City of Plainview, Texas Comprehensive Annual Financial Report

PLAINVIEW, TX

explore the opportunities

For the Fiscal Year Ended
September 30, 2012

PLAINVIEW, TX
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ANNUAL FINANCIAL REPORT

YEAR ENDED SEPTEMBER 30, 2012

CITY OF PLAINVIEW, TEXAS
Year Ended September 30, 2012
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March 4, 2013

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

The City of Plainview's Comprehensive Annual Financial Report for the year ended September 30, 2012, is hereby submitted. This report consists of management's representations concerning the finances of the City of Plainview. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Plainview has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Plainview's financial statements in conformity with generally accepted accounting principles. Because the cost of internal controls should not outweigh their benefits, the City of Plainview's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Plainview's financial statements have been audited by Davis Kinard & Co, PC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Plainview for the fiscal year ended September 30, 2012, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Plainview's financial statements for the fiscal year ended September 30, 2012, are fairly presented in conformity with generally accepted accounting principles in the United States of America. The independent auditor's report is presented as the first component of the financial section of this report.

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

Profile of the Government

The City of Plainview, incorporated in 1907, is located on the Central Plains of Northwest Texas, 46 miles north of Lubbock and 75 miles south of Amarillo. The City of Plainview is the County Seat of Hale County, one of the most intensively farmed counties in the state with crops irrigated from water produced from the Ogallala Aquifer. Cotton is the major crop. Other crops include corn, soybeans, sorghum, wheat, peanuts, vegetables, as well as, dairy cows, swine, sheep, and beef cattle production. The City of Plainview is the agribusiness, financial and transportation center of this highly developed farming area.

The City of Plainview currently occupies a land area of 13 square miles and serves a population of 22,194. The City of Plainview is empowered to levy tax on both real and personal properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing council.

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

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

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

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

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

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

Economic Outlook and Financial Condition

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

Local economy. The South Plains region of West Texas has endured two years of severe drought. This past year due to a severe drought the cotton and other crops produced in the area saw significantly lower levels of production. The agriculture support industries are a major backbone of the local economy and also saw reduced levels of activity due to the drought.

During the 2011-2012 fiscal year the City has been focused on the future. The City is in the process of updating its Comprehensive Plan. The City and County are working with the Industrial Foundation by helping fund the Targeted Industry Study that is designed to help guide our community in planning for growth, diversification and expansion. The City and County along with the Airport Board are developing an Airport Master Plan to guide the development of the Plainview/Hale County Airport. The airport is scheduled for a major rehabilitation/reconstruction project that will entail $4.3 million dollars worth of improvements over a 2 year period. The City and County will each fund 5% and the Federal Aviation Administration will pay the remaining 90%.

Several new retail outlets opened this past year. La Super Economica, a specialty grocery store opened in January, 2012. In February, 2012 a Burkes outlet store that is similar to a department store opened. In August, 2012 a Big 5 Sporting Goods store opened. The City is annexing a section of land that a new food processing plant, Andalucia Nuts, will be located on.

Plainview is proud to be the home to Wayland Baptist University and also have a South Plains College Campus in our city. Both entities have plans to expand their facilities and programs offered.

As Plainview entered the new year of 2013, the long term impacts of the drought had a significant impact on the local economy.

The ethanol plant with a 110 million gallon annual production capacity east of the city does not use local commodities to produce ethanol. Because of the national drought the plant was idled on January 7, 2013. All workers are still employed and the company has projected that production will restart in the next few months. This has occurred in the past.

Cargill, a meat packing facility, employing approximately 2000 employees announced in January that due to the severe drought and the limited availability of livestock the Plainview facility would be idled and employees were dismissed. The facility is to be kept by the company and in working order so that when the herds increase the plant will be available to open back up for processing. This is not anticipated to happen for several years.

While these events will have an impact on the local and regional economy, the City is in a financial position that will enable it to assess the effects of these changes and make necessary adjustments as the overall outcome of these changes become apparent.

At this point, the local economy is proving to hold up to the initial drought related challenges mentioned. Sales tax receipts through February are up slightly over the same five month period last year, while property tax collections are about 1.35% above last year as a percent of levy collected at this time. One revenue source that is still experiencing a significant decline is investment earnings. This downturn can be attributed to the broader national and world economy rather than the local economy and the ongoing historically low interest rate environment.

Long-term financial planning. The City of Plainview continues to look forward in terms of infrastructure needs. In 2010 the City Council continued the effort to meet the infrastructure needs of the community by issuing Certificates of Obligation to build two new water towers, relocate and upgrade water and sewer lines in Highway 70 in conjunction with the rebuilding of this highway by the Texas Department of Transportation, rebuilding two major sewer lift stations, and installing an emergency power backup generator at the City's wastewater treatment plant. The relocation and upgrade of the water and sewer lines on Highway 70 have been completed.

The Texas Department of Transportation has also decided to rework the frontage roads on Interstate-27 to improve traffic safety. The City has been awarded a Community Development Block Grant for $275,000 to replace 4300 ft of water lines. The City's match on this grant is $55,000.

The City is in the process of building a 10 acre lined Type I landfill cell and this project is scheduled to be completed without issuing any additional debt.

The governing council and city staff are exploring the possibility of developing additional ground water reserves. Although current water resources exceed the City's current demand, the continued depletion of surface water containment of past years has highlighted the importance of securing additional water resources for future increases in demand. The City, through membership in the Canadian River Municipal Water Authority (CRMWA), has acquired additional underground water rights and is in the process of determining when the new well fields will be tied into the existing water production assets in that area. This acquisition doubled the amount of groundwater owned by CRMWA. These ground water rights are projected to sustain the city's CRMWA current allocation beyond the end of this century and the well fields.

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

Cash management. The City of Plainview awards its depository contract through official bidding procedures for a three year period with a provision for two one-year continuations under the same contract. The contract with Wells Fargo Bank expired September 30, 2011. After going through the bidding process, the City awarded the new contract to Happy State Bank for a three year period with the option for two one-year renewals.

The current contract with Happy State Bank guarantees the City of Plainview the 91 day t-bill rate plus 20 basis points or the CDARS rate whichever is higher on certificates of deposit in excess of $100,000 with 365 day maturity dates. The bank has public funds checking accounts that earn interest based on a rate determined by the bank based on the market at the time. Idle cash is placed in certificates of deposit and TexPool. At the end of the first quarter of the current fiscal year the City held $20.5 million in certificates of deposit with an average maturity of 164 days and an average yield of .36%.

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

All safekeeping arrangements are in accordance with a safekeeping agreement approved by the City Manager which defines the procedural steps for gaining access to pledged collateral on deposit should the City of Plainview determine that the City's funds are in jeopardy. The safekeeping institution, or Custodian, is TIB-The Independent Bankers Bank. The safekeeping agreement is a three-party contract between the City of Plainview, the depository bank, and the TIB-The Independent Bankers Bank acting as Custodian. Additional information on the City's banking and investing activities can be found in Note 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 and maintains an employee health care plan. The plan admits employee's dependants and retirees; however, the City provides no funding for any portion of these premiums. The plan is a modified self-insurance plan in that a third party administrator provides processing services and PPO contracts with service providers and excess loss coverage. Additional information on the City's health coverage can be found in Notes 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 Firefighters Retirement System is administered by a board of trustees. The actuarial valuation for the System was completed as of December 31, 2011. The funded ratio of actuarial accrued liability of this plan was 39.1%. As a matter of policy the City contributed 15% of firefighter salaries toward pension financing, while firefighters individually contributed 14%. October 1, 2010 the city increased the employer portion to 16.61%, October 1, 2011 to 18.26% and October 1, 2013 to 19.84%.

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, 2011 and reported the funded ratio of accrued liability was 84.1%. The City's contribution rate at year end was 15.41% of payroll and the employees individually contribute 7%. TMRS restructured the funds and because of the restructuring contributions beginning January 1, 2012 will be at the full rate. 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.

Acknowledgements

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

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

Respectfully submitted,

Greg Ingham
City Manager

Sarianne Beversdorf

Sarianne Beversdorf, CPA, CGFO
Director of Finance

CITY OF PLAINVIEW, TEXAS

LISTING OF PRINCIPAL OFFICIALS

ELECTED OFFICIALS	NAME	YEARS SERVICE	OCCUPATION
MAYOR	WENDELL DUNLAP	9	RETIRED/SELF-EMPLOYED
COUNCIL MEMBER DISTRICT 1	DR. CHARLES N. STARNES	3	EDUCATOR
COUNCIL MEMBER DISTRICT 2	CATHY WAGGONER	6	ASSISTANT, CUNNINGHAM CHIROPRACTIC
COUNCIL MEMBER DISTRICT 3	DAVID G. GARCIA	3	RETIRED
COUNCIL MEMBER DISTRICT 4	VIRGINIO "V.O." ORTEGA	3	OPERATIONS MANAGER, ATMOS ENERGY
COUNCIL MEMBER DISTRICT 5	SHANE MARTINEZ	1	NURSE
COUNCIL MEMBER DISTRICT 6	LIONEL A. GARCIA	1	RETIRED
COUNCIL MEMBER DISTRICT 7	ERIC HASTEY	1	CONSTRUCTION

