 24th Street Reconstruction Project, Downtown Streetscape Project and the new City Hall Project are currently in design.

Acknowledgements

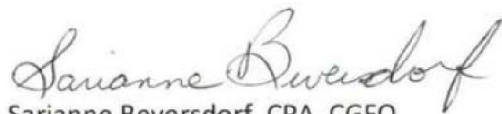
The preparation of this report and the maintenance of the records upon which it is based could not have been accomplished without the efficient and dedicated services of the entire Finance Department. We would like to express our appreciation to staff members Tammy Adams and Vannesa Rincon for their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

CITY OF PLAINVIEW, TEXAS
LISTING OF PRINCIPAL OFFICIALS

<u>ELECTED OFFICIALS</u>	<u>NAME</u>	<u>YEARS SERVICE</u>	<u>OCCUPATION</u>
MAYOR	WENDELL DUNLAP	15	RETIRED/SELF-EMPLOYED
COUNCIL MEMBER DISTRICT 1	NELDA A VAN HOOSE	1	EDUCATOR
COUNCIL MEMBER DISTRICT 2	LARRY WILLIAMS	5	SELF-EMPLOYED
COUNCIL MEMBER DISTRICT 3	NORMA JUAREZ	5	
COUNCIL MEMBER DISTRICT 4	TERESSA KING	5	PRESIDENT, KING CARPET PLUS, INC. & FURNITURE EXPRESSIONS ROYAL SPLASH LLC MANAGING MEMBER
COUNCIL MEMBER DISTRICT 5	SUSAN BLACKERBY	5	RETIRED/HALE CO JJAEP
COUNCIL MEMBER DISTRICT 6	VACANT	0	
COUNCIL MEMBER DISTRICT 7	OLIVER ALDAPE	3	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	8	9
ASSISTANT CITY MANAGER	VACANT	0	0
DIRECTOR OF FINANCE	SARIANNE BEVERSDORF	9	18
DIRECTOR PUBLIC WORKS	TIM CROSSWHITE	7	3
FIRE CHIEF	VACANT	0	0
CHIEF OF POLICE	KEN COUGHLIN	5	10
MUNICIPAL COURT JUDGE	PAT HERNANDEZ	34	21
CITY SECRETARY	BELINDA HINOJOSA	18	18
DIRECTOR OF INFORMATION TECHNOLOGY	ISAURO GUTIERREZ	5	5
MAIN STREET MANAGER	MELINDA BROWN	4	4
COMMUNITY DEVELOPMENT MANAGER	JEFF JOHNSTON	1	1
DIRECTOR OF HUMAN RESOURCES	RACHAEL FOSTER	1	1

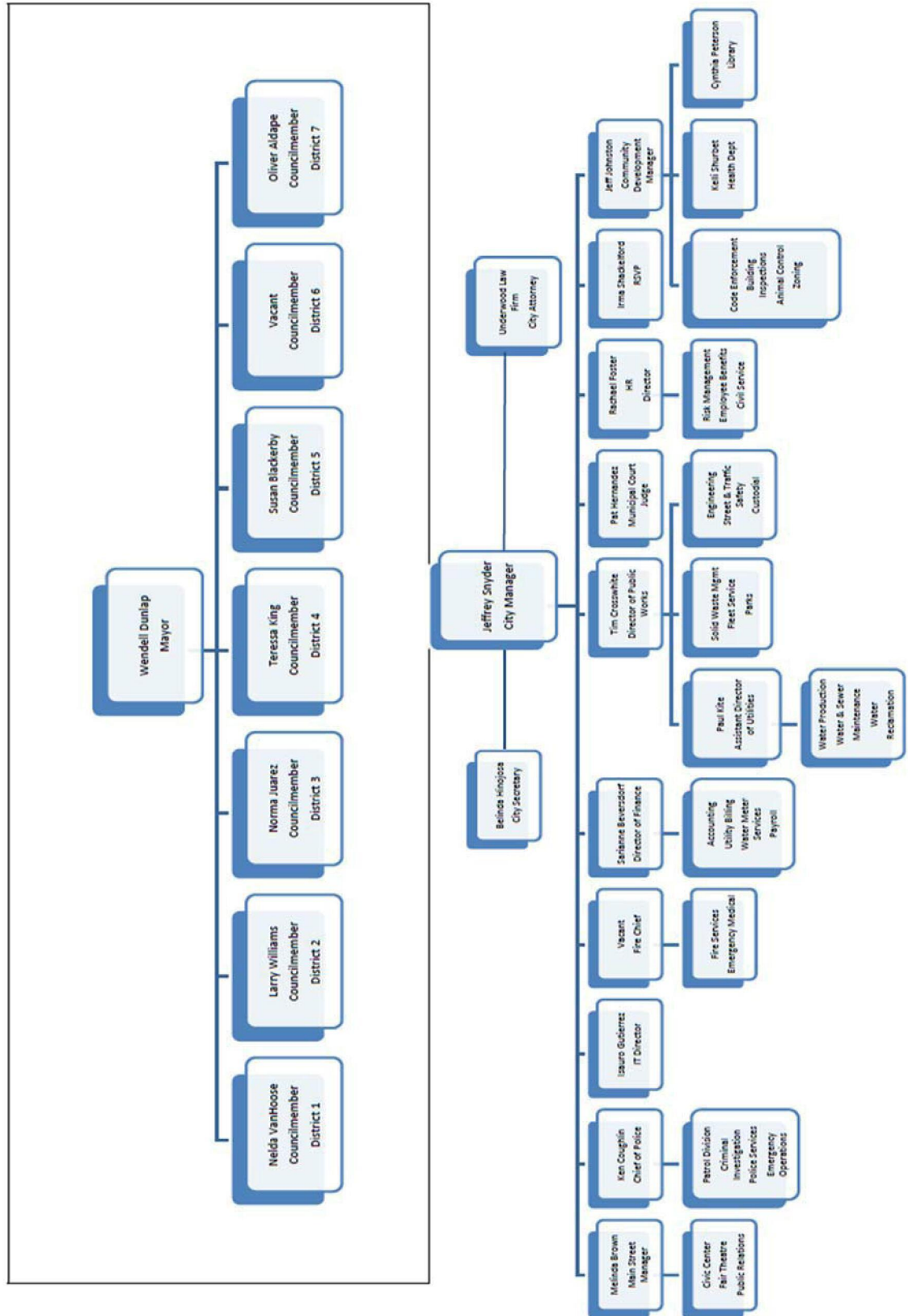
FINANCIAL CONSULTANT - SPECIALIZED PUBLIC FINANCE - AUSTIN, TEXAS

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





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Financial Section



Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of 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, 2018, 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.

Opinion

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 of Plainview, Texas as of September 30, 2018 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.

Change in Accounting Principle

As discussed in Note 1 and 17 to the financial statements, the City has adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which has resulted in a restatement of the net position as of October 1, 2017. Our opinions are not modified with respect to this matter.

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, pension plan schedules and OPEB plan schedule on pages 4-16 and 64-74 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 an opinion on the financial statements taken as a whole. The introductory section, combining financial statements, individual nonmajor fund budgetary comparison schedules, supporting schedules and general information section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is not a required part of the financial statements.

The combining financial statements, individual nonmajor fund budgetary comparison schedules, supporting schedules, and the schedule of expenditures of federal awards 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, supporting schedules, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The introductory and general information sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we 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 a report dated March 8, 2019 on our consideration of City of Plainview, Texas's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Plainview, Texas
March 8, 2019

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, 2018. 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 \$123,679,410 at September 30, 2018 and \$95,899,352 at September 30, 2017, increasing 29.0%.
- Total liabilities were \$59,024,480 at September 30, 2018 and \$36,743,183 at September 30, 2017, increasing 60.6%.
- 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 \$64,786,691, an increase of 3.4%. Of this amount, \$26,382,583 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 \$2,261,866.

Governmental Funds

- Total current assets were \$44,638,289 at September 30, 2018 and \$18,077,135 at September 30, 2017, increasing 146.9%.
- All combined governmental funds reported an ending fund balance of \$41,887,513 or a 146.8% increase from the previous year.
- For the year ended September 30, 2018, total revenues exceeded total expenditures by \$24,913,443.

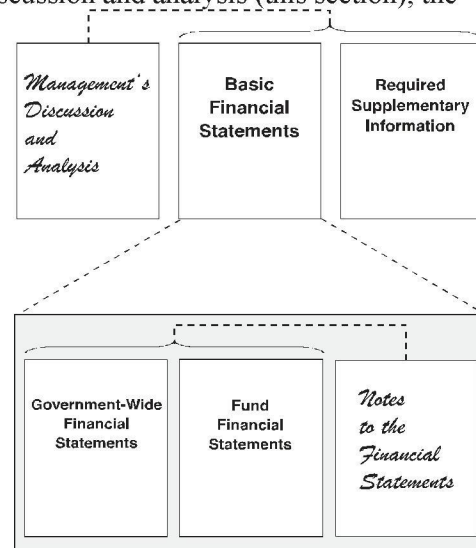
Proprietary Funds

- Net position for combined enterprise funds grew by 5.1% to \$42,553,148. Of this amount, \$15,569,388 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, 2018 is reported at \$2,049,506.
- A net decrease in cash and cash equivalents of \$2,278,809 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.



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.

Summary
←
→
Detail

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

<i>Type of Statements</i>	Fund Statements			
	Government-wide	Governmental Funds	Proprietary Funds	Fiduciary Funds
<i>Scope</i>	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
<i>Required financial statements</i>	♦ 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
<i>Accounting basis and measurement focus</i>	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
<i>Type of asset/liability information</i>	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
<i>Type of inflow/outflow information</i>	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

Government-wide Statements

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

The two government-wide statements report the City's net 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.

In fiscal year 2018, the City adopted the Governmental Accounting Standards Board Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions – which superseded GASB Statement No. 45. Statement No. 75 establishes financial reporting standards and/or accounting standards for state and local government defined other postemployment benefit (OPEB) plans and defined contribution OPEB plans. Statement No. 75 requires that, at transition, a government recognizes a beginning deferred outflow of resources for its OPEB contributions, if any, made subsequent to the measurement date of the beginning net OPEB liability. The effects of the adoption of this statement has no impact on the City's governmental fund financial statements. However, adoption has resulted in certain changes to the presentation of the City's government-wide financial statements. More information on the adoption of this statement and the City's OPEB plan is available in Note 11 and 17.

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 \$64,786,691 at September 30, 2018, \$2,110,137 more than the prior year. (See Table A-1).

(See Table A-1 Next Page)

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

	Governmental Activities		Business -type Activities		Total		Total Percent
	2018	2017	2018	2017	2018	2017	Change
Current assets							
Cash and cash equivalents	\$ 8,049	\$ 5,025	\$ 693	\$ 2,972	\$ 8,742	\$ 7,997	9.3%
Investments	39,557	17,065	16,049	12,979	55,606	30,044	85.1%
Receivables	1,710	1,424	1,367	1,305	3,077	2,729	12.8%
Grant receivable	448	-	-	-	448	-	N/A
Other assets	4	9	-	-	4	9	-55.6%
Due from other governments	30	72	-	-	30	72	-58.3%
Internal balances	(146)	337	146	(337)	-	-	0.0%
Inventories	153	152	111	98	264	250	5.6%
Total current assets	49,805	24,084	18,366	17,017	68,171	41,101	65.9%
Noncurrent assets	3,608	1,685	11,203	12,640	14,811	14,325	3.4%
Capital assets, net	10,437	10,735	30,262	29,741	40,699	40,476	0.6%
Total assets	63,850	36,504	59,831	59,398	123,681	95,902	29.0%
Deferred Outflows of Resources	1,307	3,203	571	969	1,878	4,172	-55.0%
Accounts payable and accrued liabilities	2,827	973	334	707	3,161	1,680	88.2%
Deposits and escrow held	-	-	551	532	551	532	3.6%
Compensated absences	923	1,006	93	95	1,016	1,101	-7.7%
Pension and OPEB obligations	12,677	14,766	489	1,359	13,166	16,125	-18.4%
Water contract obligations	-	-	5,340	5,999	5,340	5,999	-11.0%
Landfill closure/postclosure	-	-	1,553	1,486	1,553	1,486	4.5%
Bonds payable	25,474	-	8,766	9,822	34,240	9,822	248.6%
Total liabilities	41,901	16,745	17,126	20,000	59,027	36,745	60.6%
Deferred Inflows of Resources	1,169	452	577	200	1,746	652	167.8%
Net Position							
Net investment in capital assets	10,196	10,735	26,244	25,488	36,440	36,223	0.6%
Restricted	1,223	1,017	739	737	1,962	1,754	11.9%
Unrestricted	10,668	10,758	15,716	13,942	26,384	24,700	6.8%
Total net position	\$ 22,087	\$ 22,510	\$ 42,699	\$ 40,167	\$ 64,786	\$ 62,677	3.4%

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 (56 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, 2018 were \$27,789,433. A significant portion, 40.3%, of the City's revenue comes from taxes (See Figure A-3) while 40.0% comes from charges for utility services. The total cost of all programs and services was \$23,534,742.

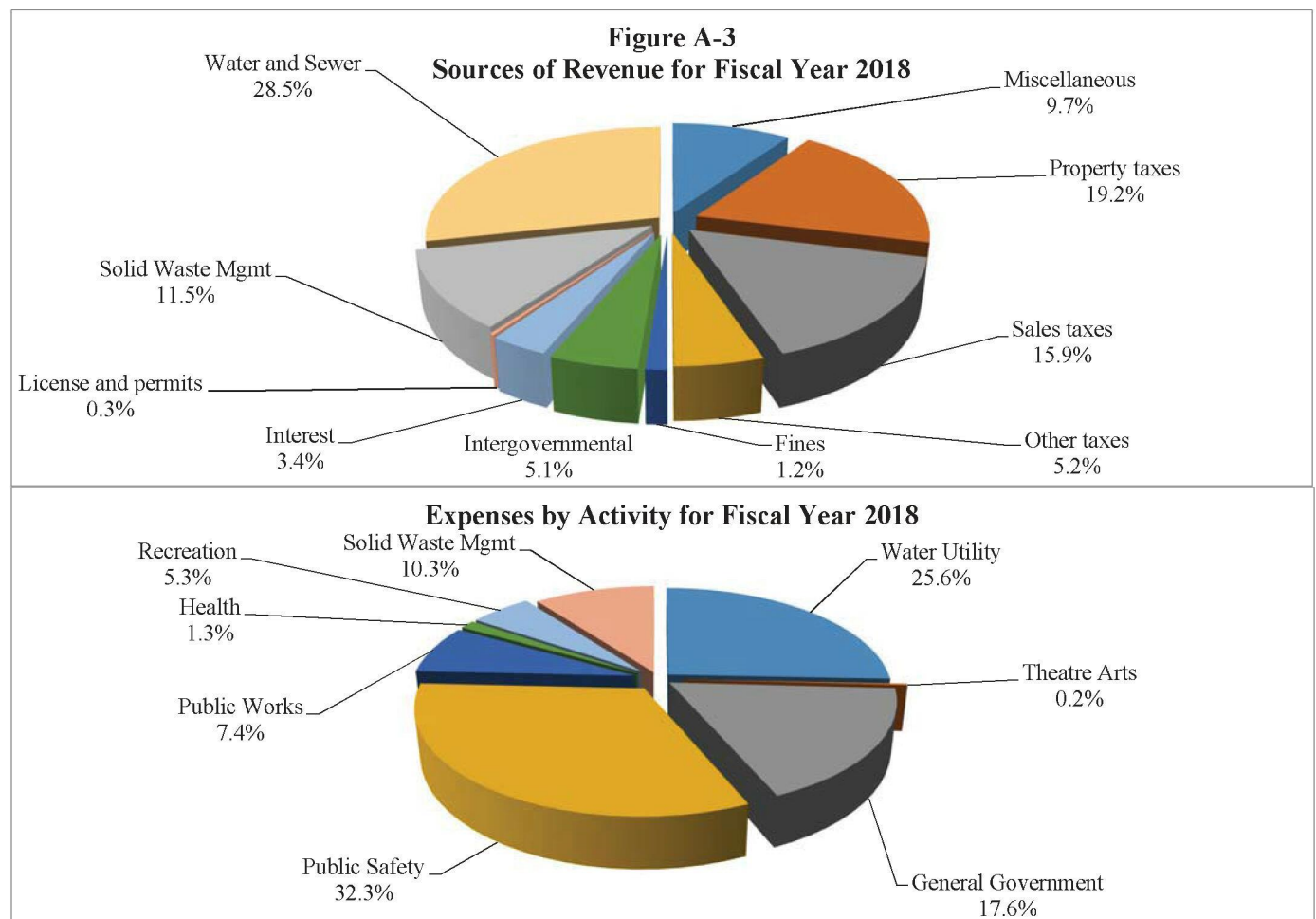


Table A-2
Changes in City's Net Position
(In thousands dollars)

	Governmental Activities		Business-type Activities		Total		Total Percent
	2018	2017	2018	2017	2018	2017	Change
Program revenues							
Charges for services	\$ 1,315	\$ 1,223	\$11,118	\$ 10,827	\$ 12,433	\$ 12,050	3.2%
Grants and contributions							
Operating	271	545	-	-	271	545	-50.3%
Capital	1,233	1	-	-	1,233	1	123200.0%
General revenues							
Property taxes	5,330	5,398	-	-	5,330	5,398	-1.3%
Other taxes	5,868	5,934	-	-	5,868	5,934	-1.1%
Other	2,101	631	554	376	2,655	1,007	163.7%
Total revenues	16,118	13,732	11,672	11,203	27,790	24,935	11.4%
Expenses							
General government	4,148	2,975	-	-	4,148	2,975	39.4%
Public safety	7,597	8,321	-	-	7,597	8,321	-8.7%
Public works	1,739	1,570	-	-	1,739	1,570	10.8%
Recreation and culture	1,240	1,210	-	-	1,240	1,210	2.5%
Health	303	385	-	-	303	385	-21.3%
Solid waste management	-	-	2,422	2,552	2,422	2,552	-5.1%
Water and sewer	-	-	6,032	6,308	6,032	6,308	-4.4%
Theatre arts	-	-	54	49	54	49	10.2%
Total expenses	15,027	14,461	8,508	8,909	23,535	23,370	0.7%
Transfers	(1,361)	(164)	(632)	(664)	(1,993)	(828)	140.7%
Change in Net Position	(270)	(893)	2,532	1,630	2,262	737	206.9%
Net Position, Beginning	22,510	23,403	40,167	38,537	62,677	61,940	1.2%
Prior Period Adjustment	(152)	-	-	-	(152)	-	
Net Position, Ending	\$ 22,088	\$ 22,510	\$42,699	\$ 40,167	\$ 64,787	\$ 62,677	3.4%

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 \$270 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 decrease of property tax revenues of \$68 thousand, or 1.3%.
- The franchise tax on utilities increased \$10 thousand, or .7%, hotel occupancy tax decreased \$12 thousand, or 3.4%, and general sales tax decreased \$44 thousand, or 1.1%.
- The cost of all governmental activities this year was \$15 million compared to the previous year of \$14.4 million, a 3.9% increase.
- The amount that our taxpayers paid for these services was \$11.2 million.
- Some of the cost was paid by those who directly benefited from the programs, \$1.3 million, or by grants and contributions, \$1.5 million.

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
	2018	2017		2018	2017	
General government	\$ 4,148	\$ 2,975	39.4%	\$ 2,799	\$ 2,181	28.3%
Public safety	7,597	8,321	-8.7%	6,853	7,716	-11.2%
Public works	1,739	1,570	10.8%	1,647	1,569	5.0%
Recreation and culture	1,240	1,210	2.5%	911	1,160	-21.5%
Health	303	385	-21.3%	(1)	66	-101.5%
Total governmental activities	<u>\$ 15,027</u>	<u>\$ 14,461</u>	3.9%	<u>\$ 12,209</u>	<u>\$ 12,692</u>	-3.8%

Business-type Activities

As shown in Table A-2, business-type activities increased net position by \$2.5 million.

- Charges for services generated revenues of \$11.1 million for the period ended September 30, 2018 compared to \$10.8 million for the previous period.
- Expenses totaled \$8.5 million for 2018 and \$8.9 million for 2017, a 4.5% decrease.
- Transfers from business-type activities to support general government activities were \$632 thousand for the period, a 4.8% decrease from the previous period.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, 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 \$41,887,513, an increase of \$24,913,443. The increase is mainly due to increases in revenue from bond proceeds.
- Total assets of the Governmental Funds increased 146.9%. This increase is mainly attributable to the increase in cash, cash equivalents, investments and restricted cash of \$16,544,666 at the end of the prior period to \$42,378,548 at the end of fiscal year 2018. This increase is mainly due to the bond proceeds.
- Total liabilities of the Governmental Funds increased 216.2% from \$728,614 in 2017 to \$2,303,671 in 2018. The change was mainly due to the increase in accounts payable of \$1,375,507 from the work on the capital projects.
- Of the combined ending fund balance, approximately \$13.4 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 \$7,299,568. Of this amount, \$2,070,353 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 2018, approximately \$15.6 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:
 - \$700,000 to Capital Improvement Fund
 - \$150,000 to Economic Development Fund
 - \$150,000 to Downtown TIRZ 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, 2018 amounts to \$40,699,302 (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
	2018	2017	2018	2017	2018	2017	
Land	\$ 609	\$ 584	\$ 552	\$ 552	\$ 1,161	\$ 1,136	2.2%
Buildings	4,284	4,287	2,712	2,703	6,996	6,990	0.1%
System improvements	-	-	47,767	45,845	47,767	45,845	4.2%
Infrastructure	19,256	19,168	-	-	19,256	19,168	0.5%
Machinery and equipment	9,805	9,554	7,995	7,459	17,800	17,013	4.6%
Construction in progress	495	122	144	1,082	639	1,204	-46.9%
Totals at historical cost	34,449	33,715	59,170	57,641	93,619	91,356	2.5%
Accumulated depreciation	(24,013)	(22,980)	(28,907)	(27,900)	(52,920)	(50,880)	4.0%
Net capital assets	<u>\$ 10,436</u>	<u>\$ 10,735</u>	<u>\$ 30,263</u>	<u>\$ 29,741</u>	<u>\$ 40,699</u>	<u>\$ 40,476</u>	0.6%

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 \$33.104 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 \$5,339,642. More detail on the City's long-term obligations may be found in the notes to the financial statements (Note 8).