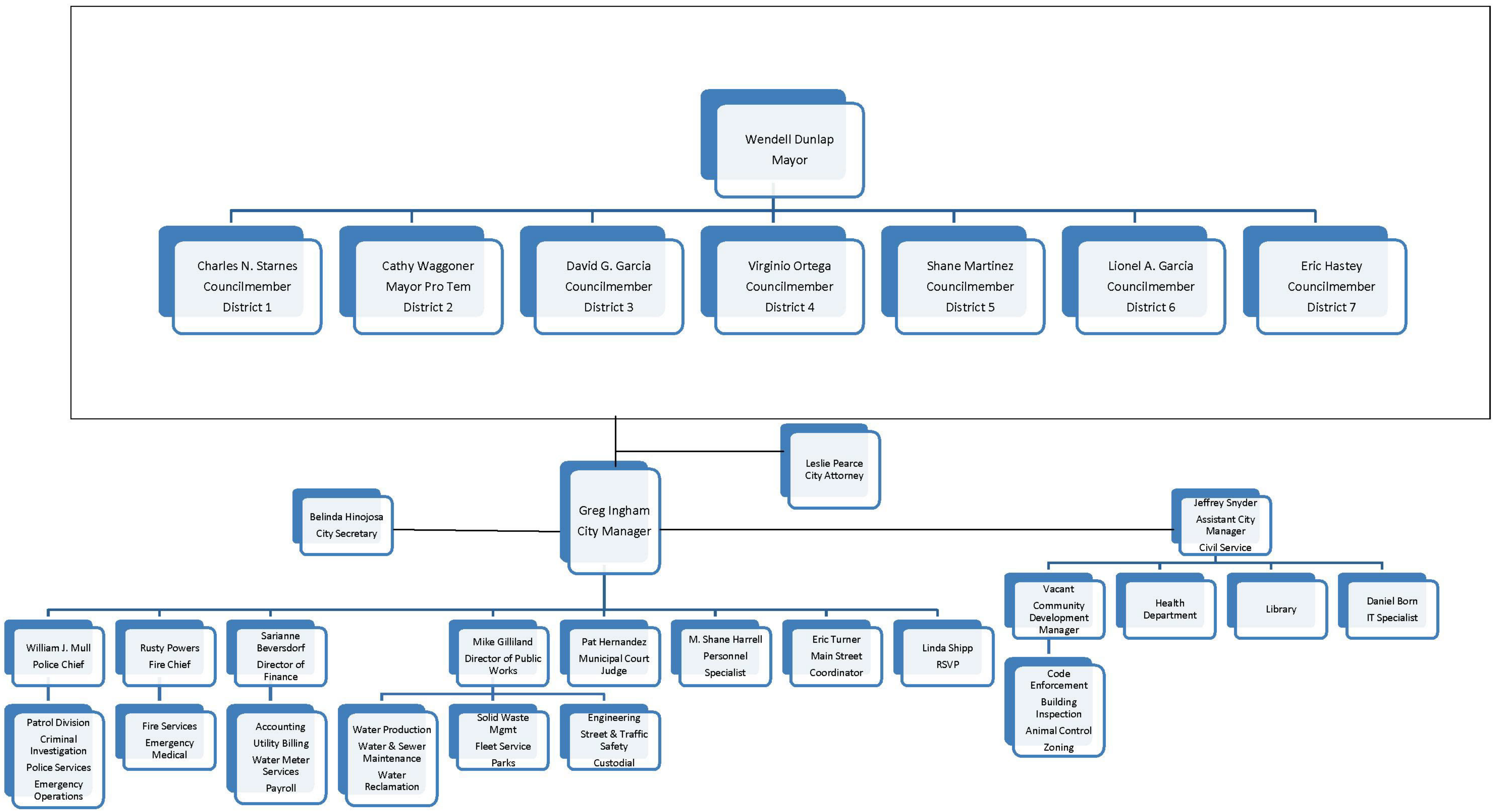
CITY OFFICIALS	NAME	# OF YEARS WITH CITY	# OF YEARS THIS POSITION
CITY MANAGER	GREG INGHAM	9	36
ASSISTANT CITY MANAGER	JEFFREY SNYDER	2	2
DIRECTOR OF FINANCE	SARIANNE BEVERSDORF	3	12
DIRECTOR PUBLIC WORKS	MIKE GILLILAND	4	4
DIRECTOR COMMUNITY SERVICES	VACANT	-	-
DIRECTOR FIRE SERVICES	RUSTY POWERS	23	4
DIRECTOR POLICE SERVICES	WILLIAM MULL	43	16
MUNICIPAL COURT JUDGE	PAT HERNANDEZ	28	15
CITY ATTORNEY	LESLIE PEARCE	7	13
CITY SECRETARY	BELINDA HINOJOSA	12	12

FINANCIAL CONSULTANT - SPECIALIZED PUBLIC FINANCE - AUSTIN, TEXAS

BOND COUNSEL - FULBRIGHT & JAWORSKI - DALLAS, TEXAS

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

City of Plainview
Organizational Chart



Davis Kinard & Co, PC
CERTIFIED PUBLIC ACCOUNTANTS
Quality. Integrity. Knowledge.

Plainview Office
1401 A West 5th Street, Plainview, TX 79072
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INDEPENDENT AUDITOR'S REPORT

To the City Council
City of Plainview, Texas

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Plainview, Texas, (the City) as of and for the year ended September 30, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2012, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 29, 2013, on our consideration of the City of Plainview, Texas's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of funding progress and budgetary comparison information on pages 3 through 13 and 54 through 58 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.

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

Davis Kinard & Co, PC

Certified Public Accountants

Plainview, Texas
January 29, 2013

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the City of Plainview's annual financial report presents our discussion and analysis of the City's financial performance during the fiscal year ended September 30, 2012. 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 $94,416,996 at September 30, 2012 and $89,402,194 at September 30, 2011, increasing 5.6%.
- Total liabilities were $29,024,929 at September 30, 2012, an increase of 7.9% from September 30, 2011.
- The total assets of the City exceeded its liabilities at the close of the fiscal year by $65,392,067, an increase of 4.6%. Of this amount, $35,153,368 in unrestricted net assets may be used to meet the government's ongoing obligations to citizens and creditors.
- During the year, the City's total revenues from all sources exceeded expenses by $2,900,495.

Governmental Funds

- Total current assets were $16,135,121 at September 30, 2012 and $15,293,619 at September 30, 2011, increasing 5.5%.
- All combined governmental funds reported an ending fund balance of $15,380,616, or a 6.4% increase from the previous year.
- For the year ended September 30, 2012, total revenues exceeded total expenditures by $920,541.

Proprietary Funds

- Net assets for combined enterprise funds grew by 7.4% to $36,184,641. Of this amount, $15,614,276 is unrestricted and available to be used to meet the ongoing obligations to citizens and creditors.
- The change in net assets or net income generated from operations of the combined enterprise funds during the year ended September 30, 2012 is reported at $2,477,875.
- A net decrease in cash and cash equivalents of $407,165 is reported for the combined enterprise funds.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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, Required Components of the City's Annual Financial Report

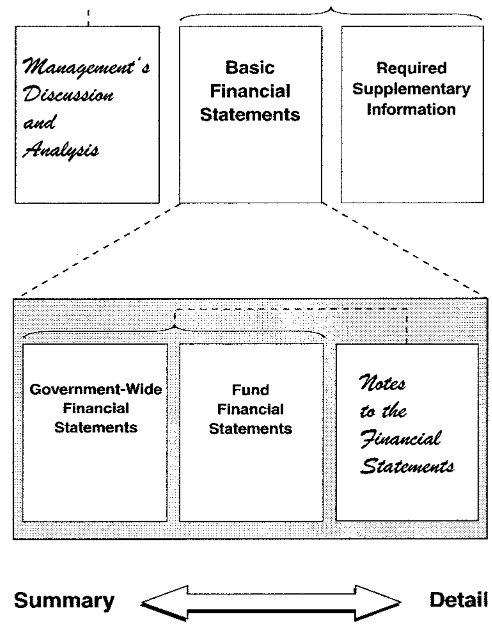


Figure A-1 shows how the required parts of this annual report are arranged and related to one another.

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.

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

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

Government-wide Statements

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

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

- Over time, increases or decreases in the City's net assets may be an indicator of whether its financial health is improving or deteriorating, respectively.

- To assess the overall health of the City, one needs to consider additional nonfinancial factors such as changes in the City's tax base.

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

Fund Financial Statements

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

- Some funds are required by State law and by bond covenants.

- The City Council or management establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The City has the following kinds of funds:

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

- *Proprietary funds*—Services for which the City charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long-term and short-term financial information.

- We use *internal service funds* to report activities that provide supplies and services for the City's other programs and activities.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Net assets.

The City's combined net assets totaled $65,392,067 at September 30, 2012, $2.9 million higher than the prior year. (See Table A-1).

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

	Governmental Activities		Business -type Activities		Total		Total Percent Change
	2012	2011	2012	2011	2012	2011	
Current assets							
Cash and cash equivalents	$ 8,312	$ 7,889	$ 6,034	$ 5,557	$ 14,346	$ 13,446	6.7%
Investments	12,589	12,115	7,961	6,961	20,550	19,076	7.7%
Receivables	1,221	1,225	1,606	1,464	2,827	2,689	5.1%
Due from other governments	73	82	9	-	82	82	100.0%
Internal balances	160	64	(160)	(64)	-	-	0.0%
Inventories	82	84	144	144	226	228	-0.9%
Total current assets	22,437	21,459	15,594	14,062	38,031	35,521	7.1%
Noncurrent assets	1,022	1,118	18,416	16,429	19,438	17,547	10.8%
Capital assets	28,242	27,477	49,500	47,995	77,742	75,472	3.0%
Less accumulated depreciation	(19,383)	(18,560)	(21,411)	(20,602)	(40,794)	(39,162)	4.2%
Total assets	32,318	31,494	62,099	57,884	94,417	89,378	5.6%
Accounts payable and accrued liabilities	677	673	620	654	1,297	1,327	-2.3%
Deposits and escrow held	-	-	396	370	396	370	7.0%
Compensated absences	962	915	76	75	1,038	990	4.8%
Pension and OPEB obligations	1,318	1,063	118	134	1,436	1,197	20.0%
Water contract obligations	-	-	8,713	6,063	8,713	6,063	43.7%
Landfill closure/postclosure	-	-	1,188	1,144	1,188	1,144	3.8%
Bonds payable	-	-	14,957	15,796	14,957	15,796	-5.3%
Total liabilities	2,957	2,651	26,068	24,236	29,025	26,887	8.0%
Net assets							
Invested in capital assets, net of related debt	8,859	8,918	19,845	19,251	28,704	28,169	1.9%
Restricted	810	719	726	457	1,536	1,176	30.6%
Unrestricted	19,692	19,206	15,460	13,940	35,152	33,146	6.1%
Total net assets	$ 29,361	$ 28,843	$ 36,031	$ 33,648	$ 65,392	$ 62,491	4.6%

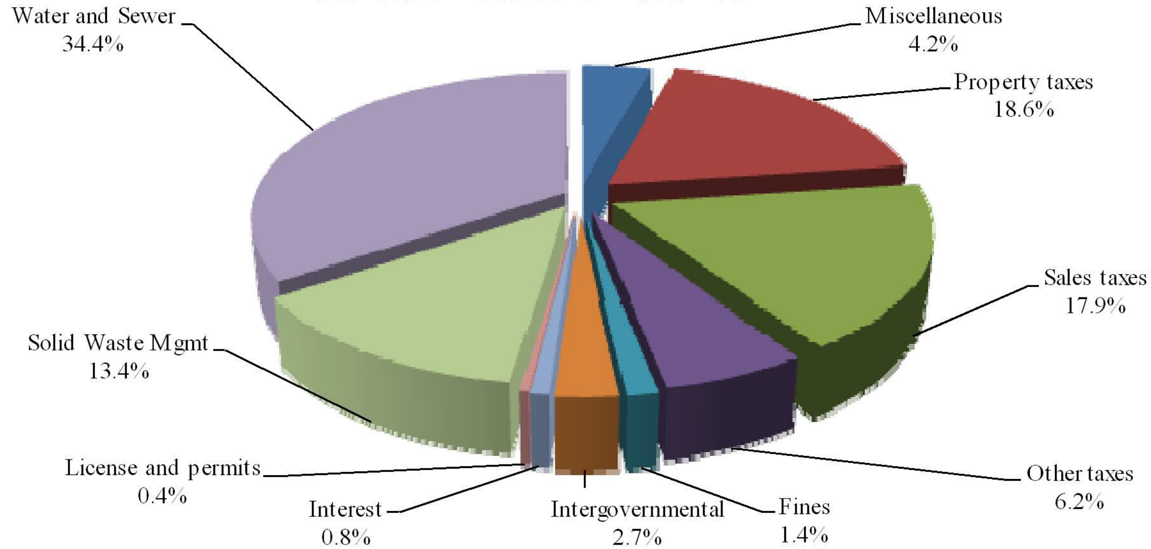
As noted earlier, net assets may serve, over time, as a useful indicator of a government's financial position. A large portion of the City's net assets (44 percent) reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Changes in net assets.

The City's total revenues for the period ended September 30, 2012 were $22,332,391. A significant portion, 43 percent, of the City's revenue comes from taxes (See Figure A-3) while 48 percent comes from charges for utility services. The total cost of all programs and services was $20,431,896.

Figure A-3
Sources of Revenue for Fiscal Year 2012



Expenses by Activity for Fiscal Year 2012

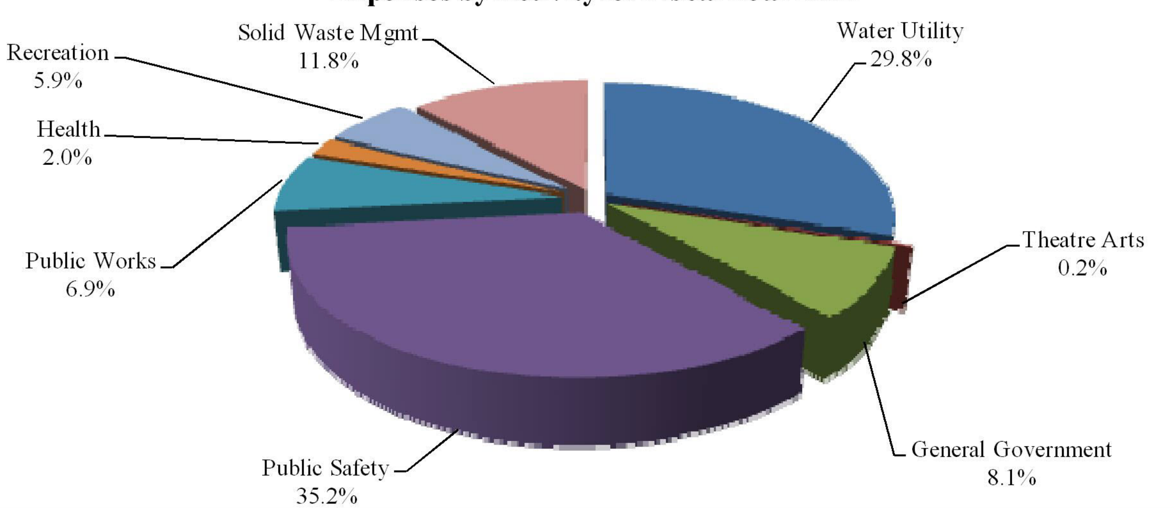


Table A-2
Changes in City's Net Assets
(In thousands dollars)

	Governmental Activities		Business-type Activities		Total		Total Percent Change
	2012	2011	2012	2011	2012	2011	
Program revenues:							
Charges for services	$ 1,031	$ 1,218	$ 11,033	$ 10,542	$ 12,064	$ 11,760	2.6%
Grants and contributions							
Operating	361	400	-	-	361	400	-9.8%
Capital	284	218	129	-	413	218	100.0%
General revenues:							
Property taxes	4,287	4,270	-	-	4,287	4,270	0.4%
Other taxes	5,567	5,480	-	-	5,567	5,480	1.6%
Other	298	247	343	331	641	578	10.9%
Total revenues	11,828	11,833	11,505	10,873	23,333	22,706	2.8%
Expenses:							
General government	1,663	1,763	-	-	1,663	1,763	-5.7%
Public safety	7,196	6,857	-	-	7,196	6,857	4.9%
Public works	1,417	965	-	-	1,417	965	46.8%
Recreation and culture	1,199	1,260	-	-	1,199	1,260	-4.8%
Health	415	458	-	-	415	458	-9.4%
Solid waste management	-	-	2,417	2,573	2,417	2,573	-6.1%
Water and sewer	-	-	6,087	5,635	6,087	5,635	8.0%
Theatre arts	-	-	38	39	38	39	-2.6%
Total expenses	11,890	11,303	8,542	8,247	20,432	19,550	4.5%
Transfers	580	606	(580)	(606)	-	-	0.0%
Change in net assets	518	1,136	2,383	2,020	2,901	3,156	-8.1%
Net assets - beginning, as restated	28,843	27,707	33,648	31,628	62,491	59,335	5.3%
Net assets - ending	$ 29,361	$ 28,843	$ 36,031	$ 33,648	$ 65,392	$ 62,491	4.6%

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

Governmental Activities

As shown in Table A-2, governmental activities increased net assets by $518 thousand accounting for 17.8% of the increase in total net assets. Table A-3 presents the cost of each of the City's largest functions, as well as each function's net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost reflects what was funded by local tax dollars.

- Property tax rate was .5785 per $100 valuation. However, a moderate increase in valuations and favorable collections enabled an increase in property tax revenues of $17 thousand, or .4%.
- The franchise tax on gas and electric utilities decreased $50 thousand, or 3.6%, and general sales tax increased $126 thousand, or 3.1%.
- The cost of all *governmental* activities this year was $11,890 thousand compared to the previous year of $11,303 thousand, a 5.2% increase.
- The amount that our taxpayers paid for these activities through taxes was $9,854 thousand.
- Some of the cost was paid by those who directly benefited from the programs, $1,031 thousand, or by grants and contributions, $645 thousand.

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

	Total Cost of Services		Percent Change	Net Cost of Services		Percent Change
	2012	2011		2012	2011	
General government	$ 1,663	$ 1,763	-5.7%	$ 1,089	$ 1,096	-0.7%
Public safety	7,196	6,857	4.9%	6,572	6,053	8.6%
Public works	1,417	965	46.8%	1,307	965	35.5%
Recreation and culture	1,199	1,260	-4.8%	1,154	1,216	-5.1%
Health	415	458	-9.4%	92	114	-19.6%
Total governmental activities	$ 11,890	$ 11,303	5.2%	$ 10,214	$ 9,444	8.2%

Business-type Activities

Business-type activities increased the City's net assets by $2,383 thousand accounting for 82.2% of the total increase in the government's net assets.

- Charges for services generated revenues of $11,033 thousand for the period ended September 30, 2012 compared to $10,542 thousand for the previous period. This 4.7% increase was derived from a 5% increase in the solid waste collection rates plus a 16% increase in the water base rate and the adoption of a tiered water rate structure that increases the rate charged as the consumption increases. The sewer rate stayed the same.

- Expenses totaled $8,542 thousand for 2012 and $8,247 thousand for 2011, a 3.6% increase. Some things that caused the increase was the additional interest on the debt to build the water towers and other projects, City's cost in the Canadian River Municipal Water Authority purchase of additional water rights, landfill scraper repairs, and maintenance work on the reclamation plant and lift stations.

- Transfers from business-type activities to support general government activities were $580 thousand for the period, a 4.3% decrease from the previous period.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

Governmental Funds

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

- As of the end of the current fiscal year, the City's governmental funds reported a combined ending fund balance of $15,380,616, an increase of $920,541. A combination of favorable budget variances for both general fund revenues and expenditures were the key elements of this increase.

- Total assets of the General Fund increased 6.4%. This increase is mainly attributable to the increase in cash, cash equivalents and investments from $ 13,144,818 at the end of the prior period to $14,073,933 at the end of fiscal year 2012.

- Total liabilities decreased 9.5% from $833,544 in 2011 to $754,505 in 2012.

- Of the combined ending fund balance, approximately $11.5 million constitutes unassigned fund balance which is available for spending at the government's discretion.

Proprietary Funds

The City's proprietary funds financial statements provide the same type of information found in the government-wide financial statements, but in more detail. There are two types of funds presented – the business-type (enterprise) funds and the internal service funds. The purpose of internal service funds is to provide services within a government on a break-even basis. The net income or loss from these internal service funds has been allocated back to the user departments and activities for the government-wide financial statements. The internal service funds reflect a total net assets amount of $7,304,928. Of this amount, $2,018,692 is invested in capital assets. The remainder of the unrestricted net assets are generally used for property insurance and to replace capital assets.

Of the combined unrestricted net assets of the enterprise funds at the end of fiscal year 2012, 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 enforcement, 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:

    - $125,000 to the Equipment Replacement internal service fund
    - $216,000 to the Capital Improvement nonmajor governmental fund.
    - $ 47,500 to the Service Center Internal Service Fund
    - $ 60,000 to the Economic Development nonmajor governmental fund.

- During the year, actual receipts exceeded budgeted revenues and expenditures were less than budgetary estimates, thus allowing the City Council to approve the aforementioned interfund transfers.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets for its governmental and business type activities as of September 30, 2012 amounts to $36,946,845 (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
	2012	2011	2012	2011	2012	2011	Change
Land	$ 551	$ 549	$ 529	$ 529	$ 1,080	$ 1,078	0.2%
Buildings	3,745	3,665	2,654	2,642	6,399	6,307	1.5%
System improvements	-	-	39,443	37,000	39,443	37,000	6.6%
Infrastructure	15,566	15,093	-	-	15,566	15,093	3.1%
Machinery and equipment	8,367	7,865	6,278	5,697	14,645	13,562	8.0%
Construction in progress	13	305	595	2,127	608	2,432	-75.0%
Totals at historical cost	28,242	27,477	49,500	47,995	77,742	75,472	3.0%
Accumulated depreciation	(19,383)	(18,560)	(21,411)	(20,602)	(40,794)	(39,162)	4.2%
Net capital assets	$ 8,859	$ 8,917	$ 28,088	$ 27,393	$ 36,947	$ 36,310	1.7%

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

Long Term Debt

At year end the City had $14,957 thousand outstanding in bonds and certificates of obligation outstanding. In addition, the City is one of 11 member cities of the Canadian River Municipal Water Authority (CRMWA), and is contractually obligated on its proportionate share of the Authority's debt (See Table A-5).

The CRMWA issued debt to finance the purchase of additional water rights of which, the City is contractually obligated for its portion of $3,047,248. More detail on the City's long-term obligations may be found in the notes to the financial statements (Note 8).

Bond Ratings

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

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

	Governmental Activities		Business-type Activities		Total		Total Percent
	2012	2011	2012	2011	2012	2011	Change
Bond and certificates of obligation	$ -	$ -	$ 14,957	$ 15,797	$ 14,957	$ 15,797	-5.3%
Water Supply Contract obligation	-	-	8,713	6,063	8,713	6,063	43.7%
Total outstanding debt	$ -	$ -	$ 23,670	$ 21,860	$ 23,670	$ 21,860	8.3%

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City and the expenditure of our resources have been focused on the future. Thus far the economy for the City of Plainview has remained stable despite the global economic contraction suffered by other parts of the State. Taking general sales tax as an indicator, receipts for the fiscal year now ended were 2.77% more than receipts from the previous year. Through February of this current year sales tax receipts have increased 2.49% over the same period in 2012. Using the unemployment rate as another indicator, the unemployment rate decreased from 6.8% in 2011 to a current rate in December of 5.8% while the State, as a whole, was at 6%. Also, consideration must be given to the fact that the City of Plainview is located in a highly developed agricultural region that has harvested fewer crops because of the drought. When the budget was prepared the economic outlook for the next fiscal year was uncertain and the budget created was very conservative but with resources allocated for future planning and development. The City is in the process of updating the Comprehensive Plan, which was last done in 1989. The City and County are working with the Airport Board to develop an Airport Master Plan to help guide the development of the Plainview/Hale County Airport; and they worked with the Industrial Foundation to create a Targeted Industry Study to help guide the efforts of the Industrial Foundation and community. The City is also developing a water conservation plan to help the community make better use of the water supplies that are available and to extend them further into the future. These efforts when combined with ongoing efforts to improve the delivery of reliable basic services are putting Plainview in a position to take advantage of opportunities as it moves into the future.