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

	Governmental Activities		Business-type Activities		Total		Total Percent Change
	2018	2017	2018	2017	2018	2017	
Bond and certificates of obligation	\$ 25,474	\$ -	\$ 8,766	\$ 9,822	\$ 34,240	\$ 9,822	248.6%
Water Supply Contract obligation	-	-	5,340	5,999	5,340	5,999	-11.0%
Total outstanding debt	<u>\$ 25,474</u>	<u>\$ -</u>	<u>\$ 14,106</u>	<u>\$ 15,821</u>	<u>\$ 39,580</u>	<u>\$ 15,821</u>	150.2%

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 labor force has increased from 12,124 in December 2017 to 12,541 in December 2018. The unemployment rate as of December 2018 is 4.4%.
- Sales Tax Collections totaled \$4,052,315 in FYE 2018.
- Hotel Occupancy Tax Collections totaled \$346,078 in FYE 2018.
- Building Valuations totaled \$19.74 million in 2018 compared to \$19.37 million in 2017.

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, Economic Development Plan and the long-range Comprehensive Plan continue to guide 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 2019 Budget:

- The Property Tax Rate included in this budget is \$0.6312 per \$100 valuation for maintenance and operations and \$0.2006 per \$100 valuation for debt service for a total of \$0.8318 per \$100 valuation. The rate for maintenance and operations remained the same as last year. The City added the debt service portion this year to service the debt on the 2018 General Obligation Bonds approved by voters in 2017. The effective tax rate this year was \$ 0.6224.
- The General Fund expenditure budget for the upcoming year increased by 1.19%. There was an 1.15% increase in the assessed property valuations. The main increases included adjustments to employee compensation and benefits and to address increased costs of materials and supplies. There is no budgeted reduction for services.
- Health Insurance Premium Costs increased 4.4%.
- In the Solid Waste Management Fund, the 2018-2019 operating budget increased by 4.4% from the previous year. This included funding to replace equipment at the Recycle Center as a part of the Solid Waste Grant Program. No increase in the collection and disposal fees was proposed for the Solid Waste Management Fund.
- In the Utility (Water & Sewer) Fund, the 2018-2019 operating budget increased slightly by 0.46%. The main increase included adjustments for employee compensation and benefits. There was no adjustment in the base water rate. The City did increase the tiered water conservation rate structure by three percent (3%) this year as a part of a water conservation strategy. No adjustments were made to sewer rates.

The following major projects are incorporated into the FYE 2019 Budget:

- 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. Construction began on Phase 1 of the project and \$ 839,455 of the grant funds have been received. Construction will be completed in July 2019.
- In November 2017, voters authorized \$25.0 million in General Obligations Bonds for various 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. Construction has started on the new Aquatics Complex with an anticipated completion date in the Fall of 2019. The 24th Street Reconstruction Project, Downtown Streetscape Project and the new City Hall Project are currently in design.
- The Plainview-Hale County Airport completed a Master Plan in September 2014. 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.
- The City created a Downtown Tax Increment Reinvestment Zone (TIRZ) No. 1 in partnership with Hale County in May 2018. Funding was allocated to the TIRZ District to begin work on downtown revitalization projects.
- Hotel Occupancy Tax Funds were allocated to the Plainview Point Site Historic Preservation Project.

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.

**Basic Financial
Statements**

City of Plainview, Texas
Statement of Net Position (Exhibit A-1)
September 30, 2018

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 8,048,535	\$ 693,470	\$ 8,742,005
Investments	39,557,406	16,049,166	55,606,572
Receivables, net	1,709,963	1,367,151	3,077,114
Due from other governments	29,992	-	29,992
Grant receivable	447,836	-	447,836
Internal balances	(146,123)	146,123	-
Inventories, at cost	153,012	109,554	262,566
Other assets	3,557	-	3,557
Investment in joint venture	2,516,289	-	2,516,289
Restricted assets			
Cash and cash equivalents	1,091,451	1,471,446	2,562,897
Investments	-	170,404	170,404
Capital assets			
Nondepreciable	1,103,751	695,906	1,799,657
Depreciable, net	9,333,434	29,566,211	38,899,645
Unamortized water contract costs and other assets	-	9,560,876	9,560,876
Total assets	63,849,103	59,830,307	123,679,410
Deferred outflows of resources			
Pension	1,218,611	371,768	1,590,379
OPEB	88,316	-	88,316
Deferred charge for debt refunding	-	199,149	199,149
Total outflows of resources	1,306,927	570,917	1,877,844
Liabilities			
Accounts and wages payable	2,349,162	310,326	2,659,488
Accrued interest payable	477,734	23,593	501,327
Payable from restricted assets	-	551,467	551,467
Noncurrent liabilities			
Due within one year	454,593	1,599,265	2,053,858
Due in more than one year	38,618,445	14,639,895	53,258,340
Total liabilities	41,899,934	17,124,546	59,024,480
Deferred inflows of resources			
Pension	1,168,676	577,407	1,746,083
Total inflows of resources	1,168,676	577,407	1,746,083
Net position			
Net investment in capital assets	10,196,013	26,244,497	36,440,510
Restricted for			
Debt service	7,439	739,263	746,702
Public Works	150,000	-	150,000
Tourism	816,937	-	816,937
PEG fund	161,536	-	161,536
Law enforcement	3,583	-	3,583
Municipal court	84,840	-	84,840
Unrestricted	10,667,072	15,715,511	26,382,583
Total net position	\$ 22,087,420	\$ 42,699,271	\$ 64,786,691

Primary Government	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General government - administration	\$ 2,445,989	\$ 112,605	\$ 1,826	\$ 839,455
General government - other	1,702,454	314,151	81,856	-
Public safety	7,596,988	737,678	6,360	-
Public works	1,738,861	-	-	91,809
Health	302,667	122,218	181,426	-
Recreation and culture	1,240,301	27,998	-	301,452
Total governmental activities	15,027,260	1,314,650	271,468	1,232,716
Business-Type Activities				
Solid waste management	2,422,215	3,193,165	-	-
Water and sewer	6,032,438	7,909,052	-	-
Theatre arts	52,829	15,700	-	-
Total business-type activities	8,507,482	11,117,917	-	-
Total primary government	\$ 23,534,742	\$ 12,432,567	\$ 271,468	\$ 1,232,716
General revenues and transfers				
Taxes				
Property, levied for general purposes				
Sales				
Selective sales and use				
Franchise				
Penalty and interest				
Miscellaneous				
Investment income				
Transfer to fiduciary fund				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position, beginning				
Prior period adjustment				
Beginning net position, as restated				
Net position, ending				

See Notes to Financial Statements

City of Plainview, Texas
Statement of Activities (Exhibit A-2)
Year Ended September 30, 2018

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (1,492,103)		\$ (1,492,103)
(1,306,447)		(1,306,447)
(6,852,950)		(6,852,950)
(1,647,052)		(1,647,052)
977		977
(910,851)		(910,851)
(12,208,426)		(12,208,426)
	\$ 770,950	770,950
	1,876,614	1,876,614
	(37,129)	(37,129)
	2,610,435	2,610,435
	2,610,435	(9,597,991)
5,329,657	-	5,329,657
4,052,315	-	4,052,315
375,810	-	375,810
1,364,528	-	1,364,528
75,327	-	75,327
1,499,604	206,862	1,706,466
601,309	347,270	948,579
(1,992,825)	-	(1,992,825)
632,017	(632,017)	-
11,937,742	(77,885)	11,859,857
(270,684)	2,532,550	2,261,866
22,509,833	40,166,721	62,676,554
(151,729)	-	(151,729)
22,358,104	40,166,721	62,524,825
\$ 22,087,420	\$ 42,699,271	\$ 64,786,691

City of Plainview, Texas
Balance Sheet – Governmental Funds (Exhibit A-3)
September 30, 2018

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 1,108,356	\$ 5,377,441	\$ -	\$ 6,485,797
Investments	14,169,314	19,967,042	664,944	34,801,300
Interest receivable	6,850	9,652	321	16,823
Accounts receivable (net)	467,855	-	55,750	523,605
Taxes receivable (net)	988,079	-	42,563	1,030,642
Due from other funds	169,766	-	-	169,766
Due from other governments	29,992	-	-	29,992
Grant receivable	19,953	-	427,883	447,836
Inventories	41,077	-	-	41,077
Restricted cash and cash equivalents	-	-	1,091,451	1,091,451
Total assets	\$ 17,001,242	\$ 25,354,135	\$ 2,282,912	\$ 44,638,289
Liabilities, deferred inflows of resources and fund balance				
Liabilities				
Accounts payable	\$ 777,916	121,796	\$ 889,720	\$ 1,789,432
Wages payable	335,472	-	4,408	339,880
Due to other funds	5,467	-	164,299	169,766
Compensated absences payable	4,443	-	150	4,593
Total liabilities	1,123,298	121,796	1,058,577	2,303,671
Deferred inflows of resources				
Unavailable revenue				
Property taxes	216,322	-	-	216,322
Fines and fees	99,283	-	-	99,283
Emergency medical services	131,500	-	-	131,500
Total deferred inflows of resources	447,105	-	-	447,105
Fund Balance				
Nonspendable	41,077	-	-	41,077
Restricted	-	25,232,339	1,224,335	26,456,674
Assigned	1,992,016	-	-	1,992,016
Unassigned	13,397,746	-	-	13,397,746
Total fund balance	15,430,839	25,232,339	1,224,335	41,887,513
Total liabilities, deferred inflows of resources and fund balance	\$ 17,001,242	\$ 25,354,135	\$ 2,282,912	\$ 44,638,289

City of Plainview, Texas
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position (Exhibit A-4)
September 30, 2018

Total Fund Balances - Governmental Funds	\$ 41,887,513
Amounts reported for <i>governmental activities</i> 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.	7,153,445
Capital assets used in governmental activities, net of assets included in internal service funds, are not financial resources and, therefore, are not reported in governmental funds.	8,366,832
The City's investment in joint venture is not reported in the governmental funds but is included in the statement of net position.	2,516,289
Other adjustments are necessary to convert the modified accrual basis of accounting to the accrual basis of accounting. Net property taxes receivable of 216,322, net fines receivable of \$99,283 and net emergency medical services receivable of \$131,500 were unavailable to pay for current period expenditures and are deferred in the governmental funds but included in the statement of net position.	447,105
Included in the items related to debt is the recognition of the City's net pension liability in the amount of \$11,475,831, a deferred outflow of resources of \$1,205,887, and a deferred inflow of resources of \$1,144,434. This is net of the portion recorded in the internal service fund. The net effect is to decrease net position.	(11,414,378)
Long-term liabilities 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. At the end of the year the liability for compensated absences was \$918,141 the bond payable was \$24,750,000, and unamortized bond premium was \$723,511.	(26,391,652)
Accrued interest is not due and payable in the current period and therefore is not reported as a liability in the governmental funds.	<u>(477,734)</u>
Net Position of Governmental Activities	<u><u>\$ 22,087,420</u></u>

City of Plainview, Texas

Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds (Exhibit A-5)
Year Ended September 30, 2018

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Taxes				
Property taxes	\$ 5,334,857	\$ -	\$ -	\$ 5,334,857
Sales and use taxes	4,052,315	-	-	4,052,315
Selective sales and use taxes	29,732	-	346,078	375,810
Franchise tax	1,364,528	-	-	1,364,528
Penalty and interest on taxes	75,327	-	-	75,327
Licenses and permits	85,562	-	-	85,562
Intergovernmental revenue and grants	189,612	-	1,142,126	1,331,738
Charges for services	882,141	-	-	882,141
Fines, forfeitures and fees	282,371	-	64,576	346,947
Investment earnings	312,780	271,973	16,556	601,309
Rents and royalties	500	-	-	500
Contributions and donations	-	-	80,638	80,638
Other revenue	76,596	-	7,397	83,993
Total revenues	<u>12,686,321</u>	<u>271,973</u>	<u>1,657,371</u>	<u>14,615,665</u>
Expenditures				
Current				
General government - administration	2,374,434	-	269,591	2,644,025
General government - other	676,545	237,063	916,548	1,830,156
Public safety	7,922,692	-	25,295	7,947,987
Public works	932,631	104,226	-	1,036,857
Health	381,364	-	-	381,364
Recreation and culture	1,051,122	178,143	16,980	1,246,245
Capital outlay	174,593	12,265	485,300	672,158
Total expenditures	<u>13,513,381</u>	<u>531,697</u>	<u>1,713,714</u>	<u>15,758,792</u>
Excess (Deficiency) of revenue over expenditures	(827,060)	(259,724)	(56,343)	(1,143,127)
Other financing sources (uses)				
Bond proceeds	-	24,750,000	-	24,750,000
Premium from bond issuance	-	742,063	-	742,063
Transfers in	624,757	-	228,517	853,274
Transfers out	(253,517)	-	(35,250)	(288,767)
Total other financing sources (uses)	<u>371,240</u>	<u>25,492,063</u>	<u>193,267</u>	<u>26,056,570</u>
Net change in fund balance	(455,820)	25,232,339	136,924	24,913,443
Fund balance, October 1	15,886,659	-	1,087,411	16,974,070
Fund balance, September 30	<u>\$ 15,430,839</u>	<u>\$ 25,232,339</u>	<u>\$ 1,224,335</u>	<u>\$ 41,887,513</u>

City of Plainview, Texas

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental
Funds to the Statement of Activities (Exhibit A-6)
Year Ended September 30, 2018

Total Net Change in Fund Balance - Governmental Funds	\$ 24,913,443
Amounts reported for <i>governmental activities</i> 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.	(358,140)
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.	672,158
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.	91,809
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.	(9,156)
Depreciation is not recognized as an expenditure in governmental funds since it does not require the use of current financial resources.	(758,147)
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.	1,326,221
Long-term liabilities for compensated absences are accrued in the government-wide financial statements, but are not reported in the fund financial statements.	83,462
The issuance of bonds are sources of funds in the governmental funds, but the issuance increases long-term liabilities in the statement of net position.	(25,492,063)
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 \$5,132. 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 \$358,875. The net effect is a decrease in net position.	(353,743)
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 decrease in property tax revenues of \$5,200, a net decrease in fine revenues of \$1,146 and a net increase in emergency medical services of \$79,000 which is an increase to net position.	72,654
Accrued interest is not due and payable in the current period and therefore is not reported as a liability in the governmental funds.	(477,734)
Bond premiums are recorded as expenditures when paid in the fund financial statements but are capitalized and amortized in the government-wide financial statements. This is the current year amortization.	18,552
Change in Net Position of Governmental Activities	<u>\$ (270,684)</u>

City of Plainview, Texas
Statement of Net Position – Proprietary Funds (Exhibit A-7)
September 30, 2018

	Business-Type Activities				Governmental Activities
	Solid Waste Management Fund	Water and Sewer Fund	Nonmajor Enterprise Fund	Total Enterprise Funds	Total Internal Service Funds
Assets					
Current assets					
Cash and cash equivalents	\$ 357,760	\$ 204,670	\$ 131,040	\$ 693,470	\$ 1,562,738
Investments	7,686,103	8,363,063	-	16,049,166	4,756,106
Interest receivable	3,716	4,075	-	7,791	2,482
Accounts receivable, net	359,577	999,783	-	1,359,360	136,411
Other assets	-	-	-	-	3,557
Inventories, at cost	-	109,154	400	109,554	111,935
Total current assets	8,407,156	9,680,745	131,440	18,219,341	6,573,229
Noncurrent Assets					
Restricted Assets					
Cash and cash equivalents	-	1,471,446	-	1,471,446	-
Investments	-	170,404	-	170,404	-
Capital Assets					
Nondepreciable	400,000	290,906	5,000	695,906	-
Depreciable, net	4,628,072	24,918,179	19,960	29,566,211	2,070,353
Unamortized water supply contract costs	-	9,560,876	-	9,560,876	-
Total noncurrent assets	5,028,072	36,411,811	24,960	41,464,843	2,070,353
Total assets	13,435,228	46,092,556	156,400	59,684,184	8,643,582
Deferred Outflows of Resources					
Pension	83,629	287,192	947	371,768	12,724
OPEB	-	-	-	-	88,316
Deferred charge for debt refunding	-	199,149	-	199,149	-
Total outflows of resources	83,629	486,341	947	570,917	101,040
Liabilities					
Current liabilities					
Accounts payable	67,570	136,552	2,098	206,220	207,211
Wages payable	36,785	66,917	404	104,106	12,639
Accrued interest payable	-	23,593	-	23,593	-
Due to other funds	-	-	-	-	-
Current portion of long-term liabilities					
Accrued compensated absences	1,725	4,268	-	5,993	-
Bonds and certificates of obligation	-	1,090,000	-	1,090,000	-
Water contract obligation	-	503,272	-	503,272	-
Total current liabilities	106,080	1,824,602	2,502	1,933,184	219,850

City of Plainview, Texas
Statement of Net Position – Proprietary Funds (Exhibit A-7)
September 30, 2018

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Solid Waste Management Fund	Water and Sewer Fund	Nonmajor Enterprise Fund	Total Enterprise Funds	Total Internal Service Funds
Long-Term Liabilities (net of current portion)					
Accrued landfill closure / postclosure costs	1,552,914	-	-	1,552,914	-
Payable from restricted assets					
Deposits and escrow	-	551,467	-	551,467	-
Noncurrent portion of long-term liabilities					
Accrued compensated absences	32,827	53,735	-	86,562	-
Net pension liability	177,281	309,226	2,012	488,519	27,108
Total other postemployment benefits obligation	-	-	-	-	1,173,854
Bonds and certificates of obligation	-	7,265,000	-	7,265,000	-
Unamortized premiums and deferred losses on bonds	-	410,530	-	410,530	-
Water contract obligations	-	4,836,370	-	4,836,370	-
Total noncurrent liabilities	1,763,022	13,426,328	2,012	15,191,362	1,200,962
Total liabilities	1,869,102	15,250,930	4,514	17,124,546	1,420,812
Deferred Inflows of Resources					
Pensions	158,538	417,070	1,799	577,407	24,242
Total deferred inflows of resources	158,538	417,070	1,799	577,407	24,242
Net Position					
Net investment in capital assets	5,028,072	21,191,465	24,960	26,244,497	2,070,353
Restricted for debt service	-	739,263	-	739,263	-
Unrestricted	6,463,145	8,980,169	126,074	15,569,388	5,229,215
Total net position	\$ 11,491,217	\$ 30,910,897	\$ 151,034	\$ 42,553,148	\$ 7,299,568
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				146,123	
Net position of business type activities				\$ 42,699,271	

City of Plainview, Texas

Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds (Exhibit A-8)
Year Ended September 30, 2018

	Business-Type Activities				Governmental Activities
	Solid Waste Management Fund	Water and Sewer Fund	Nonmajor Enterprise Fund	Total Enterprise Funds	Total Internal Service Funds
Operating revenue					
Charges for services	\$ 3,193,165	\$ 7,909,052	\$ 15,700	\$ 11,117,917	\$ 3,112,595
Other revenue	50,798	38,195	-	88,993	1,251
Total operating revenues	3,243,963	7,947,247	15,700	11,206,910	3,113,846
Operating expenses					
Personnel services - salaries and wages	672,039	1,204,904	7,430	1,884,373	99,172
Personnel services - employee benefits	304,587	492,276	2,776	799,639	39,474
Purchased professional & technical services	298,297	645,773	-	944,070	40,347
Purchased property services	269,987	561,717	12,961	844,665	78,533
Other operating expenses	159,806	1,053,999	15,040	1,228,845	415,415
Supplies	266,731	553,260	12,164	832,155	36,210
Depreciation and amortization	620,025	1,265,236	2,619	1,887,880	510,220
Total operating expenses	2,591,472	5,777,165	52,990	8,421,627	1,219,371
Operating income (loss)	652,491	2,170,082	(37,290)	2,785,283	1,894,475
Nonoperating revenues (expenses)					
Gain (loss) on sale of property	146,000	(28,131)	-	117,869	48,297
Investment earnings	139,901	204,646	2,723	347,270	107,447
Bond premium accretion	-	54,171	-	54,171	-
Interest expense	-	(587,361)	-	(587,361)	-
Refunding loss amortization	-	(35,709)	-	(35,709)	-
Total nonoperating revenues (expenses)	285,901	(392,384)	2,723	(103,760)	155,744
Income before contributions and transfers	938,392	1,777,698	(34,567)	2,681,523	2,050,219
Contributions and transfers					
Capital contributions	-	-	-	-	-
Transfers in	-	-	35,250	35,250	75,000
Transfers out	(220,250)	(447,017)	-	(667,267)	(2,000,315)
Total contributions and transfers	(220,250)	(447,017)	35,250	(632,017)	(1,925,315)
Change in net position	718,142	1,330,681	683	2,049,506	124,904
Net position, beginning of year	10,773,075	29,580,216	150,351	40,503,642	7,326,393
Prior period adjustment	-	-	-	-	(151,729)
Net position, as restated	-	-	-	-	7,174,664
Net position, end of year	\$ 11,491,217	\$ 30,910,897	\$ 151,034	42,553,148	\$ 7,299,568
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				483,044	
Change in net position of business type activities				\$ 2,532,550	



PLAINVIEW, TX

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City of Plainview, Texas
Statement of Cash Flows – Proprietary Funds (Exhibit A-9)
Year Ended September 30, 2018