This being said, all of these projects have become very important to our community for a different reason. On January 17, 2013 a major employer in our community announced that they would be idling the Plainview meat packing facility that employees approximately 2,000 workers. This facility is also a major utility customer of the City. At this point the effects of this closure cannot be specifically determined. It is the objective of management to minimize the financial impact of this closure as much as possible. This will be accomplished by monitoring the situation, making adjustments as required, and continuing with planning for the future of our community.

The General Fund expenditure budget for the upcoming year increased by .44% and the ad valorem property tax rate of .5785 per $100 valuation remains the same. There is no budgeted reduction of services. Many of the costs such as fuel, materials and supplies have increased. This budget includes a 2.5% cost of living adjustment for all employees. In order to meet these budget increases some adjustments were made to the overall budgeted staffing levels with the removal of three positions not currently filled and the addition of a code enforcement officer.

The City is extending the long-term water planning process. Debt was issued in 2010/2011 for 8.685 million dollars for various projects. The City has completed the relocation and replacement of water and sewer lines in conjunction with TxDOT's reconstruction of Hwy 70. Construction of two new water towers is in progress. Construction of new sewer lift station improvements and acquisition of a backup generator for the wastewater treatment plant have not been done yet.

In the Water & Sewer Fund operating budget the greatest increase is due to increases in the cost of maintenance at the wastewater treatment plant. This plant is now 10 years old and major operating units are requiring repair and replacement. These renovations will be budgeted over several years. The sewer base rate was increased 4.73% and the rate per thousand was increased 4.57% to help meet the costs for the renovations. The water rates will be reviewed to determine the impact of the rate structure that was implemented last year. In 2011-2012 with the severe drought that the State of Texas had sustained the City implemented a multi-tiered water rate structure with increasing rates to encourage conservation of our water. The City has been educating our citizens on ways to conserve water and also working on updating the drought contingency plan. The City is reviewing the impact of the tiered rate structure on consumption and revenue to determine if the rates need to be adjusted this fiscal year. Another consideration in this analysis of the water rates is the increase in the water purchased from Canadian River Municipal Water Authority. At the present time the water being sold to the city is all ground water and more expensive than lake water acquired from Lake Meredith in previous years. Also the governing council and city staff are exploring the possibility of developing additional ground water reserves. Although current water resources exceed the City's current demand, the continued depletion of surface water containment of past years has highlighted the importance of securing additional water resources for future increases in demand. The City, through membership in the Canadian River Municipal Water Authority (CRMWA), has acquired additional underground water rights and is in the process of connecting the resulting well fields to existing water production assets in that area. This acquisition doubled the amount of groundwater owned by CRMWA. These ground water rights are projected to sustain the City's CRMWA current allocation and the well fields beyond the end of this century. This project has been financed with CRMWA bonds and the debt will be serviced by the City's water and sewer utility enterprise fund. The City's portion of the new debt was approximately $3,047,248. The City's obligation is scheduled to be repaid over a 20 year period and bears interest at rates ranging from 3% to 5%. Effective October 1, 2011, the City increased its base water rate charged to customers by $3.00 per month to help cover the payments.

The 2012-2013 operating budget for the solid waste management fund was increased by .06% from the year before. Funds have been accumulating to meet future landfill and equipment needs. Included in the budget is $1.1 million to start the process of developing and building a new ten acre landfill pit. In order to meet these future developments and equipment needs collection and disposal fees were increased by 2%.

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@ci.plainview.tx.us.

PLAINVIEW, TX

explore the opportunities

Basic Financial
Statements

CITY OF PLAINVIEW, TEXAS **Exhibit A-1**

Statement of Net Assets

September 30, 2012

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 8,311,757	$ 6,033,740	$ 14,345,497
Investments	12,589,332	7,960,988	20,550,320
Receivables, net	1,220,692	1,605,945	2,826,637
Due from other governments	72,822	8,840	81,662
Internal balances	160,136	(160,136)	-
Inventories, at cost	82,045	143,805	225,850
Investment in joint venture	1,022,135	-	1,022,135
Restricted assets:			
Cash and cash equivalents	-	7,656,052	7,656,052
Capital assets:			
Nondepreciable	564,035	1,124,474	1,688,509
Depreciable, net	8,294,605	26,963,731	35,258,336
Unamortized water contract costs and other assets	-	10,761,998	10,761,998
Total Assets	32,317,559	62,099,437	94,416,996
LIABILITIES			
Accounts payable	654,358	581,425	1,235,783
Accrued interest payable	-	39,358	39,358
Intergovernmental payable	22,450	-	22,450
Payable from restricted assets	-	395,740	395,740
Noncurrent liabilities:			
Due within one year	5,931	1,603,394	1,609,325
Due in more than one year	2,274,023	23,448,250	25,722,273
Total Liabilities	2,956,762	26,068,167	29,024,929
NET ASSETS			
Invested in capital assets, net of related debt	8,858,640	19,844,796	28,703,436
Restricted for:			
Debt service	-	725,569	725,569
Tourism	568,494	-	568,494
Economic development	116,351	-	116,351
Law enforcement	55,385	-	55,385
Municipal Court	69,464	-	69,464
Unrestricted	19,692,463	15,460,905	35,153,368
Total Net Assets	$ 29,360,797	$ 36,031,270	$ 65,392,067

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

CITY OF PLAINVIEW, TEXAS
Statement of Activities
Year Ended September 30, 2012

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary Government				
Governmental Activities:				
General government - administration	$ 1,134,686	$ 97,247	$ 84,765	$ -
General government - other	528,398	302,980	89,217	-
Public safety	7,195,991	444,024	5,829	173,911
Public works	1,417,063	-	-	109,608
Health	415,163	141,787	181,675	-
Recreation and culture	1,198,777	45,166	-	-
Total Governmental Activities	11,890,078	1,031,204	361,486	283,519
Business-Type Activities:				
Solid waste management	2,416,578	3,101,968	-	-
Water and sewer	6,087,341	7,920,904	-	128,755
Theatre arts	37,899	9,940	-	-
Total Business-Type Activities	8,541,818	11,032,812	-	128,755
Total Primary Government	$ 20,431,896	$ 12,064,016	$ 361,486	$ 412,274

General Revenues and Transfers
Taxes
Property, levied for general purposes
Sales
Selective sales and use
Franchise
Penalty and interest
Miscellaneous
Investment income
Gain on sale of capital assets
Transfers
Total General Revenues and Transfers

Change in Net Assets

Net Assets - Beginning
Prior period adjustment

Net Assets - Ending

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

Net (Expense) Revenue and Changes in Net Assets		
Primary Government		
Governmental Activities	Business-Type Activities	Total
$ (952,674)		$ (952,674)
(136,201)		(136,201)
(6,572,227)		(6,572,227)
(1,307,455)		(1,307,455)
(91,701)		(91,701)
(1,153,611)		(1,153,611)
(10,213,869)		(10,213,869)
	$ 685,390	685,390
	1,962,318	1,962,318
	(27,959)	(27,959)
	2,619,749	2,619,749
	2,619,749	(7,594,120)
4,286,822	-	4,286,822
3,790,688	-	3,790,688
341,798	-	341,798
1,347,673	-	1,347,673
86,664	-	86,664
137,196	136,938	274,134
104,558	87,932	192,490
56,284	118,062	174,346
579,810	(579,810)	-
10,731,493	(236,878)	10,494,615
517,624	2,382,871	2,900,495
28,866,203	33,648,399	62,514,602
(23,030)	-	(23,030)
$ 29,360,797	$ 36,031,270	$ 65,392,067

Exhibit A-3

CITY OF PLAINVIEW, TEXAS
Balance Sheet - Governmental Funds
September 30, 2012

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	$ 4,263,189	$ 826,581	$ 5,089,770
Investments	9,810,744	-	9,810,744
Interest receivable	2,235	-	2,235
Accounts receivable (net)	197,173	-	197,173
Taxes receivable (net)	890,793	29,562	920,355
Due from other governments	66,966	5,856	72,822
Inventories	42,022	-	42,022
Total Assets	$ 15,273,122	$ 861,999	$ 16,135,121
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts payable	$ 314,624	$ 28,260	$ 342,884
Wages payable	155,008	1,535	156,543
Compensated absences payable	5,871	60	5,931
Due to other governments		22,450	22,450
Due to other funds	5,374	-	5,374
Deferred revenue	221,323	-	221,323
Total Liabilities	702,200	52,305	754,505
Fund Balance			
Nonspendable	42,022	-	42,022
Restricted	-	809,694	809,694
Assigned	2,984,676	-	2,984,676
Unassigned	11,544,224	-	11,544,224
Total Fund Balance	14,570,922	809,694	15,380,616
Total Liabilities and Fund Balance	$ 15,273,122	$ 861,999	$ 16,135,121

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

CITY OF PLAINVIEW, TEXAS **Exhibit A-4**

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Assets
September 30, 2012

Total Fund Balances - Governmental Funds	$ 15,380,616
Amounts reported for *governmental activities* in the statement of net assets are different because:	
The City uses internal service funds to charge the costs of certain activities, such as insurance, equipment replacement, and vehicle maintenance, to appropriate functions in other funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	7,458,299
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds. At the end of the year, the original cost of these assets was $22,642,043 and accumulated depreciation was $15,802,095.	6,839,948
The City's investment in joint venture in not reported in the governmental funds but is included in the statement of net assets.	1,022,135
Other adjustments are necessary to convert the modified accrual basis of accounting to the accrual basis of accounting. Net property taxes receivable of $221,323 and net fines receivable of $91,848 were unavailable to pay for current period expenditures and are deferred in the governmental funds but included in the statement of net assets.	313,171
Long-term liabilities for compensated absences of $951,187 and net pension obligation of $702,185 are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds but are included in the statement of net assets.	(1,653,372)
Net Assets of Governmental Activities	$ 29,360,797

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

CITY OF PLAINVIEW, TEXAS

Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds
Year Ended September 30, 2012

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES			
Taxes:			
Property taxes	$ 4,333,624	$ -	$ 4,333,624
Sales and use taxes	3,790,688	-	3,790,688
Selective sales and use taxes	30,080	311,718	341,798
Franchise tax	1,347,673	-	1,347,673
Penalty and interest on taxes	86,664	-	86,664
Licenses and permits	81,473	-	81,473
Intergovernmental revenue and grants	187,923	163,296	351,219
Charges for services	627,144	-	627,144
Fines, forfietures and fees	298,924	15,158	314,082
Investment earnings	77,214	2,265	79,479
Rents and royalties	360	-	360
Contributions and donations	-	10,267	10,267
Other revenue	114,145	23,051	137,196
Total Revenues	10,975,912	525,755	11,501,667
EXPENDITURES			
Current			
General government - administration	822,660	180,459	1,003,119
General government - other	435,910	91,756	527,666
Public safety	6,694,356	1,988	6,696,344
Public works	1,142,860	-	1,142,860
Health	405,574	-	405,574
Recreation and culture	1,030,000	-	1,030,000
Capital outlay	225,749	132,083	357,832
Total Expenditures	10,757,109	406,286	11,163,395
Excess (Deficiency) of Revenue over Expenditures	218,803	119,469	338,272
OTHER FINANCING SOURCES (USES)			
Transfers in	784,015	1,754	785,769
Transfers out	(172,500)	(31,000)	(203,500)
Total Other Financing Sources (Uses)	611,515	(29,246)	582,269
Net Change in Fund Balance	830,318	90,223	920,541
Fund Balance - October 1	13,740,604	719,471	14,460,075
Fund Balance - September 30	$ 14,570,922	$ 809,694	$ 15,380,616

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

CITY OF PLAINVIEW, TEXAS **Exhibit A-6**

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities
Year Ended September 30, 2012

Total Net Change in Fund Balance - Governmental Funds	$	920,541
Amounts reported for *governmental activities* in the statement of activities are different because:		
The City uses internal service funds to charge the costs of certain activities to individual funds. Net change in net assets of the internal service funds is reported with governmental activities.		(165,511)
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.		357,832
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.		283,519
Depreciation is not recognized as an expenditure in governmental funds since it does not require the use of current financial resources.		(609,645)
The net decrease for the year in the investment in joint venture is not reported in the governmental funds but is included in the statement of activities.		(96,231)
Long-term liabilities for certain employee benefits are accrued in the government-wide financial statements, but are not reported in the fund financial statements.		
Increase in compensated absences		(46,118)
Increase in net pension obligation		(88,106)
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 $46,802 and a net increase in fine revenues of $8,145 which is an increase to net assets.		(38,657)
Change in Net Assets of Governmental Activities	$	517,624

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

CITY OF PLAINVIEW, TEXAS
Statement of Net Assets - Proprietary Funds
September 30, 2012

	Business-type Activities	
	Solid Waste Management Fund	Water and Sewer Fund
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 2,334,133	$ 3,569,638
Investments	3,492,799	4,468,189
Interest receivable	748	2,696
Accounts receivable, net	429,620	1,172,610
Due from other governments	-	8,840
Due from other funds	-	-
Inventories, at cost	-	143,640
Total Current Assets	6,257,300	9,365,613
Noncurrent Assets:		
Restricted Assets		
Cash and cash equivalents	184,623	7,471,429
Capital Assets		
Nondepreciable	400,000	719,474
Depreciable, net	4,131,214	22,794,976
Unamortized water supply contract costs	-	10,546,076
Unamortized bond issuance costs	25,000	190,922
Total Noncurrent Assets	4,740,837	41,722,877
Total Assets	10,998,137	51,088,490
LIABILITIES		
Current Liabilities:		
Accounts payable	53,699	480,981
Wages payable	16,364	28,925
Accrued interest payable	2,086	37,272
Due to other funds	6,091	674
Current portion of long-term liabilities		
Accrued compensated absences	2,391	2,546
Bonds and certificates of obligation	230,000	920,000
Water contract obligation	-	448,457
Total Current Liabilities	310,631	1,918,855

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

		Governmental Activities
Nonmajor Enterprise Fund	Total Enterprise Funds	Total Internal Service Funds
$ 129,969	$ 6,033,740	$ 3,221,987
-	7,960,988	2,778,588
-	3,444	615
271	1,602,501	8,466
-	8,840	-
-	-	12,139
165	143,805	40,023
130,405	15,753,318	6,061,818
-	7,656,052	-
5,000	1,124,474	-
37,541	26,963,731	2,018,692
-	10,546,076	-
-	215,922	-
42,541	46,506,255	2,018,692
172,946	62,259,573	8,080,510
1,183	535,863	151,896
273	45,562	3,035
-	39,358	-
-	6,765	-
-	4,937	-
-	1,150,000	-
-	448,457	-
1,456	2,230,942	154,931

CITY OF PLAINVIEW, TEXAS
Statement of Net Assets - Proprietary Funds - continued
September 30, 2012

	Business-type Activities - Enterprise Funds	
	Solid Waste Management Fund	Water and Sewer Fund
Long-Term Liabilities (net of current portion):		
Accrued landfill closure / postclosure costs	1,188,138	-
Payable from restricted assets:		
Deposits and escrow	-	395,740
Noncurrent portion of long-term liabilities		
Accrued compensated absences	24,558	46,134
Net pension obligation	37,770	79,149
Net other postemployment benefits obligation	-	-
Bonds and certificates of obligation	485,000	13,330,000
Unamortized premiums (discounts) on bonds	3,766	(11,964)
Water contract obligation	-	8,264,691
Total Noncurrent Liabilities	1,739,232	22,103,750
Total Liabilities	2,049,863	24,022,605
NET ASSETS		
Invested in capital assets, net of related debt	4,022,071	15,780,184
Restricted for debt service	-	725,569
Unrestricted	4,926,203	10,560,132
Total Net Assets	$ 8,948,274	$ 27,065,885

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

Net assets of business type activities

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

Nonmajor Enterprise Fund	Total Enterprise Funds	Governmental Activities Total Internal Service Funds
-	1,188,138	-
-	395,740	-
-	70,692	5,188
1,008	117,927	2,809
-	-	612,654
-	13,815,000	-
-	(8,198)	-
-	8,264,691	-
1,008	23,843,990	620,651
2,464	26,074,932	775,582
42,541	19,844,796	2,018,692
-	725,569	-
127,941	15,614,276	5,286,236
$ 170,482	$ 36,184,641	$ 7,304,928
	(153,371)	
	$ 36,031,270	

CITY OF PLAINVIEW, TEXAS
Statement of Revenues, Expenses, and Changes in Net Assets - Proprietary Funds
Year Ended September 30, 2012

	Business-type Activities	
	Solid Waste Management Fund	Water and Sewer Fund
OPERATING REVENUE		
Charges for services	$ 3,101,968	$ 7,920,904
Other revenue	92,885	43,896
Total Operating Revenues	3,194,853	7,964,800
OPERATING EXPENSES		
Personnel services - salaries and wages	584,007	1,046,054
Personnel services - employee benefits	278,908	461,572
Purchased professional & technical services	276,421	608,238
Purchased property services	155,976	503,108
Other operating expenses	154,279	840,908
Supplies	307,476	655,719
Depreciation and amortization	592,815	1,028,451
Total Operating Expenses	2,349,882	5,144,050
Operating Income (Loss)	844,971	2,820,750
NONOPERATING REVENUES (EXPENSES)		
Gain (loss) on sale of property	118,451	(389)
Investment earnings	29,255	58,308
Bond premium accretion	1,369	(1,596)
Interest expense	(28,307)	(854,952)
Bond issuance cost amortization	(9,091)	(22,548)
Total Nonoperating Revenues (Expenses)	111,677	(821,177)
Income Before Contributions and Transfers	956,648	1,999,573
CONTRIBUTIONS AND TRANSFERS		
Capital contributions	-	128,755
Transfers in	18,416	26,308
Transfers out	(175,221)	(480,313)
Total Contributions and Transfers	(156,805)	(325,250)
Change in Net Assets	799,843	1,674,323
Net Assets - Beginning of Year	8,148,431	25,391,562
Net Assets - End of Year	$ 8,948,274	$ 27,065,885
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds		
Change in net assets of business type activities		

The accompanying notes are an integral part of these financial statements

		Governmental Activities
Nonmajor Enterprise Fund	Total Enterprise Funds	Total Internal Service Funds
$ 9,940	$ 11,032,812	$ 2,373,174
157	136,938	53,016
10,097	11,169,750	2,426,190
10,207	1,640,268	104,487
3,580	744,060	47,972
-	884,659	9,776
6,700	665,784	60,318
4,017	999,204	1,975,216
9,622	972,817	32,876
3,631	1,624,897	534,964
37,757	7,531,689	2,765,609
(27,660)	3,638,061	(339,419)
-	118,062	56,284
369	87,932	25,079
-	(227)	-
-	(883,259)	-
-	(31,639)	-
369	(709,131)	81,363
(27,291)	2,928,930	(258,056)
-	128,755	-
31,000	75,724	221,008
-	(655,534)	(223,467)
31,000	(451,055)	(2,459)
3,709	2,477,875	(260,515)
166,773	33,706,766	7,565,443
$ 170,482	$ 36,184,641	$ 7,304,928
	(95,004)	
	$ 2,382,871	

CITY OF PLAINVIEW, TEXAS
Statement of Cash Flows - Proprietary Funds
Year Ended September 30, 2012

	Business-type Activities	
	Solid Waste Management Fund	Water and Sewer Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from user charges	$ 3,050,864	$ 7,829,282
Cash from operating transactions - other funds	-	-
Cash payments to employees for services	(822,101)	(1,500,137)
Cash payments for goods and services	(869,967)	(2,423,410)
Other operating cash receipts	92,885	43,896
Net Cash Provided (Used) by Operating Activities	1,451,681	3,949,631
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Increase (decrease) in deposits and escrow held	-	25,842
Transfers to other funds	(175,221)	(480,313)
Transfers from other funds	18,416	26,308
Repayment of interfund payables	-	-
Net Cash (Used) Provided by Noncapital Financing Activities	(156,805)	(428,163)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of capital assets	(861,611)	(1,068,701)
Principal paid on long-term debt	(225,000)	(1,011,918)
Interest paid on long-term debt	(28,963)	(1,123,245)
Proceeds from the sale of capital assets	-	-
Net Cash Used by Capital and Related Financing Activities	(1,115,574)	(3,203,864)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(594,832)	(405,253)
Interest on investments	29,848	59,172
Net Cash (Used) Provided by Investing Activities	(564,984)	(346,081)
Net (Decrease) Increase in Cash and Restricted Cash	(385,682)	(28,477)
Cash and Cash Equivalents - October 1	2,904,438	11,069,544
Cash and Cash Equivalents - September 30	$ 2,518,756	$ 11,041,067

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

Nonmajor Enterprise Fund	Total Enterprise Funds	Governmental Activities Total Internal Service Funds
$ 9,669	$ 10,889,815	$ -
-	-	2,384,337
(13,638)	(2,335,876)	(151,493)
(20,563)	(3,313,940)	(1,882,057)
157	136,938	53,016
(24,375)	5,376,937	403,803
-	25,842	-
	(655,534)	(223,467)
31,000	75,724	221,008
-	-	6,174
31,000	(553,968)	3,715
-	(1,930,312)	(461,796)
-	(1,236,918)	
-	(1,152,208)	-
-	-	73,880
-	(4,319,438)	(387,916)
-	(1,000,085)	(56,049)
369	89,389	25,826
369	(910,696)	(30,223)
6,994	(407,165)	(10,621)
122,975	14,096,957	3,232,608
$ 129,969	$ 13,689,792	$ 3,221,987