	Business-Type Activities				Governmental Activities
	Solid Waste Management Fund	Water and Sewer Fund	Nonmajor Enterprise Fund	Total Enterprise Funds	Total Internal Service Funds
Operating activities					
Cash received from user charges	\$ 3,200,729	\$ 7,840,537	\$ 15,891	\$ 11,057,157	\$ -
Cash from operating transactions - other funds	-	-	-	-	2,986,800
Cash payments to employees for services	(1,023,157)	(1,760,004)	(10,128)	(2,793,289)	(142,747)
Cash payments for goods and services	(896,134)	(3,239,163)	(40,817)	(4,176,114)	(579,753)
Other operating cash receipts	50,798	38,195	-	88,993	1,251
Net cash from (used for) operating activities	<u>1,332,236</u>	<u>2,879,565</u>	<u>(35,054)</u>	<u>4,176,747</u>	<u>2,265,551</u>
Cash flows from noncapital financing activities					
Increase (decrease) in deposits and escrow held	-	19,629	-	19,629	-
Transfers to other funds	(220,250)	(447,017)	-	(667,267)	(2,000,315)
Transfers from other funds	-	-	35,250	35,250	75,000
Net cash from (used for) noncapital financing activities	<u>(220,250)</u>	<u>(427,388)</u>	<u>35,250</u>	<u>(612,388)</u>	<u>(1,925,315)</u>
Capital and related financing activities					
Acquisition of capital assets	(1,096,924)	(1,093,303)	-	(2,190,227)	(167,151)
Proceeds from sale of fixed assets	146,000	-	-	146,000	-
Principal paid on long-term debt	-	(1,712,756)	-	(1,712,756)	-
Interest paid on long-term debt	-	(590,119)	-	(590,119)	-
Proceeds from refinancing of long term debt	-	471,787	-	471,787	-
Payments to bond refunding escrow agent	-	(433,479)	-	(433,479)	-
Net cash from (used for) capital and related financing activities	<u>(950,924)</u>	<u>(3,357,870)</u>	<u>-</u>	<u>(4,308,794)</u>	<u>(167,151)</u>
Investing activities					
Redemption (purchase) of investments	(1,167,152)	(2,073,091)	-	(3,240,243)	(1,070,749)
Interest on investments	138,968	203,211	2,723	344,902	106,527
Net cash from (used for) investing activities	<u>(1,028,184)</u>	<u>(1,869,880)</u>	<u>2,723</u>	<u>(2,895,341)</u>	<u>(964,222)</u>
Net change in cash and restricted cash	(867,122)	(2,775,573)	2,919	(3,639,776)	(791,137)
Cash and cash equivalents, October 1	<u>1,224,882</u>	<u>4,451,689</u>	<u>128,121</u>	<u>5,804,692</u>	<u>2,353,875</u>
Cash and cash equivalents, September 30	<u>\$ 357,760</u>	<u>\$ 1,676,116</u>	<u>\$ 131,040</u>	<u>\$ 2,164,916</u>	<u>\$ 1,562,738</u>

City of Plainview, Texas
Statement of Cash Flows – Proprietary Funds (Exhibit A-9)
Year Ended September 30, 2018

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Solid Waste Management Fund	Water and Sewer Fund	Nonmajor Enterprise Fund	Total Enterprise Funds	Total Internal Service Funds
Reconciliation of operating income to net cash provided by operating activities					
Operating income (loss)	\$ 652,491	\$ 2,170,082	\$ (37,290)	\$ 2,785,283	\$ 1,894,475
Adjustments to reconcile operating income to net cash from (used for) operating activities					
Depreciation and amortization	620,025	1,265,236	2,619	1,887,880	510,220
Landfill closure/postclosure	67,208	-	-	67,208	-
(Increase) decrease in operating assets and liabilities					
Accounts receivable (net)	7,564	(68,515)	191	(60,760)	(125,795)
Prepaid expense	-	-	-	-	5,021
Inventories	-	(12,586)	(128)	(12,714)	(8,673)
Accounts payable	31,479	(411,828)	(524)	(380,873)	(28,374)
Wages payable	2,511	7,737	62	10,310	238
Net other postemployment benefits obligations	-	-	-	-	68,583
Net pension liability	(325,499)	(542,076)	(2,760)	(870,335)	(44,853)
Deferred outflows - pensions	192,741	181,133	1,676	375,550	26,771
Deferred outflows - OPEB	-	-	-	-	(45,805)
Deferred inflows - pensions	84,762	291,774	1,100	377,636	13,743
Accrued compensated absences	(1,046)	(1,392)	-	(2,438)	-
Net cash from (used for) operating activities	<u>\$ 1,332,236</u>	<u>\$ 2,879,565</u>	<u>\$ (35,054)</u>	<u>\$ 4,176,747</u>	<u>\$ 2,265,551</u>
Reconciliation of total cash and cash equivalents					
Cash and cash equivalents - statement of met position	\$ 357,760	\$ 204,670	\$ 131,040	\$ 693,470	\$ 1,562,738
Restricted cash - statement of net position	<u>-</u>	<u>1,471,446</u>	<u>-</u>	<u>1,471,446</u>	<u>-</u>
Total cash and cash equivalents	<u>\$ 357,760</u>	<u>\$ 1,676,116</u>	<u>\$ 131,040</u>	<u>\$ 2,164,916</u>	<u>\$ 1,562,738</u>

City of Plainview, Texas
Statement of Fiduciary Net Position – Fiduciary Funds (Exhibit A-10)
September 30, 2018

	Private Purpose Trust Fund
	<u> </u>
Assets	
Cash and equivalents	\$ <u> </u> -
Total assets	\$ <u> </u> -
Liabilities	
Due to others	\$ <u> </u> -
Total liabilities	\$ <u> </u> -

City of Plainview, Texas
Statement of Changes in Fiduciary Net Position – Fiduciary Funds (Exhibit A-11)
September 30, 2018

	Private Purpose Trust Fund
Additions	
Transfer in	\$ 1,992,825
Total additions	<u>1,992,825</u>
Deductions	
Other operating costs	<u>1,992,825</u>
Total deductions	<u>1,992,825</u>
Change in net position	-
Total net position, October 1 (Beginning)	<u>-</u>
Total net position, September 30 (Ending)	<u><u>\$ -</u></u>

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.

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.

Capital Projects Fund: This fund accounts for the financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisitions or construction of capital facilities and other capital assets.

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

The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting and economic resources measurement focus. 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 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.

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 unobservable 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, 2018 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.

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 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, pension related items as described in Note 9 and OPEB related items as described in Note 11.

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.

OPEB

The fiduciary net position has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources relating to other post employment benefits, and OPEB expense. Benefit payments are recognized when due and payable in accordance with the benefit terms.

Implementation of GASB Statement No. 75

As of October 1, 2017, the City adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The implementation of this standard replaces the requirements of GASB Statement No. 45 *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, and requires governments calculate and report the costs and obligations associated with postemployment benefits other than pensions (OPEB) in their basic financial statements. Employers are required to recognize OPEB amounts for all benefits provided through the plan which include the total OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense. The effect of the implementation of this standard on beginning net position is disclosed in Note 17 and the additional disclosures required by this standard is included in Note 11.

Fund Balance

Details of constraints on fund balances of governmental funds at September 30, 2018 are as follows:

	General Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable				
Inventories	\$ 41,077			\$ 41,077
Restricted to				
Capital Projects		25,232,339		25,232,339
Tourism			816,937	816,937
PEG fund			161,536	161,536
Law Enforcement			3,583	3,583
Municipal Court			84,840	84,840
Downtown TIRZ			150,000	150,000
Debt Service			7,439	7,439
Assigned to				
Capital Improvement	1,333,142			1,333,142
Street Improvement	2,126			2,126
Economic Development	656,748			656,748
Unassigned	13,397,746			13,397,746
	<u>\$ 15,430,839</u>	<u>\$ 25,232,339</u>	<u>\$ 1,224,335</u>	<u>\$ 41,887,513</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, 2018 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, 2018, 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.

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:

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.

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, 2018, 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.

As of September 30, 2018, 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	\$ 102,918	0.18%	AAAm	\$ 102,918
Certificate of Deposits	55,674,058	99.82%	N/A	55,674,058
Total Portfolio	<u>\$ 55,776,976</u>	<u>100.00%</u>		<u>\$ 55,776,976</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 value of the pools is reported at amortized cost.

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.

Note 3 - Receivables

The receivables detailed below are reported net of allowances for doubtful accounts in the fund financial statements as of September 30, 2018:

	General Fund	Capital Project Fund	Nonmajor Governmental Funds	Solid Waste Management Fund	Water and Sewer Fund	Internal Service Funds	Total
Receivables							
Taxes	\$ 1,093,550	\$ -	\$ 42,563	\$ -	\$ -	\$ -	\$ 1,136,113
Accounts	633,275	-	55,750	361,148	1,004,711	136,411	2,191,295
Fines	661,884	-	-	-	-	-	661,884
Grants	19,953	-	427,883	-	-	-	447,836
Due from other governments	29,992	-	-	-	-	-	29,992
Interest	6,850	9,652	321	3,716	4,075	2,482	27,096
Gross receivables	2,445,504	9,652	526,517	364,864	1,008,786	138,893	4,494,216
Less allowance for uncollectibles	(932,775)	-	-	(1,571)	(4,928)	-	(939,274)
Net total receivables	<u>\$ 1,512,729</u>	<u>\$ 9,652</u>	<u>\$ 526,517</u>	<u>\$ 363,293</u>	<u>\$ 1,003,858</u>	<u>\$ 138,893</u>	<u>\$ 3,554,942</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	Nonmajor governmental fund	150,000	Downtown TIRZ
Water and sewer fund	General fund	40,000	Economic development
Water and sewer fund	General fund	382,017	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	160,250	Transfer in lieu of franchise fees
Solid waste mgmt. fund	Internal service fund	25,000	Fleet Services
Nonmajor governmental fund	Nonmajor busn. type activities	35,250	Theatre arts
General fund	Nonmajor governmental fund	78,517	Travis Trussell Duck Pond
Internal service fund	General fund	7,490	Assets purchased with insurance
Internal service fund	Fiduciary fund	1,992,825	Insurance Premiums
		<u>\$ 2,956,349</u>	

Note 5 - Restricted Cash and Cash Equivalents and Investments

Restricted cash and cash equivalents and investments consisted of the following at September 30, 2018:

Nonmajor governmental funds	
Special revenue funds cash	<u>\$ 1,091,451</u>
	<u>\$ 1,091,451</u>
Water and Sewer Fund	
Debt Service	\$ 762,856
Customer Deposits / Escrow	551,467
Capital Projects (Unspent Bond Proceeds)	<u>327,527</u>
	<u>\$ 1,641,850</u>

Note 6 - Capital Assets

Capital asset activity for the period ended September 30, 2018 was as follows:

Governmental Activities	Beginning Balance	Additions	Retirements	Ending Balance
Capital assets not being depreciated				
Land	\$ 583,309	\$ 25,592	\$ -	\$ 608,901
Construction in progress	121,586	419,750	(46,486)	494,850
Total capital assets not being depreciated	704,895	445,342	(46,486)	1,103,751
Capital assets being depreciated				
Building and improvements	4,287,463	-	(3,000)	4,284,463
Machinery and equipment	9,554,022	477,265	(226,182)	9,805,105
Infrastructure	19,168,468	95,158	(7,158)	19,256,468
Total capital assets being depreciated	33,009,953	572,423	(236,340)	33,346,036
Less accumulated depreciation for				
Building and improvements	(2,589,806)	(114,583)	3,000	(2,701,389)
Machinery and equipment	(6,785,990)	(654,512)	226,916	(7,213,586)
Infrastructure	(13,603,812)	(499,270)	5,455	(14,097,627)
Total accumulated depreciation	(22,979,608)	(1,268,365)	235,371	(24,012,602)
Capital assets being depreciated, net	10,030,345	(695,942)	(969)	9,333,434
Governmental activities capital assets, net	\$ 10,735,240	\$ (250,600)	\$ (47,455)	\$ 10,437,185

City of Plainview, Texas
Notes to Financial Statements
September 30, 2018

Business-Type Activities	Beginning Balance	Additions	Retirements	Ending Balance
Capital assets not being depreciated				
Land	\$ 552,359	\$ -	-	\$ 552,359
Construction in progress	1,081,509	10,282	(948,244)	143,547
Total capital assets not being depreciated	1,633,868	10,282	(948,244)	695,906
Capital assets being depreciated				
Building and improvements	2,703,221	8,284	-	2,711,505
Machinery and equipment	7,459,239	1,291,936	(755,871)	7,995,304
Improvements and system	45,844,967	1,921,631	-	47,766,598
Total capital assets being depreciated	56,007,427	3,221,851	(755,871)	58,473,407
Less accumulated depreciation for				
Building and improvements	(2,183,761)	(30,111)	-	(2,213,872)
Machinery and equipment	(4,557,285)	(582,212)	732,883	(4,406,614)
Improvements and system	(21,158,891)	(1,127,819)	-	(22,286,710)
Total accumulated depreciation	(27,899,937)	(1,740,142)	732,883	(28,907,196)
Capital assets being depreciated, net	28,107,490	1,481,709	(22,988)	29,566,211
Business-type activities capital assets, net	<u>\$ 29,741,358</u>	<u>\$ 1,491,991</u>	<u>\$ (971,232)</u>	<u>\$ 30,262,117</u>

Depreciation was charged to functions as follows:

Governmental Activities	
General government - administration	\$ 69,862
General government - other	51,891
Public safety	476,235
Public works	434,207
Health	25,763
Recreation and culture	210,407
	<u>\$ 1,268,365</u>
Business-type Activities	
Solid Waste Management Fund	\$ 620,025
Water and Sewer Fund	1,117,498
Theatre Arts	2,619
	<u>\$ 1,740,142</u>

The estimated cost to complete the construction in progress as of September 30, 2018 was \$655,185.

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	\$ 12,556,915
(Less) Accumulated Amortization	(2,996,039)
Water Supply Contract Costs, net	<u>\$ 9,560,876</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, 2018 are as follows:

	Beginning Balance (as restated)	Additions	Retirements	Ending Balance	Due Within One Year
Governmental Activities					
Bond payable	\$ -	\$ 24,750,000	\$ -	\$ 24,750,000	\$ 450,000
Bond premium, net	-	742,063	(18,552)	723,511	-
Compensated absences	1,006,049	-	(83,315)	922,734	4,593
Net pension liability	13,854,796	-	(2,351,857)	11,502,939	-
Total OPEB obligation	1,105,271	68,583	-	1,173,854	-
Total governmental activities	<u>\$ 15,966,116</u>	<u>\$ 25,560,646</u>	<u>\$ (2,453,724)</u>	<u>\$ 39,073,038</u>	<u>\$ 454,593</u>
Business-Type Activities					
Certificates of obligation and bonds	\$ 9,405,000	-	\$ (1,050,000)	\$ 8,355,000	\$ 1,090,000
Bond premium, net	416,804	48,614	(54,888)	410,530	-
Subtotal	9,821,804	48,614	(1,104,888)	8,765,530	1,090,000
Water contract obligations	5,998,771	423,173	(1,082,302)	5,339,642	503,272
Accrued landfill closure / postclosure costs	1,485,706	67,208	-	1,552,914	-
Compensated absences	94,993	-	(2,438)	92,555	5,993
Net pension liability	1,358,854	-	(870,335)	488,519	-
Total business-type activities	<u>\$ 18,760,128</u>	<u>\$ 538,995</u>	<u>\$ (3,059,963)</u>	<u>\$ 16,239,160</u>	<u>\$ 1,599,265</u>

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

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

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

Debt service requirements for long-term debt as of September 30, 2018 are as follows:

<u>Year Ended September 30,</u>	<u>Bonds Payable and Water Contract Obligations</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 2,043,272	\$ 1,818,369	\$ 3,861,641
2020	2,489,822	1,367,204	3,857,026
2021	2,598,528	1,260,913	3,859,441
2022	1,975,449	1,162,414	3,137,863
2023	2,064,027	1,071,827	3,135,854
2024-2028	10,505,075	3,898,507	14,403,582
2029-2033	8,703,469	1,950,803	10,654,272
2034-2038	8,065,000	688,358	8,753,358
	<u>\$ 38,444,642</u>	<u>\$ 13,218,395</u>	<u>\$ 51,663,037</u>

Long-term debt interest cost incurred for Business-type Activities for the year ended September 30, 2018 was as follows:

Interest charged to expense	<u>\$ 1,065,096</u>
Total interest incurred	<u>\$ 1,065,096</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.

The 2018 General Obligation Bonds are secured by ad valorem taxes levied by the City. The projects for this bond include 24th Street Reconstruction, City Hall/police department relocation and renovation, fire station no. 2 relocation, 16th Street pool reconstruction, downtown improvements and baseball field improvements.

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, 2018 are as follows:

Description	Purpose	Maturity	Interest Rates	Balance
2009 Tax and Revenue Certificates of Obligation	Refunding of waste water treatment plant bonds	3/1/2021	2.0 to 3.625%	\$ 2,060,000
2010 Tax and Revenue Certificates of Obligation	Water and sewer system improvements	3/1/2030	3.0 to 3.8%	6,295,000
2018 General Obligation Bonds	Improvements and reconstruction	2/15/2038	3.0 to 5.0%	24,750,000
				<u>\$ 33,105,000</u>

Continuing Disclosure

The City has entered into a continuing disclosure undertaking to provide Annual Continuing Disclosure Reports to the Municipal Securities Rulemaking Board through the Electronic Municipal Market Access website. 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%	\$ 68,990
Refunding Series 2012	2/15/2025	2.586%	1,471,213
Series 2017	2/15/2029	3.0% to 5.0%	429,017
Series 2011	2/15/2031	3.0% to 5.0%	2,267,550
Refunding Series 2014	2/15/2027	2.0% to 5.0%	893,469
Refunding Series 2014	2/15/2027	2.0% to 5.0%	209,403
			<u>\$ 5,339,642</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, 2018:

Costs of operations	\$ 361,746
Water pumping and chemical costs	246,917
Debt service	<u>789,434</u>
Total	<u>\$ 1,398,097</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, 2018 are as follows:

Capitalized contract costs	\$ 12,556,915
Accumulated amortization	<u>(2,996,039)</u>
Net unamortized costs	<u>\$ 9,560,876</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.

The financial statements of CRMWA as of September 30, 2018, and for the year then ended, reflect the following:

Assets	
Current assets	\$ 30,358,606
Noncurrent assets	467,566,878
Deferred Outflows of Resources	
Deferred charge on refunding	132,626
Liabilities	
Current liabilities	15,161,390
Noncurrent liabilities	143,409,088
Net Position	
Net investment in capital assets	180,551,018
Restricted	142,080,365
Unrestricted	16,856,249
Total Net Position	339,487,632
Operating revenues	15,862,641
Operating expenses	(17,479,613)
Nonoperating revenues and expenses, net	(1,534,904)
Increase (decrease) in net position	(3,151,876)

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.

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, 2017 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	45
Active employees	133
	<hr/>
Total	290
	<hr/> <hr/>

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 13.47% and 14.19% in calendar years 2018 and 2017, respectively. The City's contributions to TMRS for the year ended September 30, 2018, were \$949,351, and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2017, 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, 2017 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.5% to 10.5% 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.

Actuarial assumptions used in the December 31, 2017, 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.

Changes in the Net Pension Liability:

		Increase (Decrease)	
	Total Pension	Plan	Fiduciary
			Net Pension
Balance at 12/31/2016	\$ 40,277,351	\$ 35,810,540	\$ 4,466,811
Changes for the year			
Service Cost	990,927	-	990,927
Interest	2,665,352	-	2,665,352
Changes of benefit terms	-	-	-
Difference between expected and actual experience	(155,319)	-	(155,319)
Changes of assumptions	-	-	-
Contributions - employer	-	968,397	(968,397)
Contributions - employee	-	427,387	(427,387)
Net investment income	-	4,962,819	(4,962,819)
Benefit payments, including refunds of employee contributions	(2,572,246)	(2,572,246)	-
Administrative expense	-	(25,722)	25,722
Other changes	-	(1,304)	1,304
Net changes	928,714	3,759,331	(2,830,617)
Balance at 12/31/2017	\$ 41,206,065	\$ 39,569,871	\$ 1,636,194

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)	\$ 7,155,066	\$ 1,636,194	\$ (2,913,376)

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.tmr.com.

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

For the year ended September 30, 2018, the City recognized pension expense of \$613,834.

At September 30, 2018, 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	\$ -	\$ 462,968
Changes in actual assumptions	44,961	-
Difference between projected and actual investment earnings	-	1,000,247
Contributions subsequent to the measurement date	723,033	-
Total	<u>\$ 767,994</u>	<u>\$ 1,463,215</u>

\$723,033 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, 2019. 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>	
2019	\$ (156,194)
2020	(206,814)
2021	(546,124)
2022	(509,122)
2023	-
Thereafter	-
	<u>\$ (1,418,254)</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, 2017, which is the date of the latest actuarial valuation.

Retirees and beneficiaries currently receiving benefits	36
Active members	34
	<hr/>
Total membership	70
	<hr/> <hr/>

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	Market value of assets
Amortization Method	Level Percent of Payroll
Remaining Amortization Period	31.6 years, closed period
Investment Rate of Return	7.50%
Projected Salary Increases	Service Graded
Payroll growth	3.5%
Amortization Increases	4.0%
Cost-of-living Adjustments	None
Changes in Net Pension Liability	

At September 30, 2018, the City reported a Net Pension Liability amount of \$10,355,264. The Net Pension Liability was measured as of December 31, 2017, and the Total Pension Liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of December 31, 2017.

		Increase (Decrease)	
	Total Pension	Plan	Fiduciary
			Net Pension
Balance at 9/30/2017	\$ 16,174,783	\$ 5,427,944	\$ 10,746,839
Changes for the year			
Service Cost	270,937	-	270,937
Interest	1,162,768	-	1,162,768
Changes of benefit terms	(45,183)	-	(45,183)
Difference between expected and actual experience	(417,567)	-	(417,567)
Changes of assumptions	306,088	-	306,088
Contributions - employer	-	507,975	(507,975)
Contributions - employee	-	283,992	(283,992)
Net investment income	-	897,626	(897,626)
Benefit payments, including refunds of employee	(942,137)	(942,137)	-
Administrative expense	-	(20,975)	20,975
Net changes	334,906	726,481	(391,575)
Balance at 9/30/2018	\$ 16,509,689	\$ 6,154,425	\$ 10,355,264

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 7.50%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	1% Decrease in Discount Rate (6.50%)	Discount Rate (7.50%)	1% Increase in Discount Rate (8.50%)
Firefighters' Fund Net Pension Liability	\$ 12,245,562	\$ 10,355,264	\$ 8,787,109

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

Pension Expense Components	
Service Cost	\$ 270,937
Interest on TPL	1,162,768
Differences between expected and actual experience	(70,910)
Changes in Assumptions	327,882
Changes in Benefit Terms	(45,183)
Employee Contributions	(283,992)
Projected Earnings on Pension Plan Investments	(414,034)
Differences between projected and actual earnings on plan investments	125,485
Pension Plan Administrative Expenses	20,975
Total pension expense	\$ 1,093,928

For the year ended September 30, 2018, the City recognized a pension expense of \$1,093,928. At September 30, 2018, 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	\$ 38,275	\$ 282,868
Changes in actual assumptions	344,836	-
Difference between projected and actual investment earnings	46,292	-
Contributions subsequent to the measurement date	392,982	-
Total	<u>\$ 822,385</u>	<u>\$ 282,868</u>

\$392,982 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, 2019.