CITY OF PLAINVIEW, TEXAS

Statement of Cash Flows - Proprietary Funds - continued

Year Ended September 30, 2012

	Business-type Activities - Enterprise Funds	
	Solid Waste Management Fund	Water and Sewer Fund
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income (loss)	$ 844,971	$ 2,820,750
Adjustments to reconcile operating income to net cash		
Provided (used) by operating activities		
Depreciation and amortization	592,815	1,028,451
Landfill closure/postclosure	44,078	-
(Increase) decrease in operating assets and liabilities:		
Accounts receivable (net)	(51,104)	(91,622)
Inventories	-	(177)
Accounts payable	25,726	194,504
Wages payable	5,518	9,831
Net other postemployment benefits obligations	-	-
Net pension obligation	(13,736)	(2,005)
Accrued compensated absences	1,166	(337)
Interfund payables	2,247	(9,764)
Net Cash Provided (Used) by Operating Activities	$ 1,451,681	$ 3,949,631
RECONCILIATION OF TOTAL CASH AND CASH EQUIVALENTS		
Cash and cash equivalents - Statement of Net Assets	$ 2,334,133	$ 3,569,638
Restricted Cash - Statement of Net Assets	184,623	7,471,429
Total cash and cash equivalents	$ 2,518,756	$ 11,041,067
NONCASH CAPITAL & RELATED FINANCING ACTIVITY		
Issuance water supply contract debt	$ -	$ 3,047,248
Capital asset trade-in allowances	141,000	-
Capital assets contributed from private parties	-	128,755
	$ 141,000	$ 3,176,003

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

				Governmental Activities	
Nonmajor Enterprise Fund		Total Enterprise Funds		Total Internal Service Funds	
$	(27,660)	$	3,638,061	$	(339,419)
	3,631		1,624,897		534,964
	-		44,078		-
	(271)		(142,997)		11,163
	114		(63)		1,247
	(338)		219,892		27,565
	84		15,433		966
	-		-		167,317
	65		(15,676)		-
	-		829		-
	-		(7,517)		-
$	(24,375)	$	5,376,937	$	403,803
$	129,969	$	6,033,740	$	3,221,987
	-		7,656,052		-
$	129,969	$	13,689,792	$	3,221,987
$	-	$	3,047,248	$	-
	-		141,000		-
	-		128,755		-
$	-	$	3,317,003	$	-

PLAINVIEW, TX

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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 GASB Statement No. 14, "The Financial Reporting Entity," (as amended by GASB Statement No. 39) include whether:

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

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

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

Basis of Presentation

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

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

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

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

Note 1: Summary of Significant Accounting Policies – continued

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

The City reports the following major governmental funds:

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

The City reports the following major enterprise funds:

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

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

In addition, the City reports the following fund types:

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

Measurement Focus, Basis of Accounting

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

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

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

Note 1: Summary of Significant Accounting Policies – continued

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.

Assets, Liabilities, and Net Assets or Equity

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

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 estimated fair value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. A capitalization threshold of $5,000 is used.

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

Asset Class	Years
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 C.

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

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

Note 1: Summary of Significant Accounting Policies – continued

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

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

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

Fund balance - Details of constraints on fund balances of governmental funds at September 30, 2012 are as follows:

	General Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable:			
Inventories	$ 42,022	$	$ 42,022
Restricted to:			
Tourism		568,494	568,494
Economic Development			
Revolving Loan Fund		116,351	116,351
Law Enforcement		55,385	55,385
Municipal Court		69,464	69,464
Assigned to:			
Capital Improvement	1,596,018		1,596,018
Street Improvement	309,480		309,480
Economic Development	1,079,178		1,079,178
Unassigned	11,544,224		11,544,224
	$ 14,570,922	$ 809,694	$ 15,380,616

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, 2012 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.

Note 1: Summary of Significant Accounting Policies – continued

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.

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.

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, 2012, 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.

Note 2: Deposits and Investments – continued

As of September 30, 2012, and for the year then ended, the City had the following investments:

Investment Type		Fair Value	Percentage of Total	Credit Rating		Investment Maturity Less than 1 Year
TexPool	$	100,180	0.49%	AAAm	$	100,180
Certificate of Deposits		20,450,140	99.51%	N/A		20,450,140
Total Portfolio	$	20,550,320	100.00%		$	20,550,320

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

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

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

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

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

Note 3: Receivables

The receivables detailed below are reported net of allowances for doubtful accounts in the fund financial statements as of September 30, 2012:

	General Fund	Nonmajor Governmental Funds	Solid Waste Management Fund	Water and Sewer Fund	Nonmajor Enterprise Funds	Internal Service Funds	Total
Receivables:							
Taxes	$ 983,403	$ 29,562	$ -	$ -	$ -	$ -	$ 1,012,965
Accounts	402,421	-	431,491	1,178,306	271	8,466	2,020,955
Grants	66,966	5,856	-	8,840	-	-	81,662
Interest	2,235	-	748	2,696	-	615	6,294
Gross receivables	1,455,025	35,418	432,239	1,189,842	271	9,081	3,121,876
Less: allowance for uncollectibles	(297,858)	-	(1,871)	(5,696)	-	-	(305,425)
Net total receivables	$ 1,157,167	$ 35,418	$ 430,368	$ 1,184,146	$ 271	$ 9,081	$ 2,816,451

Note 4: Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents consisted of the following at September 30, 2012:

Water and Sewer Fund		
Debt Service	$	762,841
Customer Deposits / Escrow		395,740
Capital Projects (Unspent Bond Proceeds)		6,312,848
		7,471,429
Solid Waste Management Fund		
Capital Projects (Unspent Bond Proceeds)		184,623
Total	$	7,656,052

Note 5: Interfund Balances and Activity

Due To and From Other Funds - Balances due to and due from other funds, at the fund level, at September 30, 2012, consisted of the following:

Due To Fund	Due From Fund		Amount	Purpose
Internal service fund	General fund	$	5,374	Short-term loans
Internal service fund	Solid waste mgmt. fund		6,091	Short-term loans
Internal service fund	Water and sewer fund		674	Short-term loans
		$	12,139	

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

An additional $153,371 is included in internal balances in the government-wide statement of net assets to reflect the cumulative amount of "crossover" adjustments made to consolidate the allocable portion of Internal Service Fund activities related to the Business-type Activities.

Transfers To and From Other Funds - Transfers to and from other funds for the year ended September 30, 2012, consisted of the following:

Transfer From	Transfer To		Amount	Purpose
General fund	Internal service fund	$	125,000	Equipment replacement
General fund	Internal service fund		47,500	Service center operations
Water and sewer fund	Internal service fund		23,500	Service center operations
Water and sewer fund	General fund		80,000	Economic development
Water and sewer fund	General fund		376,813	Transfer in lieu of franchise fees
Solid waste mgmt. fund	Internal service fund		21,500	Service center operations
Solid waste mgmt. fund	General fund		153,721	Transfer in lieu of franchise fees
Nonmajor governmental fund	Nonmajor busn. type activities		31,000	Theatre arts
Internal service fund	General fund		119,263	Health insurance
Internal service fund	General fund		54,218	Purchase of equipment
Internal service fund	Nonmajor governmental fund		877	Health insurance
Internal service fund	Nonmajor governmental fund		877	Health insurance
Internal service fund	Solid waste mgmt. fund		18,416	Health insurance
Internal service fund	Water and sewer fund		26,308	Health insurance
Internal service fund	Internal service fund		3,508	Health insurance
		$	1,082,501	

Note 6: Capital Assets

Capital asset activity for the period ended September 30, 2012 was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Governmental Activities				
Capital assets not being depreciated				
Land	$ 549,309	$ 1,393	$ -	$ 550,702
Construction in progress	305,488	10,970	(303,125)	13,333
Total capital assets not being depreciated	854,797	12,363	(303,125)	564,035
Capital assets being depreciated				
Building and improvements	3,664,940	80,315		3,745,255
Machinery and equipment	7,864,661	840,550	(338,857)	8,366,354
Infrastructure	15,092,939	473,045	-	15,565,984
Total capital assets being depreciated	26,622,540	1,393,910	(338,857)	27,677,593
Less accumulated depreciation for:				
Building and improvements	(1,961,633)	(105,555)		(2,067,188)
Machinery and equipment	(5,400,985)	(689,603)	321,260	(5,769,328)
Infrastructure	(11,197,021)	(349,451)		(11,546,472)
Total accumulated depreciation	(18,559,639)	(1,144,609)	321,260	(19,382,988)
Capital assets being depreciated, net	8,062,901	249,301	(17,597)	8,294,605
Governmental activities capital assets, net	$ 8,917,698	$ 261,664	$ (320,722)	$ 8,858,640

	Beginning Balance	Additions	Retirements	Ending Balance
Business-Type Activities				
Capital assets not being depreciated				
Land	$ 529,367	$ -	$ -	$ 529,367
Construction in progress	2,126,689	494,447	(2,026,029)	595,107
Total capital assets not being depreciated	2,656,056	494,447	(2,026,029)	1,124,474
Capital assets being depreciated				
Building and improvements	2,642,451	11,736		2,654,187
Machinery and equipment	5,697,183	1,276,576	(695,906)	6,277,853
Improvements and system	36,999,766	2,443,335	-	39,443,101
Total capital assets being depreciated	45,339,400	3,731,647	(695,906)	48,375,141
Less accumulated depreciation for:				
Building and improvements	(2,014,154)	(25,745)		(2,039,899)
Machinery and equipment	(3,542,093)	(518,189)	672,969	(3,387,313)
Improvements and system	(15,046,198)	(938,000)		(15,984,198)
Total accumulated depreciation	(20,602,445)	(1,481,934)	672,969	(21,411,410)
Capital assets being depreciated, net	24,736,955	2,249,713	(22,937)	26,963,731
Business-type activities capital assets, net	$ 27,393,011	$ 2,744,160	$ (2,048,966)	$ 28,088,205

Note 6: Capital Assets – continued

Depreciation was charged to functions as follows:

Governmental Activities		
General government - administration	$	31,405
General government - other		2,425
Public safety		174,191
Public works		256,028
Health		1,855
Recreation and culture		143,741
Depreciation for capital assets of internal service funds is allocated to various functions based on usage of the assets		534,964
	$	1,144,609
Business-type Activities		
Solid Waste Management Fund	$	592,815
Water and Sewer Fund		885,488
Theatre Arts		3,631
	$	1,481,934

Note 7: Other Assets

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

	Solid Waste Management Fund		Water and Sewer Fund		Total	
Water Supply Contract Costs	$	-	$	12,659,718	$	12,659,718
(Less) Accumulated Amortization		-		(2,113,642)		(2,113,642)
Water Supply Contract Costs, net		-		10,546,076		10,546,076
Bond Issuance Costs		63,637		258,801		322,438
(Less) Accumulated Amortization		(38,637)		(67,879)		(106,516)
Unamortized Bond Issuance Costs		25,000		190,922		215,922
Total	$	25,000	$	10,736,998	$	10,761,998

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, 2012 are as follows:

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Governmental Activities					
Compensated Absences	$ 914,935	$ 47,371	$ -	$ 962,306	$ 5,931
Net Pension Obligation	620,025	1,093,007	(1,008,038)	704,994	-
Net OPEB Obligation	443,404	291,983	(122,733)	612,654	-
Total Governmental Activities	$ 1,978,364	$ 1,432,361	$ (1,130,771)	$ 2,279,954	$ 5,931
Business-Type Activities					
Certificates of Obligation and bonds	$ 15,805,000	$ -	$ (840,000)	$ 14,965,000	$ 1,150,000
Bond premium, net	15,441		(2,402)	13,039	-
Deferred refunding loss, net	(23,865)	2,628	-	(21,237)	-
Subtotal	15,796,576	2,628	(842,402)	14,956,802	1,150,000
Water contract obligations	6,062,818	3,047,248	(396,918)	8,713,148	448,457
Accrued landfill closure / postclosure costs	1,144,060	44,078	-	1,188,138	-
Compensated Absences	74,800	829	-	75,629	4,937
Net Pension Obligation	133,603	265,760	(281,436)	117,927	-
Total Business-Type Activities	$ 23,211,857	$ 3,360,543	$ (1,520,756)	$ 25,051,644	$ 1,603,394

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

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

Debt service requirements for long-term debt as of September 30, 2012 are as follows:

Year Ended	Bonds Payable		
September 30,	Principal	Interest	Total
2013	$ 1,598,457	$ 870,154	$ 2,468,611
2014	1,659,665	818,846	2,478,511
2015	1,699,208	763,510	2,462,718
2016	1,505,017	709,434	2,214,451
2017	1,548,688	656,313	2,205,001
2018-2022	7,781,930	2,285,102	10,067,032
2023-2027	5,153,617	1,093,856	6,247,473
2028-2030	2,731,566	188,934	2,920,500
	$ 23,678,148	$ 7,386,149	$ 31,064,297

Note 8: Long-Term Obligations – continued

Long-term debt interest cost incurred for Business-type Activities for the year ended September 30, 2012 was as follows:

Interest charged to expense	$	883,259
Interest capitalized		4,221
Total interest incurred	$	887,480

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 the 2008 and 2010 Tax and Revenue Certificates of Obligation are secured by ad valorem taxes levied by the City, the City intends to service the debts entirely from the net revenues of the Enterprise Funds. Accordingly, the liabilities for the debt are recorded in the Business-type Activities rather than the Governmental Activities of the City.

The 2008 and 2010 Tax and Revenue Certificates of Obligation are additionally secured by a limited pledge of the net revenues of the City's Water and Sewer and Sanitation systems.

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

Details pertaining to the outstanding Certificates of Obligation and Bonds as of September 30, 2012 are as follows:

Description	Purpose	Maturity	Interest Rates	Balance
2008 Tax and Revenue Certificates of Obligation	Landfill cell and water and sewer system improvements	3/1/2015	3.50%	$ 715,000
2009 General Obligation Refunding Bonds	Refunding - waste water treatment plan bonds	3/1/2021	2.0 to 3.625%	5,635,000
2010 Tax and Revenue Certificates of Obligation	Water and sewer system improvements	3/1/2030	3.0 to 3.8%	8,615,000
				$ 14,965,000

Continuing Disclosure

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

Surface Water Supply Contract Obligations

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

Note 8: Long-Term Obligations – continued

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

Description	Maturity	Interest Rates	Balance
Refunding Series 2005 (CUA)	2/15/2020	3.0% to 5.0%	$ 1,148,492
Refunding Series 2010 (CUA)	2/15/2020	3.0% to 3.5%	234,236
Refunding Series 2010 (BUREC)	10/1/2018	3.0% to 5.0%	378,852
Series 2005	2/15/2025	4.50%	1,768,875
Series 2006	2/15/2027	4.25 to 5.0%	1,497,350
Series 2009	2/15/2029	4.16%	705,289
Series 2011	2/15/2031	3.0% to 5.0%	2,980,054
			$ 8,713,148

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, 2012:

Costs of operations	$	176,773
Water pumping and chemical costs		263,591
Debt service		799,730
Total	$	1,240,094

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, 2012 are as follows:

Capitalized contract costs	$	12,659,718
Accumulated amortization		(2,113,642)
Net unamortized costs	$	10,546,076

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.

Note 8: Long-Term Obligations – continued

The financial statements of CRMWA as of September 30, 2012, and for the year then ended, reflect the following:

	9/30/2012
Assets:	
Current assets	$ 24,662,558
Noncurrent assets	562,183,730
Liabilities:	
Current liabilities	14,677,385
Noncurrent liabilities	219,434,045
Net Assets:	
Invested in capital assets, net of related debt	116,953,027
Restricted	222,286,787
Unrestricted	13,495,044
Total Net Assets	352,734,858
Operating revenues	12,675,143
Operating expenses	(14,841,350)
Nonoperating revenues and expenses, net	957,592
Capital contributions and transfers, net	82,630,000
Increase (decrease) in net assets	81,421,385
Net prior period adjustments	173,124

Note 9: Employee Retirement Benefits

Texas Municipal Retirement System

Plan Description:

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

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

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

	Plan Year 2011	Plan Year 2012
Employee deposit rate	7%	7%
Matching ratio (city to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service retirement eligibility (expressed as age / years of service)	60/5, 0/25	60/5, 0/25
Updated Service Credit	100% Repeating, Transfers	100% Repeating, Transfers
Annuity Increase (to retirees)	70% of CPI Repeating	70% of CPI Repeating

Note 9: Employee Retirement Benefits – continued

Contributions:

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

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

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

Annual required contribution (ARC)	$	900,117
Interest on net pension obligation		31,972
Adjustment to ARC		(27,483)
Annual pension cost (expense)		904,606
Contributions made		(960,398)
Increase (decrease) in net pension obligation		(55,792)
Net pension obligation - beginning of year		456,741
Net pension obligation - end of year	$	400,949

Trend Information

For Year Ending		Annual Pension Cost		Actual Contribution Made	Percentage of APC Contributed		Net Pension Obligation
9/30/2010	$	985,067	$	780,300	79.2%	$	341,083
9/30/2011		1,041,491		925,833	88.9%		456,741
9/30/2012		904,606		960,398	106.2%		400,949

The required contribution rates for fiscal year 2012 were determined as part of the December 31, 2009 and 2010 actuarial valuations. Additional information as of the latest actuarial valuation, December 31, 2011, is as follows:

Valuation Date	12/31/2009	12/31/2010	12/31/2011
Actuarial Cost Method	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
Amortization Method	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll
GASB 25 Equivalent Single Amortization Period	28 Years - Closed Period	27.3 Years - Closed Period	26.3 Years - Closed Period
Amortization Period for new gains / Losses	30 years	30 years	30 years
Asset Valuation Method	10-year smoothed Market	10-year smoothed Market	10-year smoothed Market
Actuarial Assumptions:			
Investment Rate of Return*	7.5%	7.0%	7.0%
Projected Salary Increases*	Varies by age and service	Varies by age and service	Varies by age and service
* Includes Inflation at	3.0%	3.0%	3.0%
Cost-of-living Adjustments	2.1%	2.1%	2.1%

Note 9: Employee Retirement Benefits – continued

Funded Status and Funding Progress:

The funded status as of December 31, 2011, the most recent actuarial valuation date, is presented as follows:

		12/31/2011
Actuarial value of assets	$	27,413,374
Actuarial accrued liability (AAL)	$	32,602,292
Funded ratio		84.1%
Unfunded (over-funded) AAL (UAAL)	$	5,188,918
Covered Payroll	$	5,611,418
UAAL as a percentage of covered payroll		92.5%

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

Actuarial calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each valuation, and reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability of benefits.

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, 2011, which is the date of the latest actuarial valuation.

Retirees and beneficiaries currently receiving benefits	29
Vested terminated members	3
Active members:	
Electing DROP	-
Vested	9
Nonvested	27
Total membership	68

The Plan provides service retirement, death, disability, and withdrawal benefits. These benefits fully vest after 20 years of credited service with partial vesting available with 10 years of service. Members hired before October 1, 1994 may retire at age 50 with 20 years of service. Members hired on or after October 1, 1994 may retire at age 53 with 20 years of service. As of the December 31, 2009 actuarial valuation date, the Plan provided a monthly normal service retirement benefit, payable in a joint and two-thirds to spouse form of annuity, equal to 63.75% of "highest 60-month average salary", plus a "longevity" benefit equal to $78 per month for each whole year of service in excess of 20 years, subject to a 15 year maximum. There is no provision for automatic postretirement benefit increases. The Plan has the authority to provide, and has in the past provided for, ad hoc postretirement benefit increases. The benefit provisions of this plan are authorized by the Texas Local Fire Fighter's Retirement Act (TLFFRA). TLFFRA provides the authority and procedure to amend benefit provisions.

Note 9: Employee Retirement Benefits – continued

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

Schedule of Actuarial Liabilities and Funding Progress:

Actuarial valuation date		12/31/2011
Actuarial value of assets	$	4,969,795
Actuarial accrued liability	$	12,699,308
Percentage funded		39.1%
Unfunded (over-funded) actuarial accrued liability (UAAL)	$	7,729,513
Annual covered payroll	$	1,624,361
UAAL as a percentage of covered payroll		475.8%

		9/30/2012
Annual required contribution (ARC)	$	699,246
Firefighter contribution		(252,306)
Interest on net pension obligation		23,009
Amortization adjustment on ARC		(15,787)
Total annual pension cost (APC)		454,162
Contributions made		(329,078)
Increase (decrease) in net pension obligation		125,084
Net pension obligation (NPO) at the beginning of year		296,887
NPO at the end of year	$	421,971

Trend Information

ForYear Ending		Annual Pension Cost		Net Employer Contribution	Percentage of APC Contributed		Net Pension Obligation
9/30/2010	$	417,453	$	242,551	58.1%	$	174,902
9/30/2011		408,283		286,298	70.1%		296,887
9/30/2012		454,163		329,078	72.5%		421,972

Currently active members are required to contribute 14% of covered pay. For the fiscal year ended September 30, 2012, the employees contributed $252,306 in addition to the employer 18.26% matching contribution shown above.

Actuarial assumptions were as follows:

Actuarial Cost Method	Entry Age Normal Actuarial Cost Method
Asset Valuation Method	5-years Smoothing Actuarial Value
Amortization Method	Level Percent of Payroll
Remaining Amortization Period	35.2 years, closed period
Actuarial Assumptions:	
Investment Rate of Return	7.75%
Projected Salary Increases	5.0%
Payroll growth	4.0%
Amortization Increases	4.0%
Cost-of-living Adjustments	None

Note 9: Employee Retirement Benefits – continued

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

All claims against the City were filed with a third party administrator, who investigates and processes the claims and provides administrative claims payment services for the plan. For the period through May 31, 2012, the City contracted with Blue Cross and Blue Shield of Texas and beginning June 1, 2012 they contracted with Texas Municipal League (TML) for processing services and PPO contracts with doctors and hospitals. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Changes in the City's recorded claim liability were as follows:

Year Ending	Beginning Balance	Claims and Changes in Estimates	Claims Payments	Ending Balance
9/30/2010	$ 34,834	$ 983,400	$ (957,634)	$ 60,600
9/30/2011	60,600	1,219,737	(1,257,644)	22,693
9/30/2012	22,693	1,166,398	(1,055,672)	133,419

The City contributes $466 per month per employee to the Plan, which includes comprehensive health care coverage. Employees, at their option, authorize payroll withholdings to pay contributions for dependent coverage. In accordance with state statute, the City was protected against unanticipated catastrophic individual or aggregate loss by stop-loss coverage. Excess loss coverage was provided TML with individual limits established at $50,000 per participant but not to exceed a maximum point of attachment of $1,000,000 per participant for the policy period. The aggregate stop loss insurance provides that in no event shall the City's point of attachment be less than $1,528,568. Aggregate stop loss payments shall not exceed $1,000,000.