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

Year Ended December 31:

2019	\$ 265,286
2020	41,566
2021	(63,597)
2022	(96,720)
2023	-
Thereafter	-
	<u>\$ 146,535</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.

Note 11 - Other Postemployment Benefits

Plan Description

The City participates in the City of Plainview Retiree Health Care Plan. This is a single employer plan that is not administered by a trust. There are no assets accumulated in a trust. Texas Local Government Code Section 177.001 assigns the authority to establish and amend benefit provisions to the City Council.

Plan Benefits

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.

Plan Membership

The following table provides a summary of the number of participants in the plan as of December 31, 2017:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	9
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	-
Active Plan Members	166
Total Plan Members	<u>175</u>

Contributions

The funding policy of the plan is to ensure that adequate resources are available to meet the required insurance premiums for the upcoming year. It is not the intent of the funding policy to pre-fund retiree life insurance during employees' entire careers. The City's contributions, which equaled the required contribution, were based upon a factor of 1.59 which equals the ratio of the expected retiree claims to the expected retiree contributions. Total contributions paid by the City equaled \$56,385 for the year ended December 31, 2017.

Actuarial Assumptions

The total OPEB liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	December 31, 2017
Actuarial Cost Method	Entry Age Normal Actuarial Cost Method
Asset Valuation Method	Actuarial Value
Discount Rate	3.31%
Inflation	2.50%
Projected Salary Increases	3.50% to 10.50% for TMRS employees and 3.50% to 8.00% for Firefighters, including inflation
Health Care Trend Rates	Initial rate of 7.50% declining to an ultimate rate of 4.25% after 16 years

The plan does not have an automatic cost-of-living adjustment. Therefore, no assumption for future cost-of-living adjustments is included in the GASB calculation or in the funding valuation. Each year, the plan may elect an ad hoc COLA for its retirees.

Mortality rates for healthy TMRS members were based on 90% of the RP-2000 Combined Healthy Mortality Tables with Blue Collar Adjustments used with male rates based on 109% and female rates based on 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For healthy firefighter retirees, the gender-distinct RP-2014 Blue Collar Mortality tables adjusted backward to 2016 with Scale MP-2014 and projected with Scale MP-2016. Mortality rates for disabled retirees for firefighters is based on the gender-distinct RP-2014 Disability Mortality Table adjusted backward to 2006 with Scale MP-2014 and projected with Scale MP-2015. Mortality rates for TMRS disabled retirees is the same as for healthy retirees, except with a 3 year set forward. In addition, there is a 3% minimum mortality probability to reflect impaired mortality for this group. Mortality rates for active firefighter members is based on the gender distinct RP-2014 Employee Blue Collar Mortality tables adjusted backward to 2006 with Scale MP-2014 and projected with Scale MP-2016. Mortality rates for active TMRS members is based on the Gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with male rates multiplied by 54.5% and female rates multiplied by 51.5%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements.

Disability rates for males and females for firefighters were as follows:

Age	Male	Female
25	0.06%	0.06%
30	0.08	0.08
35	0.10	0.10
40	0.23	0.23
45	0.39	0.39
60	0.70	0.70

Disability rates for males and females for TMRS were as follows:

Age	Male	Female
20	0.00%	0.00%
25	0.00	0.00
30	0.01	0.01
35	0.03	0.03
40	0.05	0.05
45	0.08	0.08
50	0.12	0.12
55	0.16	0.16
60	0.22	0.22
65	0.28	0.28

Service retirement rates for males and females were as follows:

For firefighters, 18% at 0 years of service, decreasing 1.0% per year to 0.0% at 18 years of service.

For the first 10 years of service for TMRS, the base table rates vary by gender, entry age, and length of service.

Male	Service									
Age	0	1	2	3	4	5	6	7	8	9
20	0.2920	0.2623	0.2186	0.1932	0.1850	0.1529	0.1529	0.1243	0.1022	0.0816
25	0.2563	0.2269	0.1812	0.1554	0.1429	0.1148	0.1148	0.1006	0.0926	0.0757
30	0.2451	0.2052	0.1610	0.1322	0.1079	0.0896	0.0896	0.0774	0.0744	0.0621
35	0.2505	0.2070	0.1577	0.1265	0.1050	0.0848	0.0848	0.0719	0.0621	0.0567
40	0.2467	0.2060	0.1561	0.1213	0.1046	0.0805	0.0805	0.0710	0.0601	0.0577
45	0.2268	0.1934	0.1556	0.1220	0.1053	0.0813	0.0813	0.0711	0.0605	0.0575
50	0.2078	0.1731	0.1412	0.1149	0.1016	0.0807	0.0807	0.0716	0.0604	0.0578
55	0.2003	0.1668	0.1265	0.1074	0.0861	0.0771	0.0771	0.0682	0.0609	0.0560
60	0.1999	0.1542	0.1231	0.1060	0.0790	0.0753	0.0753	0.0683	0.0571	0.0549
65	0.2000	0.1463	0.1238	0.1063	0.0803	0.0757	0.0757	0.0700	0.0547	0.0551
70	0.2000	0.1477	0.1238	0.1063	0.0802	0.0756	0.0756	0.0697	0.0551	0.0551

Female	Service									
Age	0	1	2	3	4	5	6	7	8	9
20	0.3030	0.2790	0.2221	0.2098	0.1997	0.2021	0.1536	0.1539	0.1564	0.1574
25	0.2782	0.2409	0.2067	0.1962	0.1710	0.1663	0.1369	0.1352	0.1186	0.1125
30	0.2574	0.2188	0.1949	0.1762	0.1347	0.1348	0.1276	0.1126	0.0973	0.0804
35	0.2424	0.2118	0.1805	0.1438	0.1273	0.1238	0.1112	0.1085	0.1000	0.0769
40	0.2244	0.1993	0.1614	0.1342	0.1295	0.1097	0.1023	0.0924	0.0834	0.0733
45	0.2191	0.1853	0.1427	0.1337	0.1054	0.1017	0.0894	0.0784	0.0705	0.0725
50	0.2201	0.1793	0.1347	0.1229	0.0886	0.0881	0.0823	0.0723	0.0675	0.0617
55	0.2200	0.1738	0.1350	0.1199	0.0834	0.0806	0.0713	0.0705	0.0685	0.0551
60	0.2200	0.1523	0.1350	0.1172	0.0798	0.0843	0.0646	0.0639	0.0429	0.0379
65	0.2200	0.1431	0.1350	0.1150	0.0800	0.0857	0.0667	0.0593	0.0276	0.0280
70	0.2200	0.1447	0.1350	0.1154	0.0800	0.0854	0.0664	0.0601	0.0303	0.0298

After 10 years of service, separation rates vary by gender and by the number of years remaining until first retirement eligibility.

Years from Retirement	Male	Female
1	1.72%	2.20%
2	2.29	2.97
3	2.71	3.54
4	3.06	4.01
5	3.35	4.41
6	3.61	4.77
7	3.85	5.10
8	4.07	5.40
9	4.28	5.68
10	4.47	5.94
11	4.65	6.19
12	4.82	6.43
13	4.98	6.66
14	5.14	6.87
15	5.29	7.08

The actuarial assumptions and methods that determined the total OPEB liability as of December 31, 2017 were based on the results of an actuarial experience study for the period January 1, 2011 – December 31, 2014.

There was a change in discount rate from 3.81% as of December 31, 2016 to 3.31% as of December 31, 2017.

Discount Rate

A discount rate of 3.31% based on the daily rate closest but not later than the measurement date for the Fidelity 20-Year Municipal GO AA Index is used as of the measurement date December 31, 2017. The discount rate was 3.81% as of the prior measurement date.

OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At September 30, 2018, the City reported a total OPEB liability of \$1,173,854 measured at December 31, 2017.

For the year ended September 30, 2018, the City recognized OPEB expense of \$82,454.

There was a change in discount rate from 3.81% as of December 31, 2016 to 3.31% as of December 31, 2017.

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

Changes in the total OPEB liability for the measurement year ended December 31, 2017 are as follows:

	Total OPEB Liability
Changes in Total OPEB Liability	
Balance at December 31, 2016, as restated	\$ 1,105,271
Changes for the year	
Service cost	34,287
Interest on total OPEB liability	41,690
Changes of benefit terms	-
Difference between expected and actual experience of the total OPEB liability	-
Changes of assumptions	48,991
Benefit payments	(56,385)
Balance as of December 31, 2017	<u>\$ 1,173,854</u>

Discount Rate Sensitivity Analysis

The following presents the total OPEB liability of the City, calculated using the discount rate of 3.31%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.31%) or 1 percentage point higher (4.31%) than the current rate.

1% Decrease (2.31%)	Current Discount Rate Assumption (3.31%)	1% Increase (4.31%)
\$ 1,280,415	\$ 1,173,854	\$ 1,078,688

Healthcare Cost Trend Rate Sensitivity Analysis

The following presents the net OPEB liability of the plan using the assumed healthcare cost trend rate, as well as what the net OPEB liability would be if it were calculated using a trend rate that is one percentage point lower or one percentage point higher than the assumed healthcare cost trend rate.

1% Decrease	Current Healthcare Cost Trend Rate Assumption	1% Increase
\$ 1,066,158	\$ 1,173,854	\$ 1,299,736

At September 30, 2018 the City reported its deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ -
Changes in assumptions	42,514	-
Contributions subsequent to the measurement date	45,802	-
Total	<u>\$ 88,316</u>	<u>\$ -</u>

\$45,802 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability for the year ended September 30, 2019. The balances of deferred outflows and inflows of resources related to OPEB, excluding contributions made subsequent to the measurement date, will be recognized in OPEB expense as follows:

Year Ending September 30	Net Deferred Outflows/Inflows
2019	\$ 6,477
2020	6,477
2021	6,477
2022	6,477
2023	6,477
Thereafter	10,129
Total	\$ 42,514

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.

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 \$1,552,914 reported as landfill closure and postclosure care liability as of September 30, 2018, represents the cumulative amount reported to date based on the use of 23.41% of the estimated capacity of the landfill. The City will recognize the remaining estimated cost of closure and postclosure of \$5,080,635 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2018. 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 \$1,552,914 as of September 30, 2018.

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.

Total current assets	\$ 149,434
Total property and equipment	1,739,057
Total current liabilities	28,477
Net position invested in capital assets	1,739,057
Unrestricted net position	120,957
Total net position	1,860,014
Total operating revenues	165,346
Total operating expenses	202,067
Net increase (decrease) in net position	(36,721)
City's 50% share of increase (decrease) in net position	(18,361)

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

Melinda Silvas, County Auditor
County of Hale
500 Broadway
Plainview, TX 79072

Transactions with the Plainview/Hale County Airport for the year ended September 30, 2018 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	9/30/2018
Total current assets	\$ 1,487,378
Total property and equipment	2,333,686
Total current liabilities	648,498
Net position invested in capital assets	2,333,686
Unrestricted net position	838,880
Total net position	3,172,566
Total operating revenues	2,740,763
Total operating expenses	51,598
Net increase (decrease) in net position	2,689,165
City's 50% share of increase (decrease) in net position	1,344,583

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.

Note 16 - Related Parties

At September 30, 2018, the City of Plainview has a payable to the City of Plainview / Hale County Business Park (Business Park) for \$1,163,129. The City of Plainview has a receivable from the Business Park for \$181,105. The contributions made from the City to the Business Park were \$916,089.

The City of Plainview paid \$15,191 to the Plainview/Hale County Airport for its portion of expenses.

Note 17 - Prior Period Adjustment

As of October 1, 2017, the City adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The implementation of this standard replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, and requires governments calculate and report the cost and obligations associated with other postemployment benefits other than pensions in their financial statements, including additional note disclosures and required supplementary information. Beginning net position for internal service fund and governmental activities was restated to retroactively remove the prior OPEB liability reported under GASB Statement No. 45 and adopt the provisions of GASB Statement No. 75 to report the beginning total OPEB liability, and deferred outflows of resources related to contributions made after the measurement date as follows:

	Internal Service Fund	Governmental Activities
Net position - September 30, 2017, as previously reported	\$ 7,326,393	\$ 22,509,833
Remove previously reported OPEB liability reported under GASB Statement No. 45	911,031	911,031
Add total OPEB liability under GASB Statement No. 75 at September 30, 2017	(1,105,271)	(1,105,271)
Add deferred outflows of resources related to contributions made during the year ended September 30, 2017	42,511	42,511
Net position - October 1, 2017, as restated	<u>\$ 7,174,664</u>	<u>\$ 22,358,104</u>

Note 18 - Subsequent Event

On February 21, 2019, the City took possession of the donated Centennial Bank building. The City intends to renovate it and use it as City Hall. Management is in the process of obtaining a fair value.



PLAINVIEW, TX

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**Required Supplementary
Information**



PLAINVIEW, TX

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Required Supplementary Information
September 30, 2018

City of Plainview, Texas

	Budgeted Amounts		Actual GAAP Basis
	Original	Final	
Revenues			
Taxes			
Property taxes	\$ 5,297,250	\$ 5,297,250	\$ 5,334,857
General sales and use tax	3,810,000	3,810,000	4,052,315
Selective sales and use tax	30,000	30,000	29,732
Franchise tax	1,357,000	1,357,000	1,364,528
Penalty and interest on taxes	67,500	67,500	75,327
Licenses and permits	86,610	86,610	85,562
Intergovernmental revenue and grants	192,755	192,755	189,612
Charges for services	738,315	916,780	882,141
Fines and forfeitures	342,660	342,660	282,371
Investment earnings	50,000	50,000	274,370
Rents and royalties	500	500	500
Other revenue	864,740	919,955	76,596
Total revenues	12,837,330	13,071,010	12,647,911
Expenditures			
Current			
General government - administration			
City council	62,655	62,655	(9,583)
City manager	443,675	443,675	178,096
Nondepartmental	485,695	670,160	576,552
Legal	267,000	353,000	(21,242)
Finance	79,125	99,525	(37,999)
Human resources	101,415	114,415	105,976
Information technology	192,040	195,040	193,605
Property tax appraisal / collection	126,250	126,250	121,405
Total general government - admin	1,757,855	2,064,720	1,106,810
General government - other			
Municipal court	163,430	163,430	163,265
Community development	171,030	174,230	157,055
Code compliance	255,555	338,455	308,202
Main Street	110,870	123,465	48,023
Airport	3,000	3,000	-
Total general government - other	703,885	802,580	676,545
Health			
City-county health department	147,355	147,285	134,398
Health TDH - ORAS	83,610	83,560	79,435
Health TDH-IMM	193,430	193,430	167,531
Total health	424,395	424,275	381,364

See Notes to Required Supplementary Information

City of Plainview, Texas
 Budgetary Comparison Schedule – General Fund (Exhibit B-1)
 Year Ended September 30, 2018

Adjustments to Budget Basis	Actual Budget Basis	Variance with Final Budget
\$ -	\$ 5,334,857	\$ 37,607
-	4,052,315	242,315
-	29,732	(268)
-	1,364,528	7,528
-	75,327	7,827
-	85,562	(1,048)
-	189,612	(3,143)
-	882,141	(34,639)
-	282,371	(60,289)
-	274,370	224,370
-	500	-
856,400	932,996	13,041
856,400	13,504,311	433,301
57,845	48,262	14,393
188,885	366,981	76,694
-	576,552	93,608
134,585	113,343	239,657
132,225	94,226	5,299
-	105,976	8,439
-	193,605	1,435
-	121,405	4,845
513,540	1,620,350	444,370
-	163,265	165
-	157,055	17,175
-	308,202	30,253
79,580	127,603	(4,138)
-	-	3,000
79,580	756,125	46,455
-	134,398	12,887
-	79,435	4,125
-	167,531	25,899
-	381,364	42,911

	Budgeted Amounts		Actual
	Original	Final	GAAP Basis
Public safety			
Police	3,726,790	3,828,825	3,666,807
Fire	3,696,115	3,814,245	3,682,381
Traffic control	168,155	168,560	132,303
Emergency operations center	116,745	116,745	83,069
Street lighting	223,935	223,935	201,377
Animal control	155,000	161,370	156,755
Total public safety	8,086,740	8,313,680	7,922,692
Public works			
Public works - general	160,815	160,815	(107,696)
Street cleaning	185,480	185,480	172,150
Streets - other	783,285	817,510	786,908
Building operations	97,305	100,305	81,269
Total public works	1,226,885	1,264,110	932,631
Recreation and culture			
Parks	798,825	801,795	623,286
Swimming pool	24,500	24,500	23,127
Library	441,365	502,715	404,709
Total recreation and culture	1,264,690	1,329,010	1,051,122
Capital outlay	6,800	94,960	79,435
Total expenditures	13,471,250	14,293,335	12,150,599
Excess of Revenues Over (Under) Expenditures	(633,920)	(1,222,325)	497,312
Other Financing Sources (Uses)			
Transfers in	516,500	516,500	549,757
Transfers out	(40,000)	(1,065,000)	(1,065,000)
Total other financing sources (uses)	476,500	(548,500)	(515,243)
Change in Fund Balance	(157,420)	(1,770,825)	(17,931)
Fund Balance, October 1	13,456,754	13,456,754	13,456,754
Fund Balance, September 30	\$ 13,299,334	\$ 11,685,929	\$ 13,438,823

See Notes to Required Supplementary Information

City of Plainview, Texas
 Budgetary Comparison Schedule – General Fund (Exhibit B-1)
 Year Ended September 30, 2018

Adjustments to Budget Basis	Actual Budget Basis	Variance with Final Budget
-	3,666,807	162,018
-	3,682,381	131,864
-	132,303	36,257
-	83,069	33,676
-	201,377	22,558
-	156,755	4,615
-	7,922,692	390,988
263,280	155,584	5,231
-	172,150	13,330
-	786,908	30,602
-	81,269	19,036
263,280	1,195,911	68,199
-	623,286	178,509
-	23,127	1,373
-	404,709	98,006
-	1,051,122	277,888
-	79,435	15,525
856,400	13,006,999	1,286,336
-	497,312	1,719,637
-	549,757	33,257
-	(1,065,000)	-
-	(515,243)	33,257
-	(17,931)	1,752,894
-	13,456,754	-
\$ -	\$ 13,438,823	\$ 1,752,894

City of Plainview, Texas

Schedule of Changes in Net Position Liability and Related Ratios – Texas Municipal Retirement System
(Exhibit B-2)
Year Ended September 30, 2018

	Year Ended December 31, 2017	Year Ended December 31, 2016	Year Ended December 31, 2015	Year Ended December 31, 2014
Total Pension Liability				
Service cost	\$ 990,927	\$ 1,001,561	\$ 967,833	\$ 836,912
Interest on total pension liability	2,665,352	2,623,657	2,620,150	2,535,501
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	(155,319)	(569,418)	(374,526)	(335,859)
Change of assumptions	-	-	246,279	-
Benefit payments/refunds of contributions	(2,572,246)	(2,293,310)	(1,783,357)	(2,002,126)
Net change in total pension liability	928,714	762,490	1,676,379	1,034,428
Total pension liability, beginning	40,277,351	39,514,861	37,838,482	36,804,054
Total pension liability, ending (a)	<u>\$ 41,206,065</u>	<u>\$ 40,277,351</u>	<u>\$ 39,514,861</u>	<u>\$ 37,838,482</u>
Fiduciary Net Position				
Contributions - Employer	\$ 968,397	\$ 958,277	\$ 999,335	\$ 982,725
Contributions - Employee	427,387	432,506	439,639	394,106
Net investment income	4,962,819	2,325,769	51,262	1,914,838
Benefit payments/refunds of contributions	(2,572,246)	(2,293,310)	(1,783,357)	(2,002,126)
Administrative expenses	(25,722)	(26,267)	(31,224)	(19,992)
Other	(1,304)	(1,416)	(1,541)	(1,644)
Net change in fiduciary net position	3,759,331	1,395,559	(325,886)	1,267,907
Fiduciary net position, beginning	35,810,540	34,414,981	34,740,867	33,472,960
Fiduciary net position, ending (b)	<u>\$ 39,569,871</u>	<u>\$ 35,810,540</u>	<u>\$ 34,414,981</u>	<u>\$ 34,740,867</u>
Net pension liability / (asset), ending = (a) - (b)	<u>\$ 1,636,194</u>	<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	96.03%	88.91%	87.09%	91.81%
Pensionable covered payroll	\$ 6,105,526	\$ 6,178,661	\$ 6,280,553	\$ 5,630,088
Net pension liability as a percentage of covered payroll	26.80%	72.29%	81.20%	55.02%

City of Plainview, Texas
Schedule of Changes in Net Position Liability and Related Ratios – Firemen’s Relief and Retirement Fund
Pension Plan (Exhibit B-3)
Year Ended September 30, 2018

	Year Ended December 31 2017	Year Ended December 31 2016	Year Ended December 31 2015	Year Ended December 31 2014
Total Pension Liability				
Service cost	\$ 270,937	\$ 214,415	\$ 247,001	\$ 238,404
Interest on total pension liability	1,162,768	1,193,655	1,032,210	1,033,343
Changes of benefit terms	(45,183)	-	-	-
Differences between expected and actual experience	(417,567)	-	229,642	-
Change of assumptions	306,088	-	824,918	-
Benefit payments/refunds of contributions	(942,137)	(841,741)	(693,960)	(796,307)
Net change in total pension liability	334,906	566,329	1,639,811	475,440
Total pension liability, beginning	16,174,783	15,608,454	13,968,643	13,493,203
Total pension liability, ending (a)	<u>\$ 16,509,689</u>	<u>\$ 16,174,783</u>	<u>\$ 15,608,454</u>	<u>\$ 13,968,643</u>
Fiduciary Net Position				
Contributions - Employer	\$ 507,975	\$ 486,198	\$ 496,188	\$ 440,812
Contributions - Employee	283,992	275,801	285,079	261,936
Net investment income	897,626	223,344	(260,075)	177,500
Benefit payments/refunds of contributions	(942,137)	(841,741)	(693,960)	(796,307)
Administrative expenses	(20,975)	(12,556)	(7,176)	(76,558)
Other	-	-	-	-
Net change in fiduciary net position	726,481	131,046	(179,944)	7,383
Fiduciary net position, beginning	5,427,944	5,296,898	5,476,842	5,469,459
Fiduciary net position, ending (b)	<u>\$ 6,154,425</u>	<u>\$ 5,427,944</u>	<u>\$ 5,296,898</u>	<u>\$ 5,476,842</u>
Net pension liability / (asset), ending = (a) - (b)	<u>\$ 10,355,264</u>	<u>\$ 10,746,839</u>	<u>\$ 10,311,556</u>	<u>\$ 8,491,801</u>
Fiduciary net position as a percentage of total pension liability	37.28%	33.56%	33.94%	39.21%
Pensionable covered payroll	\$ 2,028,514	\$ 1,970,007	\$ 2,036,279	\$ 1,836,743
Net pension liability as a percentage of covered payroll	510.49%	545.52%	506.39%	462.33%

City of Plainview, Texas

Schedule of Employer Contributions – Texas Municipal Retirement System (Exhibit B-4)

September 30, 2018

<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%
2018	835,845	949,351	(113,506)	6,205,237	15.3%

City of Plainview, Texas

Schedule of Employer Contributions – Firemen’s Relief and Retirement Fund Pension Plan (Exhibit B-5)

September 30, 2018

<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%
2018	507,975	526,060	(18,085)	2,042,388	25.8%

City of Plainview, Texas
Schedule of Changes in Total OPEB Liability and Related Ratios (Exhibit B-6)
September 30, 2018

Total OPEB Liability	
Service cost	\$ 34,287
Interest on the OPEB liability	41,690
Changes in benefit terms	-
Difference between expected and actual experience of the total OPEB liability	-
Changes of assumptions	48,991
Benefit payments	(56,385)
Net change in total OPEB liability	68,583
Total OPEB liability-beginning	1,105,271
Total OPEB liability-ending	<u>\$ 1,173,854</u>
 Covered-employee payroll	 \$ 7,982,109
 Total OPEB liability as a percentage of covered-employee payroll	 14.71%

Note: No assets are accumulated in a trust fund for the OPEB plan.

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	\$ (17,931)
Investment earnings	38,410
General government - administration	(1,267,624)
Capital outlay	(95,158)
Net transfers	886,483
Change in Fund Balance Exhibit A-5	<u><u>\$ (455,820)</u></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 \$150,000 to the Economic Development project, transfer of \$700,000 to capital improvements, and transfer of \$150,000 to downtown TIRZ.
7. All budget appropriations lapse at year end.

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	28 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.

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, 2017
----------------	-------------------

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	Service Graded
Investment rate of return	7.70%, net of plan expenses
Retirement	Active firefighters are assumed to retire at the later of age 54 or 20 years of service (age 53 for firefighters with 10 years of service as of January 1, 2018). 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 DROP eligibility.
Mortality	RP-2014 Blue Collar Mortality tables adjusted backward to 2006 with Scale MP-2014 and projected with Scale MP-2016
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 from 7.75% to 7.50% net of investment expenses only. 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-2016. The assumed retirement age was moved to age 54 for firefighters who were not vested as of Janaury 1, 2018. There have been no other changes in principal actuarial assumptions for the prior valuation.

Note E: OPEB

Assumptions

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

Valuation date	December 31, 2017
Actuarial cost method	Individual Entry-Age
Inflation	2.5%
Salary increases	3.50% to 10.50% for TMRS employees and 3.50% to 8.00% for Firefighters, including inflation
Demographic Assumptions	Based on the experience study covering the four-year period ending December 31, 2014 as conducted for TMRS. For firefighters, the demographic assumptions are the same as those used to value the Plainview Firefighters Relief & Retirement Fund.
Mortality	For healthy TMRS retirees, 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%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For healthy firefighter retirees, the gender-distinct RP-2014 Blue Collar Mortality tables adjusted backward to 2006 with Scale MP-2014 and projected with Scale MP-2016.
Health Care Trend Rates	Initial rate of 7.50% declining to an ultimate rate of 4.25% after 16 years.
Participation Rates	10% for TMRS retirees and 35% for firefighter retirees

Changes of Benefit Terms

No changes.

Changes in the Size or Composition of the Population Covered by 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

Assumption changes for the December 31, 2017 valuation include a change to the discount rate from 3.81% as of December 31, 2016 to 3.31% as of December 31, 2017.

**Combining Statements &
Budget Comparisons**



PLAINVIEW, TX

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Combining Statements and Budgetary Comparisons
September 30, 2018

City of Plainview, Texas

City of Plainview, Texas
Combining Balance Sheet – General Fund (Exhibit C-1)
September 30, 2018

	General	Capital Improvement	Street Improvement	Economic Development	Total General Fund
Assets					
Cash and cash equivalents	\$ 550,834	\$ 258,122	\$ 2,126	\$ 297,274	\$ 1,108,356
Investments	12,378,587	1,107,791	-	682,936	14,169,314
Interest receivable	5,984	536	-	330	6,850
Accounts receivable (net)	467,398	-	-	457	467,855
Taxes receivable (net)	988,079	-	-	-	988,079
Due from other funds	169,766	-	-	-	169,766
Due from other governments	29,992	-	-	-	29,992
Grant receivable	19,953	-	-	-	19,953
Inventories	41,077	-	-	-	41,077
Total assets	\$ 14,651,670	\$ 1,366,449	\$ 2,126	\$ 980,997	\$ 17,001,242
Liabilities, deferred inflows of resources and fund balances					
Liabilities					
Accounts payable	\$ 425,827	\$ 27,840	\$ -	\$ 324,249	\$ 777,916
Wages payable	335,472	-	-	-	335,472
Due to other funds	-	5,467	-	-	5,467
Compensated absences payable	4,443	-	-	-	4,443
Total liabilities	765,742	33,307	-	324,249	1,123,298
Deferred inflows of resources					
Unavailable revenue					
Property taxes	216,322	-	-	-	216,322
Fines and fees	99,283	-	-	-	99,283
Emergency medical services	131,500	-	-	-	131,500
Total deferred inflows of resources	447,105	-	-	-	447,105
Fund Balances					
Nonspendable	41,077	-	-	-	41,077
Assigned	-	1,333,142	2,126	656,748	1,992,016
Unassigned	13,397,746	-	-	-	13,397,746
Total fund balance	13,438,823	1,333,142	2,126	656,748	15,430,839
Total liabilities, deferred inflows of resources and fund balances	\$ 14,651,670	\$ 1,366,449	\$ 2,126	\$ 980,997	\$ 17,001,242

City of Plainview, Texas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – General Fund
(Exhibit C-2)
Year Ended September 30, 2018

	General	Capital Improvement	Street Improvement	Economic Development	Elimination	Total General Fund
Revenues						
Taxes						
Property taxes	\$ 5,334,857	\$ -	\$ -	\$ -	\$ -	\$ 5,334,857
Sales and use taxes	4,052,315	-	-	-	-	4,052,315
Selective sales and use taxes	29,732	-	-	-	-	29,732
Franchise tax	1,364,528	-	-	-	-	1,364,528
Penalty and interest on taxes	75,327	-	-	-	-	75,327
Licenses and permits	85,562	-	-	-	-	85,562
Intergovernmental revenue and grants	189,612	-	-	-	-	189,612
Charges for services	882,141	-	-	-	-	882,141
Fines and fees	282,371	-	-	-	-	282,371
Investment earnings	274,370	18,818	44	19,548	-	312,780
Rents and royalties	500	-	-	-	-	500
Other revenue	76,596	-	-	-	-	76,596
Total revenues	12,647,911	18,818	44	19,548	-	12,686,321
Expenditures						
Current						
General government - administration	1,106,810	205,459	-	1,062,165	-	2,374,434
General government - other	676,545	-	-	-	-	676,545
Public safety	7,922,692	-	-	-	-	7,922,692
Public works	932,631	-	-	-	-	932,631
Health	381,364	-	-	-	-	381,364
Recreation and culture	1,051,122	-	-	-	-	1,051,122
Capital outlay	79,435	95,158	-	-	-	174,593
Total expenditures	12,150,599	300,617	-	1,062,165	-	13,513,381
Excess (deficiency) of revenue over expenditures	497,312	(281,799)	44	(1,042,617)	-	(827,060)
Other financing sources (uses)						
Transfers in	549,757	700,000	-	265,000	(890,000)	624,757
Transfers out	(1,065,000)	(78,517)	-	-	890,000	(253,517)
Total other financing sources (uses)	(515,243)	621,483	-	265,000	-	371,240
Net change in fund balance	(17,931)	339,684	44	(777,617)	-	(455,820)
Fund balance, October 1	13,456,754	993,458	2,082	1,434,365	-	15,886,659
Fund balance, September 30	\$ 13,438,823	\$ 1,333,142	\$ 2,126	\$ 656,748	\$ -	\$ 15,430,839

	Hotel - Motel Occupancy Tax Fund	Police Seizure Fund	RSVP Fund	Municipal Court Security Fee Fund	Municipal Court Technology Fund
Assets					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	664,944	-	-	-	-
Accounts receivable	5,000	-	-	-	-
Interest receivable	321	-	-	-	-
Taxes receivable	33,110	-	-	-	-
Grants receivable	-	-	6,057	-	-
Restricted cash and cash equivalents	136,592	3,923	3,108	39,185	45,655
Total assets	<u>\$ 839,967</u>	<u>\$ 3,923</u>	<u>\$ 9,165</u>	<u>\$ 39,185</u>	<u>\$ 45,655</u>
Liabilities and fund balances					
Liabilities					
Accounts payable	\$ 21,102	\$ 340	\$ 6,535	\$ -	\$ -
Wages payable	1,928	-	2,480	-	-
Compensated absences payable	-	-	150	-	-
Due to other funds	-	-	-	-	-
Total liabilities	<u>23,030</u>	<u>340</u>	<u>9,165</u>	<u>-</u>	<u>-</u>
Fund balances					
Restricted	<u>816,937</u>	<u>3,583</u>	<u>-</u>	<u>39,185</u>	<u>45,655</u>
Total fund balances	<u>816,937</u>	<u>3,583</u>	<u>-</u>	<u>39,185</u>	<u>45,655</u>
Total liabilities and fund balance	<u>\$ 839,967</u>	<u>\$ 3,923</u>	<u>\$ 9,165</u>	<u>\$ 39,185</u>	<u>\$ 45,655</u>

City of Plainview, Texas
Combining Balance Sheet – Nonmajor Governmental Funds (Exhibit C-3)
September 30, 2018

PEG Fund	Travis Trussell Duck Pond Fund	Downtown TIRZ Fund	Debt Service Fund	EDA P/W Fin Assistance Grant Fund	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	664,944
-	50,750	-	-	-	55,750
-	-	-	-	-	321
9,453	-	-	-	-	42,563
-	136,412	-	-	285,414	427,883
152,083	-	150,000	7,439	553,466	1,091,451
<u>\$ 161,536</u>	<u>\$ 187,162</u>	<u>\$ 150,000</u>	<u>\$ 7,439</u>	<u>\$ 838,880</u>	<u>\$ 2,282,912</u>
\$ -	\$ 22,863	\$ -	\$ -	\$ 838,880	\$ 889,720
-	-	-	-	-	4,408
-	-	-	-	-	150
-	164,299	-	-	-	164,299
-	187,162	-	-	838,880	1,058,577
161,536	-	150,000	7,439	-	1,224,335
161,536	-	150,000	7,439	-	1,224,335
<u>\$ 161,536</u>	<u>\$ 187,162</u>	<u>\$ 150,000</u>	<u>\$ 7,439</u>	<u>\$ 838,880</u>	<u>\$ 2,282,912</u>

	Hotel - Motel Occupancy Tax Fund	Police Seizure Fund	RSVP Fund	Municipal Court Security Fee Fund	Municipal Court Technology Fund
Revenue					
Selective sales and use tax	\$ 346,078	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue and grants	-	-	68,370	-	-
Fines, forfeitures and fees	-	12,135	-	6,709	8,904
Investment earnings	13,678	-	-	-	-
Contributions and donations	5,951	-	7,537	-	-
Other revenue	-	-	-	-	-
Total revenues	365,707	12,135	75,907	6,709	8,904
Expenditures					
Current					
General government - administration	269,591	-	-	-	-
General government - other	-	-	75,907	1,186	-
Recreation and culture	-	-	-	-	-
Public safety	-	25,295	-	-	-
Capital outlay	52,367	-	-	-	-
Total expenditures	321,958	25,295	75,907	1,186	-
Excess (deficiency) of revenues over expenditures	43,749	(13,160)	-	5,523	8,904
Other financing sources (uses)					
Transfers in	-	-	-	-	-
Transfers out	(35,250)	-	-	-	-
Total other financing sources (uses)	(35,250)	-	-	-	-
Net change in fund balance	8,499	(13,160)	-	5,523	8,904
Fund balance, October 1	808,438	16,743	-	33,662	36,751
Fund balance, September 30	\$ 816,937	\$ 3,583	\$ -	\$ 39,185	\$ 45,655

City of Plainview, Texas

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental
Funds (Exhibit C-4)
Year Ended September 30, 2018

PEG Fund	Travis Trussell Duck Pond Fund	Downtown TIRZ Fund	Debt Service Fund	EDA P/W Fin Assistance Grant Fund	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	346,078
-	234,301	-	-	839,455	1,142,126
36,828	-	-	-	-	64,576
2,836	-	-	42	-	16,556
-	67,150	-	-	-	80,638
-	-	-	7,397	-	7,397
<u>39,664</u>	<u>301,451</u>	<u>-</u>	<u>7,439</u>	<u>839,455</u>	<u>1,657,371</u>
-	-	-	-	-	269,591
-	-	-	-	839,455	916,548
-	16,980	-	-	-	16,980
-	-	-	-	-	25,295
-	432,933	-	-	-	485,300
<u>-</u>	<u>449,913</u>	<u>-</u>	<u>-</u>	<u>839,455</u>	<u>1,713,714</u>
<u>39,664</u>	<u>(148,462)</u>	<u>-</u>	<u>7,439</u>	<u>-</u>	<u>(56,343)</u>
-	78,517	150,000	-	-	228,517
-	-	-	-	-	(35,250)
<u>-</u>	<u>78,517</u>	<u>150,000</u>	<u>-</u>	<u>-</u>	<u>193,267</u>
39,664	(69,945)	150,000	7,439	-	136,924
<u>121,872</u>	<u>69,945</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,087,411</u>
<u>\$ 161,536</u>	<u>\$ -</u>	<u>\$ 150,000</u>	<u>\$ 7,439</u>	<u>\$ -</u>	<u>\$ 1,224,335</u>

City of Plainview, Texas
 Budgetary Comparison Schedule – Hotel-Motel Occupancy Tax Fund (Exhibit D-1)
 Year Ended September 30, 2018

	Budgeted Amounts		Actual	Variance
	Original	Final	GAAP Basis	with Final Budget
Revenue				
Selective sales and use tax	\$ 290,000	\$ 290,000	\$ 346,078	\$ 56,078
Investment earnings	1,500	1,500	13,678	12,178
Other revenues	-	-	5,951	5,951
Total revenues	291,500	291,500	365,707	74,207
Expenditures				
Current				
General government - administration	268,640	296,360	269,591	26,769
Capital outlay	-	52,375	52,367	8
Total expenditures	268,640	348,735	321,958	26,777
Excess (Deficiency) of revenue over expenditures	22,860	(57,235)	43,749	100,984
Other financing sources (uses)				
Transfers out	(35,250)	(35,250)	(35,250)	-
Total other financing sources (uses)	(35,250)	(35,250)	(35,250)	-
Net change in fund balance	(12,390)	(92,485)	8,499	100,984
Fund balance, October 1	808,438	808,438	808,438	-
Fund balance, September 30	\$ 796,048	\$ 715,953	\$ 816,937	\$ 100,984

City of Plainview, Texas
 Budgetary Comparison Schedule – Police Seizure Fund (Exhibit D-2)
 Year Ended September 30, 2018

	Budgeted Amounts		Actual	Variance
	Original	Final	GAAP	with Final
			Basis	Budget
Revenue				
Fines, forfeitures and fees	\$ 4,000	\$ 11,965	\$ 12,135	\$ 170
Total revenues	4,000	11,965	12,135	170
Expenditures				
Current				
Public safety	22,500	34,730	25,295	9,435
Capital outlay	-	-	-	-
Total expenditures	22,500	34,730	25,295	9,435
Excess (Deficiency) of revenue over expenditures	(18,500)	(22,765)	(13,160)	9,605
Net change in fund balance	(18,500)	(22,765)	(13,160)	9,605
Fund balance - October 1	16,743	16,743	16,743	-
Fund balance - September 30	\$ (1,757)	\$ (6,022)	\$ 3,583	\$ 9,605

City of Plainview, Texas
 Budgetary Comparison Schedule – RSVP Fund (Exhibit D-3)
 Year Ended September 30, 2018

	Budgeted Amounts		Actual	Variance
	Original	Final	GAAP Basis	with Final Budget
Revenue				
Intergovernmental revenue and grants	\$ 66,815	\$ 66,815	\$ 68,370	\$ 1,555
Contributions and donations	27,545	27,545	7,537	(20,008)
Total revenues	94,360	94,360	75,907	(18,453)
Expenditures				
Current				
General government - other	94,360	94,360	75,907	18,453
Total expenditures	94,360	94,360	75,907	18,453
Excess (Deficiency) of revenue over Expenditures	-	-	-	-
Net change in fund balance	-	-	-	-
Fund balance - October 1	-	-	-	-
Fund balance - September 30	\$ -	\$ -	\$ -	\$ -

City of Plainview, Texas
 Budgetary Comparison Schedule – Municipal Court Security Fee Fund (Exhibit D-4)
 Year Ended September 30, 2018

	Budgeted Amounts		Actual	Variance
	Original	Final	GAAP Basis	with Final Budget
Revenue				
Fines, forfeitures and fees	\$ 7,000	\$ 7,000	\$ 6,709	\$ (291)
Total revenues	7,000	7,000	6,709	(291)
Expenditures				
Current				
General government - other	10,000	10,000	1,186	8,814
Capital outlay	-	-	-	-
Total expenditures	10,000	10,000	1,186	8,814
Excess (Deficiency) of revenue over expenditures	(3,000)	(3,000)	5,523	8,523
Fund balance, October 1	33,662	33,662	33,662	-
Fund balance, September 30	\$ 30,662	\$ 30,662	\$ 39,185	\$ 8,523

City of Plainview, Texas
 Budgetary Comparison Schedule – Municipal Court Technology Fund (Exhibit D-5)
 Year Ended September 30, 2018

	Budgeted Amounts		Actual	Variance
	Original	Final	GAAP Basis	with Final Budget
Revenue				
Fines, forfeitures and fees	\$ 8,500	\$ 8,500	\$ 8,904	\$ 404
Total revenues	8,500	8,500	8,904	404
Expenditures				
Current				
General government - other	2,320	2,320	-	2,320
Capital outlay	10,000	10,000	-	10,000
Total expenditures	12,320	12,320	-	12,320
Excess (Deficiency) of revenue over expenditures	(3,820)	(3,820)	8,904	12,724
Fund balance, October 1	36,751	36,751	36,751	-
Fund balance, September 30	\$ 32,931	\$ 32,931	\$ 45,655	\$ 12,724

City of Plainview, Texas
 Budgetary Comparison Schedule – PEG Fund (Exhibit D-6)
 Year Ended September 30, 2018

	Budgeted Amounts		Actual	Variance
	Original	Final	GAAP Basis	with Final Budget
Revenue				
Fines, forfeitures and fees	\$ 39,000	\$ 39,000	\$ 36,828	\$ (2,172)
Investment earnings	150	150	2,836	2,686
Total revenues	39,150	39,150	39,664	514
Expenditures				
Current				
Capital outlay	50,000	50,000	-	50,000
Total expenditures	50,000	50,000	-	50,000
Excess (Deficiency) of revenue over expenditures	(10,850)	(10,850)	39,664	50,514
Fund balance, October 1	121,872	121,872	121,872	-
Fund balance, September 30	<u>\$ 111,022</u>	<u>\$ 111,022</u>	<u>\$ 161,536</u>	<u>\$ 50,514</u>

City of Plainview, Texas
 Budgetary Comparison Schedule – Travis Trussell Duck Pond Fund (Exhibit D-7)
 Year Ended September 30, 2018

	Budgeted Amounts		Actual	Variance
	Original	Final	GAAP Basis	with Final Budget
Revenue				
Intergovernmental revenue and grants	\$ 150,000	\$ 242,225	\$ 234,301	\$ (7,924)
Contribution	-	68,350	67,150	(1,200)
Total revenues	150,000	310,575	301,451	(9,124)
Expenditures				
Parks	-	-	16,980	(16,980)
Capital outlay	285,000	456,565	432,933	23,632
Total expenditures	285,000	456,565	449,913	6,652
Excess (Deficiency) of revenue over expenditures	(135,000)	(145,990)	(148,462)	(2,472)
Other financing sources (uses)				
Transfer in	-	73,050	78,517	5,467
Total other financing sources (uses)	-	73,050	78,517	5,467
Net change in fund balance	(135,000)	(72,940)	(69,945)	2,995
Fund balance, October 1	69,945	69,945	69,945	-
Fund balance, September 30	\$ (65,055)	\$ (2,995)	\$ -	\$ 2,995

City of Plainview, Texas
 Budgetary Comparison Schedule – Capital Improvement (Exhibit D-8)
 Year Ended September 30, 2018

	Budgeted Amounts		Actual	Variance
	Original	Final	GAAP	with Final
			Basis	Budget
Revenue				
Investment earnings	\$ 3,000	\$ 3,000	\$ 18,818	\$ 15,818
Total revenues	3,000	3,000	18,818	15,818
Expenditures				
Current				
General government - administration	150,000	150,000	205,459	(55,459)
Capital outlay	490,000	490,000	95,158	394,842
Total expenditures	640,000	640,000	300,617	339,383
Excess (Deficiency) of revenue over expenditures	(637,000)	(637,000)	(281,799)	355,201
Other financing sources (uses)				
Transfer in	-	700,000	700,000	-
Transfer out	-	(73,050)	(78,517)	(5,467)
Total other financing sources (uses)	-	626,950	621,483	(5,467)
Net change in fund balance	(637,000)	(10,050)	339,684	349,734
Fund balance, October 1	993,458	993,458	993,458	-
Fund balance, September 30	\$ 356,458	\$ 983,408	\$ 1,333,142	\$ 349,734

City of Plainview, Texas
 Budgetary Comparison Schedule – Street Improvement (Exhibit D-9)
 Year Ended September 30, 2018

	Budgeted Amounts		Actual	Variance
	Original	Final	GAAP	with Final
			Basis	Budget
Revenue				
Investment earnings	\$ 100	\$ 100	\$ 44	\$ (56)
Total revenues	100	100	44	(56)
Excess (Deficiency) of revenue over expenditures	100	100	44	(56)
Net change in fund balance	100	100	44	(56)
Fund balance, October 1	2,082	2,082	2,082	-
Fund balance, September 30	<u>\$ 2,182</u>	<u>\$ 2,182</u>	<u>\$ 2,126</u>	<u>\$ (56)</u>

City of Plainview, Texas
 Budgetary Comparison Schedule – Economic Development Fund (Exhibit D-10)
 Year Ended September 30, 2018

	Budgeted Amounts		Actual	Variance
	Original	Final	GAAP Basis	with Final Budget
Revenue				
Investment earnings	\$ 2,000	\$ 2,000	\$ 19,548	\$ 17,548
Total revenues	2,000	2,000	19,548	17,548
Expenditures				
Current				
General government - administration	1,158,975	1,160,400	1,062,165	98,235
Total expenditures	1,158,975	1,160,400	1,062,165	98,235
Excess (Deficiency) of revenue over expenditures	(1,156,975)	(1,158,400)	(1,042,617)	115,783
Other financing sources (uses)				
Transfer in	115,000	265,000	265,000	-
Total other financing sources (uses)	115,000	265,000	265,000	-
Net change in fund balance	(1,041,975)	(893,400)	(777,617)	115,783
Fund balance, October 1	1,434,365	1,434,365	1,434,365	-
Fund balance, September 30	\$ 392,390	\$ 540,965	\$ 656,748	\$ 115,783

City of Plainview, Texas
 Budgetary Comparison Schedule – Downtown TIRZ (Exhibit D-11)
 Year Ended September 30, 2018

	Budgeted Amounts		Actual	Variance
	Original	Final	GAAP	with Final
			Basis	Budget
Revenue				
Total revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Total expenditures	-	-	-	-
Excess (Deficiency) of revenue over expenditures	-	-	-	-
Other financing sources (uses)				
Transfer in	-	150,000	150,000	-
Total other financing sources (uses)	-	150,000	150,000	-
Net change in fund balance	-	150,000	150,000	-
Fund balance, October 1	-	-	-	-
Fund balance, September 30	\$ -	\$ 150,000	\$ 150,000	\$ -

City of Plainview, Texas
 Budgetary Comparison Schedule – Debt Service Fund (Exhibit D-12)
 Year Ended September 30, 2018

	Budgeted Amounts		Actual	Variance
	Original	Final	GAAP Basis	with Final Budget
Revenue				
Investment earnings	\$ -	\$ -	\$ 42	\$ 42
Other revenue	-	-	7,397	7,397
Total revenues	-	-	7,439	7,439
Expenditures				
Total expenditures	-	-	-	-
Excess (Deficiency) of revenue over expenditures	-	-	7,439	7,439
Net change in fund balance	-	-	7,439	7,439
Fund balance, October 1	-	-	-	-
Fund balance, September 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,439</u>	<u>\$ 7,439</u>

City of Plainview, Texas

Budgetary Comparison Schedule – EDA P/W Financial Assistance Grant (Exhibit D-13)

Year Ended September 30, 2018

	Budgeted Amounts		Actual	Variance
	Original	Final	GAAP Basis	with Final Budget
Revenue				
Intergovernmental revenue and grants	2,130,225	2,130,225	\$ 839,455	\$ (1,290,770)
Total revenues	2,130,225	2,130,225	839,455	(1,290,770)
Expenditures				
Current				
General government - other	2,130,225	2,130,225	839,455	1,290,770
Total expenditures	2,130,225	2,130,225	839,455	1,290,770
Excess (Deficiency) of revenue over expenditures	-	-	-	-
Net change in fund balance	-	-	-	-
Fund balance, October 1	-	-	-	-
Fund balance, September 30	\$ -	\$ -	\$ -	\$ -

City of Plainview, Texas
 Budgetary Comparison Schedule – Capital Projects (Exhibit D-14)
 Year Ended September 30, 2018

	Budgeted Amounts		Actual	Variance
	Original	Final	GAAP Basis	with Final Budget
Revenue				
Investment earnings	\$ -	\$ -	\$ 271,973	\$ 271,973
Total revenues	-	-	271,973	271,973
Expenditures				
Current				
General government - other	-	287,065	237,063	50,002
Public works	-	775,000	104,226	670,774
Recreation and culture	-	300,000	178,143	121,857
Capital outlay	-	50,000	12,265	37,735
Total expenditures	-	1,412,065	531,697	880,368
Excess (Deficiency) of revenue over expenditures	-	(1,412,065)	(259,724)	1,152,341
Other financing sources (uses)				
Bond proceeds	-	25,492,065	24,750,000	(742,065)
Premium from bond issuance	-	-	742,063	742,063
Total other financing sources (uses)	-	25,492,065	25,492,063	(2)
Net change in fund balance	-	24,080,000	25,232,339	1,152,339
Fund balance, October 1	-	-	-	-
Fund balance, September 30	\$ -	\$ 24,080,000	\$ 25,232,339	\$ 1,152,339

	Unemployment Compensation Fund	Equipment Replacement Fund	Property Insurance Fund
Assets			
Current assets			
Cash and cash equivalents	\$ 86,244	\$ 250,824	\$ 152,056
Investments	-	2,140,163	1,589,586
Interest receivable	-	1,035	768
Accounts receivable, net	-	-	117,047
Other assets	-	-	-
Inventories	-	-	-
Total current assets	86,244	2,392,022	1,859,457
Noncurrent assets			
Capital assets			
Depreciable, net	-	2,049,718	-
Total noncurrent assets	-	2,049,718	-
Total assets	86,244	4,441,740	1,859,457
Deferred outflows of resources			
Pensions	-	-	-
OPEB	-	-	-
Total deferred outflows of resources	-	-	-
Liabilities			
Current liabilities			
Accounts payable	-	13,060	22,337
Wages payable	-	-	-
Total current liabilities	-	13,060	22,337
Noncurrent liabilities			
Noncurrent portion of long-term liabilities			
Net pension liability	-	-	-
Total other postemployment benefits obligation	-	-	-
Total noncurrent liabilities	-	-	-
Total liabilities	-	13,060	22,337
Deferred inflows of resources			
Pensions	-	-	-
Total deferred inflows of resources	-	-	-
Net position			
Investment in capital assets	-	2,049,718	-
Unrestricted	86,244	2,378,962	1,837,120
Total net position	\$ 86,244	\$ 4,428,680	\$ 1,837,120

City of Plainview, Texas
Combining Statement of Net Position – Internal Service Funds (Exhibit E-1)
September 30, 2018

Health Insurance Fund	Cafeteria Plan Fund	Fleet Services Fund	Total Internal Service Funds
\$ 922,329	\$ 28,227	\$ 123,058	\$ 1,562,738
1,026,357	-	-	4,756,106
679	-	-	2,482
-	-	19,364	136,411
-	3,557	-	3,557
-	-	111,935	111,935
1,949,365	31,784	254,357	6,573,229
-	-	20,635	2,070,353
-	-	20,635	2,070,353
1,949,365	31,784	274,992	8,643,582
-	-	12,724	12,724
88,316	-	-	88,316
88,316	-	12,724	101,040
168,049	5	3,760	207,211
-	-	12,639	12,639
168,049	5	16,399	219,850
-	-	27,108	27,108
1,173,854	-	-	1,173,854
1,173,854	-	27,108	1,200,962
1,341,903	5	43,507	1,420,812
-	-	24,242	24,242
-	-	24,242	24,242
-	-	20,635	2,070,353
695,778	31,779	199,332	5,229,215
\$ 695,778	\$ 31,779	\$ 219,967	\$ 7,299,568

	Unemployment Compensation Fund	Equipment Replacement Fund	Property Insurance Fund
Operating revenues			
Charges for services	\$ 9,983	\$ 585,185	\$ 223,505
Other revenue	-	-	-
Total operating revenues	9,983	585,185	223,505
Operating expenses			
Personnel services - salaries and wages	-	-	-
Personnel services - employee benefits	-	-	-
Purchased professional & technical services	957	-	-
Purchased property services	-	38,370	-
Other operating expenses	14,224	-	311,624
Supplies	-	-	-
Depreciation and amortization	-	506,346	-
Total operating expenses	15,181	544,716	311,624
Operating income (loss)	(5,198)	40,469	(88,119)
Nonoperating revenues (expenses)			
Gain (loss) on disposition of property	-	(53)	-
Investment earnings	-	41,084	33,092
Total nonoperating revenues (expenses)	-	41,031	33,092
Income (loss) before transfers	(5,198)	81,500	(55,027)
Transfer in	-	-	-
Transfers out	-	-	(7,490)
Total transfers	-	-	(7,490)
Change in net position	(5,198)	81,500	(62,517)
Net position, October 1	91,442	4,347,180	1,899,637
Prior period adjustment	-	-	-
Beginning net position, as restated	91,442	4,347,180	1,899,637
Net position, September 30	\$ 86,244	\$ 4,428,680	\$ 1,837,120

City of Plainview, Texas

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position – Internal Service Funds
(Exhibit E-2)
Year Ended September 30, 2018

Health Insurance Fund	Cafeteria Plan Fund	Fleet Services Fund	Total Internal Service Funds
\$ 2,116,621	\$ 24,337	\$ 152,964	\$ 3,112,595
91	-	1,160	1,251
2,116,712	24,337	154,124	3,113,846
-	-	99,172	99,172
-	-	39,474	39,474
39,144	246	-	40,347
-	-	40,163	78,533
59,480	23,779	6,308	415,415
-	-	36,210	36,210
-	-	3,874	510,220
98,624	24,025	225,201	1,219,371
2,018,088	312	(71,077)	1,894,475
-	-	48,350	48,297
32,727	544	-	107,447
32,727	544	48,350	155,744
2,050,815	856	(22,727)	2,050,219
-	-	75,000	75,000
(1,992,825)	-	-	(2,000,315)
(1,992,825)	-	75,000	(1,925,315)
57,990	856	52,273	124,904
789,517	30,923	167,694	7,326,393
(151,729)	-	-	(151,729)
637,788	30,923	167,694	7,174,664
\$ 695,778	\$ 31,779	\$ 219,967	\$ 7,299,568

	Unemployment Compensation Fund	Equipment Replacement Fund	Property Insurance Fund
Operating activities			
Cash from operating transactions - other funds	\$ 9,983	\$ 585,185	\$ 106,458
Cash payments to employees for services	-	-	-
Cash payments for goods and services	(27,079)	(78,542)	(291,387)
Other operating cash receipts	-	-	-
Net cash from (used for) operating activities	(17,096)	506,643	(184,929)
Noncapital financing activities			
Transfers from other funds	-	-	-
Transfers to other funds	-	-	(7,490)
Net cash from (used for) noncapital financing activities	-	-	(7,490)
Capital and related financing activities			
Acquisition of capital assets	-	(209,111)	-
Net cash from (used for) capital and related financing activities	-	(209,111)	-
Investing activities			
Purchase of investments	-	(828,126)	(225,732)
Interest on investments	-	40,670	32,860
Net cash from (used for) investing activities	-	(787,456)	(192,872)
Net change in cash and cash equivalents	(17,096)	(489,924)	(385,291)
Cash and cash equivalents, October 1	103,340	740,748	537,347
Cash and cash equivalents, September 30	<u>\$ 86,244</u>	<u>\$ 250,824</u>	<u>\$ 152,056</u>

City of Plainview, Texas
Combining Statement of Cash Flows – Internal Service Funds (Exhibit E-3)
Year Ended September 30, 2018

Health Insurance Fund	Cafeteria Plan Fund	Fleet Services Fund	Total Internal Service Funds
\$ 2,116,621	\$ 24,337	\$ 144,216	\$ 2,986,800
-	-	(142,747)	(142,747)
(69,248)	(18,999)	(94,498)	(579,753)
91	-	1,160	1,251
<u>2,047,464</u>	<u>5,338</u>	<u>(91,869)</u>	<u>2,265,551</u>
-	-	75,000	75,000
<u>(1,992,825)</u>	<u>-</u>	<u>-</u>	<u>(2,000,315)</u>
<u>(1,992,825)</u>	<u>-</u>	<u>75,000</u>	<u>(1,925,315)</u>
-	-	41,960	(167,151)
-	-	41,960	(167,151)
(16,891)	-	-	(1,070,749)
<u>32,453</u>	<u>544</u>	<u>-</u>	<u>106,527</u>
<u>15,562</u>	<u>544</u>	<u>-</u>	<u>(964,222)</u>
70,201	5,882	25,091	(791,137)
<u>852,128</u>	<u>22,345</u>	<u>97,967</u>	<u>2,353,875</u>
<u>\$ 922,329</u>	<u>\$ 28,227</u>	<u>\$ 123,058</u>	<u>\$ 1,562,738</u>

	Unemployment Compensation Fund	Equipment Replacement Fund	Property Insurance Fund
Reconciliation of operating income to net cash from (used for) operating activities			
Operating income (loss)	\$ (5,198)	\$ 40,469	\$ (88,119)
Adjustments to reconcile operating income to net cash from (used for) operating activities			
Depreciation and amortization	-	506,346	-
(Increase) decrease in operating assets and liabilities			
Accounts receivable (net)	-	-	(117,047)
Prepaid expense	-	-	-
Inventories	-	-	-
Accounts payable	(11,898)	(40,172)	20,237
Wages payable	-	-	-
Net other postemployment benefits obligation	-	-	-
Net pension liability	-	-	-
Deferred outflows - pensions	-	-	-
Deferred outflows - OPEB	-	-	-
Deferred inflows - pensions	-	-	-
Net cash provided (used) by operating activities	<u>\$ (17,096)</u>	<u>\$ 506,643</u>	<u>\$ (184,929)</u>

City of Plainview, Texas
Combining Statement of Cash Flows – Internal Service Funds (Exhibit E-3)
Year Ended September 30, 2018

Health Insurance Fund	Cafeteria Plan Fund	Fleet Services Fund	Total Internal Service Funds
\$ 2,018,088	\$ 312	\$ (71,077)	\$ 1,894,475
-	-	3,874	510,220
-	-	(8,748)	(125,795)
-	5,021	-	5,021
-	-	(8,673)	(8,673)
6,598	5	(3,144)	(28,374)
-	-	238	238
68,583	-	-	68,583
-	-	(44,853)	(44,853)
-	-	26,771	26,771
(45,805)	-	-	(45,805)
-	-	13,743	13,743
<u>\$ 2,047,464</u>	<u>\$ 5,338</u>	<u>\$ (91,869)</u>	<u>\$ 2,265,551</u>



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**Capital Assets -
Governmental Funds**

City of Plainview, Texas

Schedule of Capital Assets Used in the Operation of Governmental Funds by Source* (Exhibit F-1)

September 30, 2018

Capital Assets Used in the Operation of Governmental Funds

Land	\$ 608,902
Buildings	3,791,124
Improvements other than buildings	19,256,466
Machinery and equipment	3,174,860
Construction in progress	494,849
	<hr/>
Total	<u>\$ 27,326,201</u>

Investment in Capital Assets

Acquired prior to October 1, 1990	\$ 10,292,554
Acquired after September 30, 1990	
General fund	
General revenues	\$ 3,205,307
Capital improvements	4,341,728
Street improvements	7,580,476
Capital projects fund	
General obligation bonds	12,407
Special revenue funds	
Hotel/Motel tax fund	843,578
Police seizure	19,092
Homeland security grant	331,928
RSVP fund	4,334
Travis Trussell duck pond grant	508,717
SECO grant	82,526
Criminal justice division equipment grant	10,186
Municipal court security fund	55,861
Municipal court technology fund	37,507
	<hr/>
	17,033,647
	<hr/>
Total	<u>\$ 27,326,201</u>

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

	Land	Buildings	Improvements Other Than Buildings
From General Fund			
General government	\$ 457,404	\$ 586,037	\$ 7,265,413
Police	-	244,676	6,500
Fire / EMS	-	257,252	7,265
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	2,917,438
Street improvement fund	18,503	-	8,479,836
Total general fund	<u>557,747</u>	<u>2,965,233</u>	<u>19,256,466</u>
From Capital Projects Funds			
General obligation bonds	-	-	-
Total Capital Projects Funds	<u>-</u>	<u>-</u>	<u>-</u>
From Special Revenue Funds			
Hotel/Motel tax fund	4,080	746,058	-
Police seizure fund	-	-	-
Homeland security grant	-	-	-
RSVP fund	-	-	-
Travis Trussell duck pond grant	47,075	-	-
SECO grant	-	73,640	-
Criminal justice division equipment grant	-	-	-
Municipal court security fund	-	6,193	-
Municipal court technology fund	-	-	-
Total special revenue funds	<u>51,155</u>	<u>825,891</u>	<u>-</u>
	<u>\$ 608,902</u>	<u>\$ 3,791,124</u>	<u>\$ 19,256,466</u>

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

City of Plainview, Texas

Schedule of Capital Assets Used in the Operation of Governmental Funds by Activity* (Exhibit F-2)

Year Ended September 30, 2018

Machinery and Equipment	Construction in Progress	Total
\$ 334,600	\$ -	\$ 8,643,454
376,086	-	627,262
488,700	-	753,217
280,281	-	351,411
4,731	-	166,224
101,634	-	280,733
6,398	-	6,398
368,219	-	384,442
364,539	-	913,299
104,420	-	430,555
21,568	-	21,568
167,208	20,800	4,341,728
1,435	-	8,499,774
<u>2,619,819</u>	<u>20,800</u>	<u>25,420,065</u>
 -	 12,407	 12,407
 -	 12,407	 12,407
 93,440	 -	 843,578
19,092	-	19,092
331,928	-	331,928
4,334	-	4,334
-	461,642	508,717
8,886	-	82,526
10,186	-	10,186
49,668	-	55,861
37,507	-	37,507
<u>555,041</u>	<u>461,642</u>	<u>1,893,729</u>
<u>\$ 3,174,860</u>	<u>\$ 494,849</u>	<u>\$ 27,326,201</u>

City of Plainview, Texas
Schedule of Changes in Capital Assets Used in the Operation of Governmental Funds by Activity*
(Exhibit F-3)
Year Ended September 30, 2018

	Capital Assets 9/30/2017	Additions (Deletions)	Capital Assets 9/30/2018
From General Fund			
General government	\$ 8,644,249	\$ (795)	\$ 8,643,454
Police	624,392	2,870	627,262
Fire / EMS	783,737	(30,520)	753,217
Traffic and safety	351,411	-	351,411
Animal control	166,575	(351)	166,224
Civil defense	188,169	92,564	280,733
Engineering	6,398	-	6,398
Street	385,658	(1,216)	384,442
Recreation	882,258	31,041	913,299
Library	442,749	(12,194)	430,555
Health	21,331	237	21,568
Capital improvements	4,246,569	95,159	4,341,728
Street improvements	8,499,774	-	8,499,774
Total general fund	25,243,270	176,795	25,420,065
From Capital Projects Funds			
General obligation bonds	-	12,407	12,407
Total Capital Projects Funds	-	12,407	12,407
From Special Revenue Funds			
Hotel/Motel tax fund	791,211	52,367	843,578
Police seizure fund	18,051	1,041	19,092
PEG Fund	-	-	-
Homeland security grant	331,928	-	331,928
RSVP fund	4,334	-	4,334
Travis Trussell duck pond grant	75,783	432,934	508,717
SECO grant	84,346	(1,820)	82,526
Justice assistance grant	-	-	-
Criminal justice division equipment grant	10,186	-	10,186
Municipal court security fund	55,861	-	55,861
Municipal court technology fund	37,507	-	37,507
Total special revenue funds	1,409,207	484,522	1,893,729
	<u>\$ 26,652,477</u>	<u>\$ 673,724</u>	<u>\$ 27,326,201</u>

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

**Debt Service
Requirements**

City of Plainview, Texas

Water and Sewer Utility Fund - General Obligation Refunding Bonds, Series 2009 (Exhibit G-1)

Year Ended September 30, 2018

<u>Fiscal Year</u>	<u>Outstanding Debt Beginning of Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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>\$ 2,060,000</u>	<u>\$ 111,360</u>	<u>\$ 2,171,360</u>
Annual Average Requirements		<u>\$ 686,667</u>	<u>\$ 37,120</u>	<u>\$ 723,787</u>

Proceeds used for construction of a Water Reclamation and Treatment Facility

City of Plainview, Texas
Water and Sewer Utility Fund – Certificates of Obligation, Series 2010 (Exhibit G-2)
Year Ended September 30, 2018

<u>Fiscal Year</u>	<u>Outstanding Debt Beginning of Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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>\$ 6,295,000</u>	<u>\$ 1,420,677</u>	<u>\$ 7,715,677</u>
Annual Average Requirements		<u>\$ 524,583</u>	<u>\$ 118,390</u>	<u>\$ 642,973</u>

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

City of Plainview, Texas
Water and Sewer Utility Fund – Contract Revenue Bonds, Series 2005 and Series 2012 Refunding
(Exhibit G-3)
Year Ended September 30, 2018

<u>Fiscal Year</u>	<u>Outstanding Debt Beginning of Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	128,890	6,444	135,334
Total		<u>\$ 1,471,213</u>	<u>\$ 321,201</u>	<u>\$ 1,792,414</u>
Annual Average Requirements		<u>\$ 210,173</u>	<u>\$ 45,886</u>	<u>\$ 256,059</u>

City of Plainview, Texas
Water and Sewer Utility Fund – Contract Revenue Bonds, Series 1999 Remainder Series 2010 Refunding
(Exhibit G-4)
Year Ended September 30, 2018

<u>Fiscal Year</u>	<u>Outstanding Debt Beginning of Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 68,990	\$ 44,701	\$ 2,413	\$ 47,114
2020	24,289	<u>24,289</u>	<u>848</u>	<u>25,137</u>
Total		<u>\$ 68,990</u>	<u>\$ 3,261</u>	<u>\$ 72,251</u>
Annual Average Requirements		<u>\$ 34,495</u>	<u>\$ 1,631</u>	<u>\$ 36,126</u>

City of Plainview, Texas

Water and Sewer Utility Fund – Subordinate Lien Contract Revenue Bonds, Series 2011 (Exhibit G-5)

Year Ended September 30, 2018

<u>Fiscal Year</u>	<u>Outstanding Debt Beginning of Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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>\$ 2,267,551</u>	<u>\$ 772,550</u>	<u>\$ 3,040,101</u>
Annual Average Requirements		<u>\$ 174,427</u>	<u>\$ 59,427</u>	<u>\$ 233,854</u>

City of Plainview, Texas
Water and Sewer Utility Fund – Contract Revenue Refunding Bonds, Series 2017 (Exhibit G-6)
Year Ended September 30, 2018

<u>Fiscal Year</u>	<u>Outstanding Debt Beginning of Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 429,017	\$ 36,172	\$ 16,937	\$ 53,109
2020	392,845	37,095	15,733	52,828
2021	355,750	38,448	14,620	53,068
2022	317,302	39,924	13,207	53,131
2023	277,378	41,647	11,610	53,257
2024	235,731	43,615	9,662	53,277
2025	192,116	45,891	7,482	53,373
2026	146,225	48,168	5,187	53,355
2027	98,057	50,136	3,105	53,241
2028	47,921	37,587	1,438	39,025
2029	10,334	10,334	310	10,644
Total		<u>\$ 429,017</u>	<u>\$ 99,291</u>	<u>\$ 528,308</u>
Annual Average Requirements		<u>\$ 39,002</u>	<u>\$ 9,026</u>	<u>\$ 48,028</u>

City of Plainview, Texas

Water and Sewer Utility Fund – Subordinate Lien Contract Revenue Bonds, Series 2014 (Exhibit G-7)

Year Ended September 30, 2018

<u>Fiscal Year</u>	<u>Outstanding Debt Beginning of Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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>\$ 1,102,871</u>	<u>\$ 237,195</u>	<u>\$ 1,340,066</u>
Annual Average Requirements		<u>\$ 122,541</u>	<u>\$ 26,355</u>	<u>\$ 148,896</u>

City of Plainview, Texas
Debt Service Fund – General Obligation Bonds, Series 2018 (Exhibit G-8)
Year Ended September 30, 2018

<u>Fiscal Year</u>	<u>Outstanding Debt Beginning of Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 24,750,000	\$ 450,000	\$ 1,297,966	\$ 1,747,966
2020	24,300,000	845,000	906,613	1,751,613
2021	23,455,000	885,000	863,362	1,748,362
2022	22,570,000	935,000	817,863	1,752,863
2023	21,635,000	980,000	769,987	1,749,987
2024	20,655,000	1,030,000	719,738	1,749,738
2025	19,625,000	1,085,000	666,862	1,751,862
2026	18,540,000	1,140,000	611,238	1,751,238
2027	17,400,000	1,195,000	552,863	1,747,863
2028	16,205,000	1,250,000	497,987	1,747,987
2029	14,955,000	1,295,000	453,563	1,748,563
2030	13,660,000	1,335,000	414,112	1,749,112
2031	12,325,000	1,375,000	373,463	1,748,463
2032	10,950,000	1,420,000	331,538	1,751,538
2033	9,530,000	1,465,000	287,347	1,752,347
2034	8,065,000	1,510,000	240,862	1,750,862
2035	6,555,000	1,560,000	191,918	1,751,918
2036	4,995,000	1,610,000	140,406	1,750,406
2037	3,385,000	1,665,000	86,147	1,751,147
2038	1,720,000	1,720,000	29,025	1,749,025
Total		<u>\$ 24,750,000</u>	<u>\$ 10,252,860</u>	<u>\$ 35,002,860</u>
Annual Average Requirements		<u>\$ 1,237,500</u>	<u>\$ 512,643</u>	<u>\$ 1,750,143</u>

General Information



PLAINVIEW, TX

explore the opportunities

General Information

September 30, 2018

City of Plainview, Texas

	2009	2010	2011	2012
Governmental activities				
Invested in capital assets, net of related debt	\$ 9,088,340	\$ 8,878,102	\$ 8,917,698	\$ 8,858,640
Restricted	858,657	708,954	719,471	809,694
Unrestricted	17,052,397	18,120,254	19,206,004	19,692,463
	<u>26,999,394</u>	<u>27,707,310</u>	<u>28,843,173</u>	<u>29,360,797</u>
Total governmental activities net position	<u>\$ 26,999,394</u>	<u>\$ 27,707,310</u>	<u>\$ 28,843,173</u>	<u>\$ 29,360,797</u>
Business-type activities				
Invested in capital assets, net of related debt	\$ 19,352,797	\$ 19,454,647	\$ 19,250,791	\$ 19,844,796
Restricted	261,049	295,291	457,277	725,569
Unrestricted	10,700,804	11,878,515	13,940,331	15,460,905
	<u>30,314,650</u>	<u>31,628,453</u>	<u>33,648,399</u>	<u>36,031,270</u>
Total business-type activities net position	<u>\$ 30,314,650</u>	<u>\$ 31,628,453</u>	<u>\$ 33,648,399</u>	<u>\$ 36,031,270</u>
Primary government				
Invested in capital assets, net of related debt	\$ 28,441,137	\$ 28,332,749	\$ 28,168,489	\$ 28,703,436
Restricted	1,119,706	1,004,245	1,176,748	1,535,263
Unrestricted	27,753,201	29,998,769	33,146,335	35,153,368
	<u>57,314,044</u>	<u>59,335,763</u>	<u>62,491,572</u>	<u>65,392,067</u>
Total primary government net position	<u>\$ 57,314,044</u>	<u>\$ 59,335,763</u>	<u>\$ 62,491,572</u>	<u>\$ 65,392,067</u>

City of Plainview, Texas
Net Position by Component (Schedule 1)
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

2013	2014	2015	2016	2017	2018
\$ 8,755,160	\$ 8,037,890	\$ 10,764,547	\$ 10,754,667	\$ 10,735,240	\$ 10,196,013
736,423	765,977	964,089	914,026	1,017,466	1,224,335
20,103,431	21,609,705	12,164,955	11,734,783	10,757,127	10,667,072
<u>\$ 29,595,014</u>	<u>\$ 30,413,572</u>	<u>\$ 23,893,591</u>	<u>\$ 23,403,476</u>	<u>\$ 22,509,833</u>	<u>\$ 22,087,420</u>
\$ 21,674,455	\$ 22,103,566	\$ 23,864,986	\$ 24,616,459	\$ 25,487,563	\$ 26,244,497
727,406	729,431	731,602	733,968	736,505	739,263
14,123,242	14,452,916	13,319,932	13,186,299	13,942,653	15,715,511
<u>\$ 36,525,103</u>	<u>\$ 37,285,913</u>	<u>\$ 37,916,520</u>	<u>\$ 38,536,726</u>	<u>\$ 40,166,721</u>	<u>\$ 42,699,271</u>
\$ 30,429,615	\$ 30,141,456	\$ 34,629,533	\$ 35,371,126	\$ 36,222,803	\$ 36,440,510
1,463,829	1,495,408	1,695,691	1,647,994	1,753,971	1,963,598
34,226,673	36,062,621	25,484,887	24,921,082	24,699,780	26,382,583
<u>\$ 66,120,117</u>	<u>\$ 67,699,485</u>	<u>\$ 61,810,111</u>	<u>\$ 61,940,202</u>	<u>\$ 62,676,554</u>	<u>\$ 64,786,691</u>

	2009	2010	2011	2012
Expenses				
Governmental activities				
General government	\$ 1,814,265	\$ 1,966,824	\$ 1,762,080	\$ 1,663,084
Public safety	6,174,194	6,498,010	6,857,257	7,195,991
Public works	1,234,289	1,200,917	965,223	1,417,063
Health	422,516	400,138	458,362	415,163
Recreation and culture	1,208,656	1,148,095	1,260,092	1,198,777
Total government activities expenses	10,853,920	11,213,984	11,303,014	11,890,078
Business-Type Activities				
Solid waste management	2,325,580	2,520,166	2,573,083	2,416,578
Water and sewer	5,573,408	5,226,035	5,634,722	6,087,341
Theatre arts	39,376	37,434	39,255	37,899
Total business-type activities expenses	7,938,364	7,783,635	8,247,060	8,541,818
Total primary government expenses	<u>\$ 18,792,284</u>	<u>\$ 18,997,619</u>	<u>\$ 19,550,074</u>	<u>\$ 20,431,896</u>
Program Revenues				
Governmental activities				
Charges for services				
General government	\$ 278,204	\$ 260,553	\$ 479,984	\$ 400,227
Public safety	656,572	660,570	546,086	444,024
Public works	-	-	-	-
Health	148,168	139,729	147,724	141,787
Recreation and culture	54,780	54,859	44,073	45,166
Operating grants and contributions	414,022	499,170	400,536	361,486
Capital grants and contributions	11,205	146,896	240,810	283,519
Total governmental activities program revenues	1,562,951	1,761,777	1,859,213	1,676,209
Business-Type Activities				
Charges for services				
Solid waste management	2,904,631	2,999,883	2,905,358	3,101,968
Water and sewer	6,037,512	6,097,265	7,615,276	7,920,904
Theatre arts	22,941	22,697	21,163	9,940
Operating grants and contributions	1,000	-	-	-
Capital grants and contributions	40,562	58,000	-	128,755
Total business-type activities program revenues	9,006,646	9,177,845	10,541,797	11,161,567
Total primary government program revenues	<u>\$ 10,569,597</u>	<u>\$ 10,939,622</u>	<u>\$ 12,401,010</u>	<u>\$ 12,837,776</u>

City of Plainview, Texas
Changes in Net Position (Schedule 2)
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

2013	2014	2015	2016	2017	2018
\$ 2,216,373	\$ 1,741,234	\$ 2,257,021	\$ 2,602,622	\$ 2,975,247	\$ 4,148,443
7,222,195	7,259,542	8,168,151	8,470,261	8,320,861	7,596,988
1,139,508	1,050,131	1,008,914	1,640,759	1,570,443	1,738,861
620,373	525,068	413,803	390,773	384,885	302,667
1,215,322	1,315,218	1,219,629	1,286,453	1,210,356	1,240,301
12,413,771	11,891,193	13,067,518	14,390,868	14,461,792	15,027,260
2,556,595	2,417,951	2,506,886	2,522,679	2,552,045	2,422,215
6,169,041	6,765,124	6,363,440	6,901,668	6,308,099	6,032,438
33,725	46,169	36,512	68,218	48,287	52,829
8,759,361	9,229,244	8,906,838	9,492,565	8,908,431	8,507,482
\$ 21,173,132	\$ 21,120,437	\$ 21,974,356	\$ 23,883,433	\$ 23,370,223	\$ 23,534,742
\$ 410,689	\$ 426,245	\$ 531,021	\$ 542,690	\$ 435,472	\$ 426,756
527,576	581,150	466,488	674,344	598,411	737,678
-	-	-	-	-	-
122,711	119,701	139,614	118,595	138,875	122,218
45,071	46,425	51,323	52,313	50,703	27,998
284,691	271,801	529,894	553,279	544,817	271,468
35,000	19,591	2,091,336	17,314	1,041	1,232,716
1,425,738	1,464,913	3,809,676	1,958,535	1,769,319	2,818,834
2,975,870	2,949,538	3,195,607	3,037,505	3,192,195	3,193,165
6,972,714	7,538,997	7,217,371	7,271,527	7,622,606	7,909,052
7,106	7,781	10,817	11,937	12,063	15,700
-	-	12,599	-	-	-
242,851	84,220	233,093	-	-	-
10,198,541	10,580,536	10,669,487	10,320,969	10,826,864	11,117,917
\$ 11,624,279	\$ 12,045,449	\$ 14,479,163	\$ 12,279,504	\$ 12,596,183	\$ 13,936,751

	2009	2010	2011	2012
Net (Expenses) / Revenues				
Governmental activities	\$ (9,290,969)	\$ (9,452,207)	\$ (9,443,801)	\$ (10,213,869)
Business-type activities	1,068,282	1,394,210	2,294,737	2,619,749
Total primary government net expense	<u>\$ (8,222,687)</u>	<u>\$ (8,057,997)</u>	<u>\$ (7,149,064)</u>	<u>\$ (7,594,120)</u>
General Revenues and Other Changes in Net Assets				
Governmental activities				
Taxes				
Property taxes	\$ 4,072,569	\$ 4,121,886	\$ 4,269,904	\$ 4,286,822
Sales taxes	3,489,461	3,533,785	3,688,408	3,790,688
Franchise taxes	1,151,056	1,393,606	1,397,897	1,347,673
Penalty and interest	75,689	75,093	75,788	86,664
Other taxes	282,371	296,271	318,044	341,798
Miscellaneous	66,226	107,740	70,018	137,196
Investment earnings	297,333	203,399	144,265	104,558
Special item	-	-	32,687	56,284
Gain on sale of capital assets	-	-	-	-
Transfers	435,790	428,343	605,683	579,810
Total governmental activities	<u>9,870,495</u>	<u>10,160,123</u>	<u>10,602,694</u>	<u>10,731,493</u>
Business-Type Activities				
Investment earnings	178,213	228,396	113,624	87,932
Miscellaneous	149,764	119,542	217,268	136,938
Special and extraordinary items	-	-	-	118,062
Gain on sale of capital assets	-	-	-	-
Transfers	(435,790)	(428,343)	(605,683)	(579,810)
Total business-type activities	<u>(107,813)</u>	<u>(80,405)</u>	<u>(274,791)</u>	<u>(236,878)</u>
Total primary government	<u>\$ 9,762,682</u>	<u>\$ 10,079,718</u>	<u>\$ 10,327,903</u>	<u>\$ 10,494,615</u>
Change in Net Position				
Governmental activities	\$ 579,526	\$ 707,916	\$ 1,158,893	\$ 517,624
Business-type activities	960,469	1,313,805	2,019,946	2,382,871
Total primary government	<u>\$ 1,539,995</u>	<u>\$ 2,021,721</u>	<u>\$ 3,178,839</u>	<u>\$ 2,900,495</u>

City of Plainview, Texas
Changes in Net Position (Schedule 2)
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

2013	2014	2015	2016	2017	2018
\$ (10,988,033)	\$ (10,426,280)	\$ (9,257,842)	\$ (12,432,333)	\$ (12,692,473)	\$ (12,208,426)
1,439,180	1,351,292	1,762,649	828,404	1,918,433	2,610,435
<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>	<u>\$ (9,597,991)</u>
\$ 4,377,687	\$ 4,662,566	\$ 4,645,789	\$ 4,966,991	\$ 5,398,266	\$ 5,329,657
3,829,054	3,864,922	4,237,638	4,180,786	4,096,627	4,052,315
1,344,875	1,463,657	1,425,060	1,300,049	1,354,941	1,364,528
83,552	91,107	77,588	75,004	84,963	75,327
349,135	325,207	434,508	439,039	397,059	375,810
328,539	145,607	140,649	293,360	262,346	1,499,604
46,805	37,069	42,615	85,669	242,204	601,309
-	-	-	-	-	-
-	-	-	-	126,800	-
862,603	654,703	521,117	601,320	(164,376)	(1,360,808)
<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>	<u>11,937,742</u>
53,593	38,149	41,928	65,402	187,816	347,270
79,585	76,691	48,435	253,710	126,135	206,862
-	-	-	-	-	-
-	(50,619)	36,232	74,010	61,816	-
(862,603)	(654,703)	(521,117)	(601,320)	(664,205)	(632,017)
<u>(729,425)</u>	<u>(590,482)</u>	<u>(394,522)</u>	<u>(208,198)</u>	<u>(288,438)</u>	<u>(77,885)</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>	<u>\$ 11,859,857</u>
\$ 234,217	\$ 818,558	\$ 2,267,122	\$ (490,115)	\$ (893,643)	\$ (270,684)
709,755	760,810	1,368,127	620,206	1,629,995	2,532,550
<u>\$ 943,972</u>	<u>\$ 1,579,368</u>	<u>\$ 3,635,249</u>	<u>\$ 130,091</u>	<u>\$ 736,352</u>	<u>\$ 2,261,866</u>

	2009	2010	2011	2012
General Fund				
Nonspendable	\$ 43,829	\$ 40,223	\$ 42,453	\$ 42,022
Assigned	2,311,844	2,598,099	2,917,945	2,984,676
Unassigned	8,847,506	9,869,544	10,780,206	11,544,224
Total general fund	<u>\$ 11,203,179</u>	<u>\$ 12,507,866</u>	<u>\$ 13,740,604</u>	<u>\$ 14,570,922</u>
Capital Projects Fund				
Restricted	-	-	-	-
Total Capital Projects Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
All Other Governmental Funds				
Restricted	\$ -	\$ -	\$ -	\$ -
Restricted, reported in				
Special revenue funds				
Hotel occupancy tax fund	410,710	434,157	483,846	568,494
Revolving loan fund	296,929	114,758	115,501	116,351
Police seizure funds	69,145	58,938	34,343	55,385
RSVP fund	-	-	-	-
Court security fee fund	41,849	48,875	33,787	40,304
Court technology fee fund	40,024	52,226	51,994	29,160
TLSAC library grant fund	-	-	-	-
Home program grant fund	47,621	-	-	-
PEG fund	-	-	-	-
JAG law enforcement grant funds	3,210	-	-	-
Downtown TIRZ fund	-	-	-	-
Debt service fund	-	-	-	-
Assigned for Travis Trussell Duck Pond	-	-	-	-
Total all other governmental funds	<u>\$ 909,488</u>	<u>\$ 708,954</u>	<u>\$ 719,471</u>	<u>\$ 809,694</u>

City of Plainview, Texas
Fund Balances – Governmental Funds (Schedule 3)
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$ 38,470	\$ 48,866	\$ 48,094	\$ 48,915	\$ 48,251	\$ 41,077
2,796,741	3,115,950	2,977,612	2,927,235	2,429,905	1,992,016
11,924,496	12,569,280	12,950,647	12,868,321	13,408,503	13,397,746
<u>\$ 14,759,707</u>	<u>\$ 15,734,096</u>	<u>\$ 15,976,353</u>	<u>\$ 15,844,471</u>	<u>\$ 15,886,659</u>	<u>\$ 15,430,839</u>
-	-	-	-	-	25,232,339
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,232,339</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
539,048	625,654	809,024	725,437	808,438	816,937
45,882	-	-	-	-	-
66,298	65,203	49,446	42,262	16,743	3,583
-	-	-	-	-	-
46,432	15,052	23,032	27,730	33,662	39,185
37,605	47,737	30,781	36,095	36,751	45,655
-	-	-	-	-	-
-	-	-	-	-	-
1,158	12,331	51,806	82,502	121,872	161,536
-	-	-	-	-	-
-	-	-	-	-	150,000
-	-	-	-	-	7,439
-	-	-	140,000	69,945	-
<u>\$ 736,423</u>	<u>\$ 765,977</u>	<u>\$ 964,089</u>	<u>\$ 1,054,026</u>	<u>\$ 1,087,411</u>	<u>\$ 1,224,335</u>

	2009	2010	2011	2012
Revenues				
Taxes (see Schedule 5)	\$ 9,062,717	\$ 9,417,000	\$ 9,736,285	\$ 9,900,447
Licenses and permits	47,497	53,328	93,757	81,473
Intergovernmental	400,704	618,872	387,245	351,219
Charges for services	636,325	654,049	732,318	627,144
Fines	440,657	402,484	387,513	314,082
Investment earnings	219,224	154,808	108,277	79,479
Rents and Royalties	360	360	360	360
Contributions and donations	20,319	15,234	13,291	10,267
Other revenues	8,134	58,472	70,018	137,196
Total revenues	10,835,937	11,374,607	11,529,064	11,501,667
Expenditures				
General Government	1,718,989	1,836,624	1,649,313	1,530,785
Public safety	5,953,304	6,062,813	6,389,636	6,696,344
Public works	910,141	904,783	662,859	1,142,860
Health	406,096	389,144	419,261	405,574
Recreation and Culture	1,036,580	995,397	1,085,960	1,030,000
Capital outlay	165,660	291,537	521,325	357,832
Total expenditures	10,190,770	10,480,298	10,728,354	11,163,395
Excess of Revenues over (Under) Expenditures	645,167	894,309	800,710	338,272
Other financing sources (uses)				
Sale of property	100	-	-	-
Bond proceeds	-	-	-	-
Premium from bond issuance	-	-	-	-
Transfers in	1,158,347	1,017,904	1,395,280	785,769
Transfers out	(954,210)	(808,061)	(952,735)	(203,500)
Total other financing sources (uses)	204,237	209,843	442,545	582,269
Net Change in Fund Balances	\$ 849,404	\$ 1,104,152	\$ 1,243,255	\$ 920,541
Debt Service as A Percentage of Noncapital Expenditures	0%	0%	0%	0%

City of Plainview, Texas
Changes in Fund Balances – Governmental Funds (Schedule 4)
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

2013	2014	2015	2016	2017	2018
\$ 9,992,489	\$ 10,397,981	\$ 10,848,506	\$ 10,948,970	\$ 11,317,925	\$ 11,202,837
65,776	76,469	121,432	101,180	90,856	85,562
273,780	258,428	523,038	546,224	537,852	1,331,738
614,684	734,498	646,425	835,382	817,081	882,141
341,591	360,889	415,641	447,081	357,131	346,947
46,805	37,069	42,615	85,669	185,331	601,309
360	360	500	500	525	500
45,911	18,873	37,906	9,461	6,963	80,638
328,539	187,107	134,149	143,434	264,688	83,993
11,709,935	12,071,674	12,770,212	13,117,901	13,578,352	14,615,665
2,114,446	1,733,808	2,330,382	2,500,788	2,874,277	4,474,181
6,893,442	7,095,090	7,431,026	7,638,660	7,720,813	7,947,987
897,896	801,562	684,113	1,039,615	1,241,287	1,036,857
377,067	369,804	401,300	379,824	407,333	381,364
1,047,655	1,146,519	1,054,980	1,111,519	1,090,193	1,246,102
86,867	167,276	1,112,492	989,521	738,717	672,301
11,417,373	11,314,059	13,014,293	13,659,927	14,072,620	15,758,792
292,562	757,615	(244,081)	(542,026)	(494,268)	(1,143,127)
-	-	-	-	-	-
-	-	-	-	-	24,750,000
-	-	-	-	-	742,063
563,932	790,857	745,450	780,698	635,878	853,274
(740,980)	(544,529)	(61,000)	(280,617)	(66,037)	(288,767)
(177,048)	246,328	684,450	500,081	569,841	26,056,570
\$ 115,514	\$ 1,003,943	\$ 440,369	\$ (41,945)	\$ 75,573	\$ 24,913,443
0%	0%	0%	0%	0%	0%

City of Plainview, Texas
Tax Revenue by Source – Governmental Funds (Schedule 5)
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

Fiscal Year	Property	Sales & Use	Franchise	Occupancy	Mixed Beverage	Interest and Penalty	Total
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
2018	5,334,857	4,052,315	1,364,528	346,078	29,732	75,327	11,202,837
Percent Change 2009-2017	31.3%	16.1%	18.5%	37.3%	-2.0%	-0.5%	23.6%

City of Plainview, Texas
Assessed Value and Estimated Actual Value of Taxable Property (Schedule 6)
Last Ten Fiscal Years

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
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
2018	625,609,457	258,140,533	125,971,290	148,727,007	860,994,273	0.6312

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.

City of Plainview, Texas
Direct and Overlapping Property Tax Rates (Schedule 7)
Last Ten Fiscal Years
(Rate Per \$100 of Assessed Value)

	City Direct Rates			Overlapping Rates		
	Operating & Maintenance	General Obligation Debt Service	Total Direct Rate	Plainview Independent School District	High Plains Water District	Hale County
2009	\$ 0.5685	\$ -	\$ 0.5685	\$ 1.0400	\$ 0.0079	\$ 0.4921
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
2018	0.6312	-	0.6312	1.1700	0.00690	0.595500

Source: Hale County Appraisal District

City of Plainview, Texas
Principal Property Tax Payers (Schedule 8)
Current Year and Ten Years Ago

	2018			2009		
	Taxable Assessed Value	Rank	Percent of Taxable Assessed Value	Taxable Assessed Value	Rank	Percent of Taxable Assessed Value
Wal-Mart - Inventory	\$ 91,105,430	1	10.58	\$ 87,989,710	1	12.13
Wal-Mart Distribution	26,135,030	2	3.04	16,421,900	2	2.26
Xcel Energy	10,166,632	3	1.18	4,710,482	6	0.65
Chromatin, Inc.	8,535,742	4	0.99			
Wal-Mart Stores	7,980,760	5	0.93	8,102,218	4	1.12
BNSF Railway	6,910,396	6	0.80	3,689,126	8	0.51
Atmos Energy	6,230,310	7	0.72			
Wal-Mart Stores - Inventory	5,676,870	8	0.66	7,685,296	5	1.06
Reagor Dykes Auto Company	5,564,345	9	0.65			
General Electric Company	4,799,690	10	0.56			
Southwestern Bell				4,234,417	7	0.58
Acher Daniels Midland				13,149,281	3	1.81
Westview Center				3,080,602	10	0.42
Stonegate Center				3,400,860	9	0.47
Total	<u>\$ 173,105,205</u>		<u>20.11</u>	<u>\$ 152,463,892</u>		<u>21.01</u>

Source: Hale County Appraisal District

City of Plainview, Texas
Property Tax Levies and Collections (Schedule 9)
Last Ten Fiscal Years

Fiscal Year Ended Sept 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy			Collections in Subsequent Years	Total Collections To Date	
		Total Adjusted Levy	Amount	Percentage of Levy		Amount	Percentage of Adjusted Levy
2009	\$ 4,124,614	\$ (51,675)	\$ 3,969,938	96.25 %	\$ 95,980	\$ 4,065,918	99.83 %
2010	4,127,462	(5,970)	4,022,367	97.45	90,772	4,113,139	99.80
2011	4,271,943	(5,343)	4,162,047	97.43	96,545	4,258,592	99.81
2012	4,328,879	(11,097)	4,217,584	97.43	88,745	4,306,329	99.73
2013	4,380,163	(6,044)	4,274,369	97.58	85,728	4,360,097	99.68
2014	4,661,548	(3,692)	4,546,796	97.54	92,620	4,639,416	99.60
2015	4,659,380	(9,240)	4,560,197	97.87	65,374	4,625,571	99.47
2016	4,973,529	(6,008)	4,870,575	97.93	58,108	4,928,683	99.22
2017	5,409,770	(6,845)	5,298,547	97.94	43,610	5,342,157	98.88
2018	5,434,669	(16,851)	5,273,337	97.03	-	5,273,337	97.33

Source: Hale County Appraisal District

City of Plainview, Texas
Ratios of Outstanding Debt by Type (Schedule 10)
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	General			Water Authority Indebtedness				
			Certificates of Obligation Bonds	Obligation Refunding Bonds						
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	5,998,769	15,403,769	1.42%	694		
2018	24,750,000	-	6,295,000	2,060,000	5,339,642	38,444,642	n/a	1,732		

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 2018 is unavailable.
See Schedule of Demographic and Economic Statistics for Population data.

City of Plainview, Texas
Ratios of General Bonded Debt Outstanding (Schedule 11)
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		
2009	\$ -	\$ -	\$ -	-	\$ -
2010	-	-	-	-	-
2011	-	-	-	-	-
2012	-	-	-	-	-
2013	-	-	-	-	-
2014	-	-	-	-	-
2015	-	-	-	-	-
2016	-	-	-	-	-
2017	-	-	-	-	-
2018	24,750,000	-	24,750,000	2.87%	1,115

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.

City of Plainview, Texas
Direct and Overlapping Governmental Activities Debt (Schedule 12)
September 30, 2018

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Debt repaid with property taxes			
Plainview Independent School District	\$ -	72.37 %	\$ -
County of Hale	2,070,000	39.84	824,688
Other debt			
Plainview Independent School District	337,688	72.37	244,385
County of Hale	-	39.84	-
Subtotal overlapping debt			1,069,073
City direct debt			24,750,000
Total direct and overlapping debt			<u>\$ 25,819,073</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.

City of Plainview, Texas
Pledged-Revenue Coverage (Schedule 13)
Last Ten Fiscal Years

Fiscal Year	Water and Sewer Revenue Bonds						Solid Waste Management Revenue Bonds					
	Utility Operating Revenues	Less: Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage	Utility Service Charges	Less Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
2009	\$ 6,108,850	\$ 4,456,922	\$ 1,651,928	\$ 430,000	\$ 351,459	2.11	\$ 2,979,411	\$ 1,731,807	\$ 1,247,604	\$ 190,000	\$ 59,967	4.99
2010	6,193,488	4,192,542	2,000,946	605,000	325,464	2.15	3,125,995	1,887,998	1,237,997	205,000	44,012	4.97
2011	7,706,153	4,527,963	3,178,190	540,000	183,806	4.39	3,031,524	1,905,573	1,125,951	215,000	36,662	4.47
2012	7,964,800	4,915,329	3,049,471	615,000	724,655	2.28	3,194,854	1,757,067	1,437,787	225,000	28,963	5.66
2013	7,226,537	5,165,632	2,060,905	920,000	436,261	1.52	3,044,358	1,892,207	1,152,151	230,000	21,000	4.59
2014	7,555,713	5,712,418	1,843,295	950,000	413,149	1.35	3,008,243	1,847,416	1,160,827	240,000	12,775	4.59
2015	7,231,495	5,227,740	2,003,755	965,000	388,024	1.48	3,229,419	1,889,468	1,339,951	245,000	4,288	5.38
2016	7,476,677	5,839,667	1,637,010	995,000	360,836	1.21	3,086,065	1,966,406	1,119,659	-	-	-
2017	7,699,906	5,353,050	2,346,856	1,015,000	331,436	1.74	3,238,085	1,991,372	1,246,713	-	-	-
2018	7,947,247	5,301,363	2,645,884	1,050,000	299,661	1.96	3,243,963	1,971,447	1,272,516	-	-	-

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.

City of Plainview, Texas
Demographic and Economic Statistics (Schedule 14)
Last Ten Calendar Years

Calendar Year	City Population	County Population	County Personal Income	County Per Capita Personal Income	School Enrollment	County Unemployment Rate
2009	21,884	35,408	\$ 941,923,000	\$ 26,602	5,846	5.9%
2010	22,194	36,273	1,033,528,000	28,493	5,842	7.1%
2011	22,194	36,273	1,026,334,000	28,295	5,780	7.4%
2012	22,194	36,273	1,048,790,000	28,914	5,801	6.6%
2013	22,194	36,273	1,058,817,000	29,190	5,522	11.0%
2014	22,194	36,273	1,081,292,000	29,810	5,559	6.3%
2015	22,194	36,273	1,077,771,000	29,713	5,659	5.4%
2016	22,194	36,273	1,098,512,000	30,285	5,586	5.3%
2017	22,194	36,273	1,084,701,000	29,904	5,519	4.1%
2018	22,194	36,273	N/A	N/A	5,352	4.4%

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 2018 is unavailable.

City of Plainview, Texas
Principal Employers* (Schedule 15)
Last Ten Years

2009	2010	2011	2012
Azteca Milling Cargill Meat Solutions Central Plains MHMR Center City of Plainview Covenant Hospital Plainview Independent School District Texas Department of Criminal Justice United Supermarkets Wal-Mart Associates Wayland Baptist University	Azteca Milling Cargill Meat Solutions Central Plains MHMR Center City of Plainview Covenant Hospital Plainview Independent School District Texas Department of Criminal Justice United Supermarkets Wal-Mart Associates Wayland Baptist University	Azteca Milling Cargill Meat Solutions Central Plains MHMR Center City of Plainview Covenant Hospital Plainview Independent School District Texas Department of Criminal Justice United Supermarkets Wal-Mart Associates Wayland Baptist University	Azteca Milling Cargill Meat Solutions Central Plains MHMR Center City of Plainview Covenant Hospital Plainview Independent School District Texas Department of Criminal Justice United Supermarkets Wal-Mart Associates Wayland Baptist University
2013	2014	2015	2016
Azteca Milling Central Plains MHMR Center City of Plainview Covenant Hospital Hale County Plainview Independent School District Texas Department of Criminal Justice United Supermarkets Wal-Mart Associates Wayland Baptist University	Azteca Milling Central Plains MHMR Center City of Plainview Covenant Hospital Hale County Plainview Independent School District Texas Department of Criminal Justice United Supermarkets Wal-Mart Associates Wayland Baptist University	Azteca Milling Central Plains MHMR Center City of Plainview Covenant Hospital Hale County Plainview Independent School District Texas Department of Criminal Justice United Supermarkets Wal-Mart Associates Wayland Baptist University	Azteca Milling Central Plains MHMR Center City of Plainview Covenant Hospital Hale County Plainview Independent School District Texas Department of Criminal Justice United Supermarkets Wal-Mart Associates Wayland Baptist University
2017	2018		
Azteca Milling Central Plains MHMR Center City of Plainview Covenant Hospital Hale County Plainview Independent School District Texas Department of Criminal Justice United Supermarkets Wal-Mart Associates Wayland Baptist University	Azteca Milling Central Plains MHMR Center City of Plainview Covenant Hospital Hale County Plainview Independent School District Texas Department of Criminal Justice United Supermarkets Wal-Mart Associates Wayland Baptist University		

* Employers are listed alphabetically with no ranking intended. The number of employees is not disclosed due to confidentiality.

Sources: Texas Workforce Commission, Workforce Solutions South Plains, Plainview Chamber of Commerce, and Plainview/ Hale County Economic Development Corporation.



PLAINVIEW, TX

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City of Plainview, Texas
Full-Time Equivalent City Government Employees by Function/Program (Schedule 16)
Last Ten Fiscal Years

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Government										
City Manager	2	2	2	2	2	2	2	2	3	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										
Municipal Court	3	3	2	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	4	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	46	46	46	46	46	45	45
Emergency Operation Center										
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	2	2	1	1	1
Street Cleaning	2	2	2	2	2	2	2	2	2	2
Street Department	7	7	7	7	5	5	5	5	5	5
Custodial Services	2	2	2	2	2	2	2	2	2	2
Health	7	7	7	7	6	6	6	6	6	6
Recreation and Culture										
Parks	12	12	11	11	11	11	11	11	11	11
Library	5	5	5	5	5	5	5	5	5	5

City of Plainview, Texas
Full-Time Equivalent City Government Employees by Function/Program (Schedule 16)
Last Ten Fiscal Years

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Convention and Tourism	1	1	1	1	1	1	0	1	1	1
Solid Waste Management										
Collection	11	11	11	11	11	11	11	11	11	11
Landfill	8	8	8	8	8	8	8	8	8	8
Recycling	1	1	1	1	1	1	1	1	1	1
Vector Mowing	1	1	1	1	1	1	1	1	1	1
Vector Spraying	1	1	1	1	1	1	1	1	1	1
Water & Sewer										
Non-Departmental										
Utility Accounting	6	6	6	6	6	6	6	6	6	1
Meter Services	3	3	3	3	3	3	3	3	3	6
Water Production	7	7	7	7	7	7	7	7	8	3
Wastewater Treatment	5	5	5	5	5	5	5	5	4	7
Water Distribution	6	6	6	6	6	6	6	6	6	4
Water Collection	3	3	3	3	3	3	3	3	3	6
Fleet Services	4	4	4	4	3	3	3	3	3	3
Theatre Arts										2
Total	199	199	197	199	196	195	194	194	195	194

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

City of Plainview, Texas
Operating Indicators by Function/Program (Schedule 17)
Last Ten Years

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General government										
Building permits issued	154	266	208	226	228	158	169	180	140	576
Building inspections	2,057	2,494	1,524	1,058	976	690	1,265	1,521	1,161	1,137
Public safety										
Police										
Calls for service	15,378	14,403	14,313	19,225	20,946	26,103	26,670	27,577	26,574	26,832
Citations issued	3,307	3,377	2,642	2,243	2,310	2,191	2,920	2,630	2,605	2,284
Arrests	1,659	1,593	1,594	1,346	1,309	1,285	1,170	1,020	1,109	1,226
Fire/EMS										
Total Fire calls	1,560	1,656	1,878	1,673	1,888	1,784	352	129	102	388
Fire-EMS Assists							1,558	1,681	1,781	1,865
Total EMS calls	1,915	1,949	2,139	2,067	2,367	2,194	2,107	2,482	2,536	2,829
Inspections	122	137	45	86	168	119	98	167	248	82
Public works										
Street seal coating (lane miles)	20	21	-	23	12	16	-	9	13	13.00
Street patch material used (tons)	185	438	336	279	267	179	213	288	276	192.4
Health										
Immunizations	6,452	5,018	4,739	2,892	2,296	1,585	1,374	1,605	1,279	1,200
Inspections	156	253	231	243	284	290	396	363	330	541
Recreation and culture										
Parks										
Shelter house permits	192	235	303	294	306	227	167	207	229	260
Library										
Volumes in collection	48,244	53,593	46,473	52,566	53,358	54,788	55,113	56,535	58,685	61,415
Volumes borrowed	55,319	55,019	48,543	47,277	42,339	40,624	40,613	42,855	37,721	32,252
Visitors	92,247	93,761	83,630	76,541	71,643	71,592	71,928	71,135	66,416	55,976

City of Plainview, Texas
Operating Indicators by Function/Program (Schedule 17)
Last Ten Years

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Solid waste management										
Refuse collected (annual tonnage)	31,200	31,200	28,099	27,789	20,535	22,458	24,556	25,607	28,451	32,383
Recyclables collected (annual tonnage)	1,061	646	841	636	382	652	379	667	587	262
Water										
New connections	13	14	18	25	3	21	22	17	9	14
Main line repairs	124	124	72	112	163	160	171	59	101	56
Average daily production (thousands of gallons)										
Peak daily production (thousands of gallons)	4,442	4,406	5,463	5,037	4,089	3,234	2,719	3,016	3,030	2,992
	8,647	8,561	10,048	8,766	6,539	5,949	3,532	6,041	5,564	5,499
Wastewater										
Average daily sewage treatment (thousands of gallons)	1,800	1,928	1,560	1,510	1,566	1,320	1,320	1,256	1,300	1,200
Theatre										
Events scheduled	101	102	85	40	37	38	40	58	51	54
Attendees	10,622	10,665	9,760	5,280	5,611	4,262	5,794	6,378	6,433	5,939

Sources: Various city departments

City of Plainview, Texas
Capital Asset Statistics by Function/Program (Schedule 18)
Last Ten Years

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	22	24	24	21	23	23	22	22	22	23
Staff and detective units, SWAT Van	12	13	14	16	14	14	16	16	16	17
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	138	138	138	138
Streetlights	1,356	1,357	1,358	1,356	1,356	1,356	1,356	1,356	1,358	1,360
Traffic signals - City	7	7	7	7	7	7	7	7	7	7
Traffic signals - State	16	16	16	17	18	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	301	301	301	301	301	301	301	301	301	301
Playgrounds	14	14	14	14	14	14	14	14	14	14
Baseball/softball diamonds	19	21	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	7	7	7	26	26	26	29	29	30
Fitness center										
Library										
Internet access workstations	15	15	15	15	15	15	15	15	15	14

City of Plainview, Texas
Capital Asset Statistics by Function/Program (Schedule 18)
Last Ten Years

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
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)	10,495	10,495	10,303	10,216	10,136	10,051	9,975	10,163	10,101	9,780
Water										
Water mains (miles)	201	208	208	197	197	197	197	201	201	202
Fire hydrants	747	731	736	736	744	744	744	747	752	759
Storage capacity (thousands of gallons)	7,590	7,590	7,590	7,590	9,590	8,340	8,200	8,200	8,200	8,200
Wastewater										
Collection lines (miles)	140	164	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

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**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***

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

We have audited, 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, 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, 2018, 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 8, 2019.

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 the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control over financial reporting 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be 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.

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*.

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 entity'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 signature is written in a cursive, flowing style.

Plainview, Texas
March 8, 2019



Independent Auditor's Report on Compliance for the Major Program; Report on Internal Control over Compliance Required by the Uniform Guidance

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

Report on Compliance for the Major Federal Program

We have audited City of Plainview, Texas (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended September 30, 2018. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on the compliance for the City's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on the Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major Federal program for the year ended September 30, 2018.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as Finding 2018-001. Our opinion on the federal program is not modified with respect to these matters.

The City's response to the noncompliance finding identified in our audit is described in the accompanying corrective action plan. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a compliance requirement will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance 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 and therefore, material weakness and significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weakness. However, we identified a certain deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned costs as Finding 2018-001, that we consider to be a significant deficiency.

The City's response to the internal control over compliance finding identified in our audit is described in the accompanying corrective action plan. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Plainview, Texas
March 8, 2019

Section I - Summary of Auditor's Results

FINANCIAL STATEMENTS

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

FEDERAL AWARDS

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	Yes
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516:	No

Identification of Major Programs:

<u>Name of Federal Program</u>	<u>CFDA Number</u>
Investments for Public Works and Economic Development Facilities	11.300
Dollar threshold used to distinguish between type A and type B federal programs	\$750,000
Auditee qualified as a low-risk auditee?	No

Section II – Financial Statement Findings

The audit disclosed no findings required to be reported.

Section III – Federal Award Findings and Questioned Costs

Finding 2018-001:	Investments for Public Works and Economic Development Facilities CFDA 11.300
	Reporting Noncompliance and Significant Deficiency in Internal Control over Compliance
Grant Award Number:	Affects all grant awards included under CFDA 11.300.
Criteria:	The special award conditions of the grant agreement states that project progress reports are to be submitted to the Project Officer on a quarterly basis and are due no later than 1 month following the end of the quarterly period.
Condition:	We noted a progress report was submitted more than 1 month following the end of the quarterly period.
Cause:	The City did not have adequate internal controls to monitor filing of project progress reports.
Effect:	Project progress report was filed late.
Questioned Costs:	Undeterminable
Context/Sampling:	A nonstatistical sample of 3 project progress reports out of 4 were selected for testing. The compliance requirement was not followed for 1 progress report.
Repeat Finding from Prior Year(s):	No
Recommendation:	We recommend the City monitor submission of the project progress reports and implement controls to ensure submission is in accordance with the grant agreement.
Views of Responsible Officials:	Management agrees with the finding. Refer to Corrective Action Plan.

City of Plainview, Texas
Schedule of Expenditures of Federal Awards (Exhibit H-1)
Year Ended September 30, 2018

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures	Expenditures Passed Through to Subrecipients
U. S. Department of Justice - Bureau of Justice Assistance Bulletproof Vest Partnership Act of 1998	16.607	Not available	\$ 1,826	\$ -
Department of Health and Human Services- Centers for Disease Control and Prevention Passed through Texas Department of Health- Immunization Division	93.268	17560006391003 2016-001047-00	57,600	-
Bureau of Regional/Local Health Operations	93.991	17560006391003 2016-001071-00	41,965	-
Total Department of Health and Human Services			99,565	-
EDA P/W Fin Assist Grant	11.300	08-01-05083	687,921	687,921
Corporation for National and Community Service- Retired and Senior Volunteer Program	94.002	16SRWTX004	47,589	-
Passed through Texas Department on Aging- Retired and Senior Volunteer Program	94.002	17SRWTX028	20,781	-
Total CFDA 94.002			68,370	-
Total Expenditures of Federal Awards			<u>\$ 857,682</u>	<u>\$ 687,921</u>

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City under programs of the federal government for the year ended September 30, 2018. The information in the Schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

Note 2 - Summary of Significant Accounting Policies

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Governmental Fund types are accounted for using a current financial resources measurement focus. All federal expenditures were accounted for in the General Fund and Special Revenue Funds, components of the Governmental Fund type. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

Federal grants are considered to be earned to the extent of expenditures made under the provisions of the grant.

Note 3 - Indirect Cost Rate

The City is not eligible to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance because the City has previously received a negotiated indirect cost rate for its federal awards.



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Financial Services

Management's Response to Auditor's Findings:
Summary Schedule of Prior Audit Findings and
Corrective Action Plan
September 30, 2018

Prepared by Management of
City of Plainview, Texas

Calculation of Unbilled Revenue

Finding 2017-001

Initial Fiscal Year Finding Occurred: 2017

Finding Summary: Accrual of unbilled utility revenue included an additional 3 days of utility revenue.

Status: Corrective action was taken.

Reporting Significant Deficiency in Internal Control over Compliance

Finding 2018-001

Investments for Public Works and Economic Development Facilities

CFDA 11.300

Finding Summary: Eide Bailly LLP noted that a progress report was not filed timely and the City did not have adequate internal controls to monitor filing of project progress reports.

Responsible Individuals: Jeffrey Snyder, City Manager

Corrective Action Plan: Existing internal controls were evaluated and updated.

Anticipated Completion Date: Ongoing



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