The contract between the City and Blue Cross and Blue Shield of Texas was allowed to expire on May 31st and the new contract with TML began on June 1, 2012 and is valid through May 31, 2013.

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

The plan also includes a $10,000 death benefit for eligible employees. The City contributes $4.06 per month per eligible employee to the aforementioned Internal Service Fund to fund the benefit.

Note 11: Other Postemployment Benefits

Plan Participants:

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

Note 11: Other Postemployment Benefits – continued

Normal Retirement Benefit Eligibility are as follows:

Firefighters:
Hires before October 1, 1994 – age 50 with 20 years of service
Hires at and after October 1, 1994 – age 53 with 20 years of service
TMRS Full-time Employees, Other than Firefighters:
Age 60 with 5 years of service or 25 years of service at any age

Health Care Benefits Provided by Plan are as follows:

80%/20% Medical with $500 Deductible and $1,500 OOP
$10, $20, $35 Co-pay Drug Program

Duty and Non-Duty Death in Service Retirement Benefits:

Surviving spouse and dependents are eligible to participate in the group health care plan if the deceased employee meets the eligibility requirements for normal retirement from either the Firemen's Relief and Retirement Fund or TMRS and if the surviving spouse and dependents are current participants in the group health plan. Eligibility to participate ceases if surviving spouse re-marries. Eligibility to participate as a dependent extends to age 26.

Non-Duty Disabled Retirement Benefits:

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

Duty Disabled Retirement Benefits:

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

Benefits for Spouses of Retired Employees:

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

Retiree Opt-Out:

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

Schedule of Monthly Premiums:

Category	Monthly Premium	Paid By:
Retiree (under 65)	$ 408	Retiree
Retiree (65+)	343	Retiree
Active Employee	466	City
Spouse	344	Employee
1 Child	202	Employee
2+ Children	279	Employee
Full Family	572	Employee
COBRA	475	Former employee

Note 11: Other Postemployment Benefits – continued

Funding Policy and Annual OPEB Cost:

The City's annual other post employment benefits (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameter of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The City currently funds the plan on a pay-as-you-go basis. The City had its first OPEB actuarial valuation performed for the fiscal year beginning October 1, 2008 as required by GASB. The City's annual OPEB cost for the year ended September 30, 2012 is as follows:

Annual required contribution (ARC)	$	290,516
Interest on OPEB obligation		19,953
Adjustment to ARC		(18,486)
Annual OPEB cost at end of year		291,983
Net employer contributions		(122,733)
Increase in net OPEB obligation		169,250
Net OPEB obligation at beginning of year		443,404
Net OPEB obligation at end of year	$	612,654

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ended September 30, 2012 and the preceding two fiscal years were as follows:

Fiscal Year Ended	Net Employer Contributions	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation	Annual Required Contribution	Percentage of ARC Contributed
9/30/2010	$ 28,450	$ 196,649	14.5%	$ 318,914	$ 196,649	14.5%
9/30/2011	158,619	283,109	56.0%	443,404	283,109	56.0%
9/30/2012	122,733	291,983	42.0%	612,654	291,983	42.0%

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

		12/31/2011
Actuarial value of assets	$	-
Actuarial accrued liability (AAL)	$	3,965,033
Funded ratio		0.0%
Unfunded (over-funded) AAL (UAAL)	$	3,965,033

Under the reporting parameters, the City's retiree health care plan is 0% funded with an estimated actuarial accrued liability exceeding actuarial assets by $3,965,033 at December 31, 2011.

Actuarial methods and assumptions:

The Projected Unit Credit actuarial cost method is used to calculate the GASB ARC for the City's retiree health care plan. Using the plan benefits, the present health premiums and a set of actuarial assumptions, the anticipated future payments are projected. The projected unit credit method then provides for a systematic funding for these anticipated payments. The yearly ARC is computed to cover the cost of benefits being earned by covered members as well as to amortize a portion of the unfunded accrued liability.

Note 11: Other Postemployment Benefits – continued

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

Actuarial assumptions were as follows:

Inflation rate	3% per year
Investment rate of return	4.5%, net of expenses
Actuarial cost method	Projected Unit Credit Cost Method
Amortization method	Level as a percentage of employee payroll
Amortization period	30 years, open period
Salary growth rate	3.0% per year
Healthcare cost trend rate	Initial rate of 8.5% declining to an ultimate rate of 4.5% after 8 years

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

Note 12: Risk Management

The City is exposed to various risks of loss related to torts, theft, damage or destruction of assets, error and omission, injuries to employees, and natural disasters. During fiscal year 2012, the City obtained general liability coverage at a cost that is considered to be economically justifiable by joining together with other governmental entities in the State as a member of the Texas Municipal League Intergovernmental Risk Pool (TML). TML is a self-funded pool operating as a common risk management and insurance program. The City pays an annual premium to TML for the aforementioned insurance coverage.

The agreement for the formation of TML provides that TML will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of acceptable risk levels; however, each category of coverage has its own level of reinsurance. The City continues to carry commercial insurance for other risks of loss.

There were no significant reductions in commercial insurance coverage in the past fiscal year and settled claims resulting from these risks have not exceeded coverage in any of the past three fiscal years.

The City is generally self-insured for physical damage to vehicles. An Internal Service Fund provides group health insurance for City employees. The City has a maximum annual retention of $1,528.568 under its contract with TML for group health insurance.

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 collectibility of any related receivable may be impaired. In the opinion of the City, there are no significant contingent liabilities relating to the compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying basic financial statements for such contingencies.

Note 13: Contingencies and Litigation – continued

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 $1,188,138 reported as landfill closure and postclosure care liability as of September 30, 2012, represents the cumulative amount reported to date based on the use of 19.45 percent of the estimated capacity of the landfill. The City will recognize the remaining estimated cost of closure and postclosure of $4,920,540 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2012. 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 $1,188,138 as of September 30, 2012.

Note 15: Investment in Joint Venture

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

Year Ending Date		12/31/2011
Total current assets	$	94,274
Total property and equipment		1,958,566
Total current liabilities		8,570
Net assets invested in capital assets		1,958,566
Unrestricted net assets		85,704
Total net assets		2,044,270
Total operating revenues		52,869
Total operating expenses		(245,331)
Net increase (decrease) in net assets		(192,462)

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

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

Transactions with the Plainview/Hale County Airport for the year ended September 30, 2012 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.

Note 16: Subsequent Events

On January 17, 2013 Cargill announced that its beef packing facility in Plainview, Texas will be idled effective February 1, 2013. Cargill is the largest employer in Plainview, employing approximately 2,000 workers.

Cargill, a major utility customer of the City, was billed approximately $1.1 million for water and solid waste services during the year ended September 30, 2012. It is likely that the plant closure could further affect the utility customer base as well as have some effect on the overall tax base of the City. Management believes that it will be able to make adjustments which will help minimize the financial impact of the closure of the Cargill plant on the City; however, the extent of such impact for the coming year and thereafter is not currently known.

Management has evaluated subsequent events through January 29, 2013, the date the financial statements were available to be issued.

Note 17: Upcoming Accounting Pronouncements

In November 2010, the Governmental Accounting Standards Board (GASB) issued Statement No. 61, *The Financial Reporting Entity: Omnibus, an amendment of GASB Statements No. 14 and 34*. This Statement modifies the criteria for inclusion of component units in the financial reporting entity. This Statement also clarifies the reporting of equity interests in legally separate organizations. The City will reassess its accounting and financial reporting for potential component units and interests in joint ventures when this Statement is implemented. The provisions of this Statement are effective for periods beginning after June 15, 2012.

In June 2011, the GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This Statement provides financial reporting guidance for deferred outflows and inflows of resources, which Concepts Statement No. 4 introduced and defined those elements as consumption of net assets by the government that is applicable to a future reporting period, and an acquisition of net assets by the government that is applicable to a future reporting period, respectively. This Statement amends the net assets reporting requirements of Statement No. 34 by incorporating deferred inflows and outflows into the definitions of the required components of residual measure and by renaming that measure as net position, rather than net assets. This Statement will require the City to assess the reporting of deferred inflows and outflows to which this Statement is applicable. The provisions of this Statement are effective for periods beginning after December 15, 2011.

In March 2012, the GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows and inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows or inflows of resources, certain items that were previously reported as assets and liabilities. This Statement reclassifies deferred amounts upon refunding of debt as deferred inflows or outflows and requires debt issuance costs to be expensed as incurred. The provisions of this Statement are effective for periods beginning after December 15, 2012.

In June 2012, the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions, an amendment of GASB Statement 27*. This Statement requires governments providing defined benefit pension plans to recognize their long-term obligation for pension benefits as a liability on the statement of net position and to more comprehensively and comparably measure the annual costs of pension benefits. This Statement will require the City to record a liability and expense equal to their proportionate share of the collective net pension liability and expense for the TMRS plan. This Statement requires the use of the entry age normal method to be used with each period's service cost determined as a level percentage of pay and requires certain other changes to compute the pension liability and expense. This Statement also requires revised and new note disclosures and required supplementary information (RSI) to be reported by employers. The provisions of this Statement are effective for periods beginning after June 15, 2014.

The City will fully analyze the impact of these new Statements prior to the effective dates for the Statements listed above.

Note 18: Construction Commitments

During fiscal year 2011, the City issued $8.685 million of 2010 Tax and Revenue Certificates of Obligation (2010 Certificates of Obligation) for various Business-type Activities capital projects. Using a portion of the proceeds from the 2010 Certificates of Obligation during fiscal year 2012, the City completed the relocation and replacement of water and sewer lines in conjunction with TxDOT's reconstruction of Highway 70, a major thoroughfare of the City. At September 30, 2012, the City had $6.3 million of remaining unspent bond proceeds from the issuance of the 2010 Certificates of Obligation. Construction of two new water towers was in progress as of September 30, 2012. The cost of the water tower project is expected to total approximately $4,624,000. Additionally, construction of new sewer lift station improvements and acquisition of a backup generator for the wastewater treatment plant are planned, at an estimated cost of approximately $1,275,000. The City plans to finance these projects from the aforementioned unspent 2010 Certificates of Obligation proceeds.

Note 19: Prior Period Adjustment

During the year the City was reimbursed for a portion of an asset that was acquired in 2011. The following disclosed the restatement of governmental net assets as of the beginning of the fiscal year.

	Other Governmental Funds
As previously stated September 30, 2011	$ 28,866,203
Change in investment in general fixed assets	(23,030)
Beginning fund balance October 1, 2011 as restated	$ 28,843,173

PLAINVIEW, TX

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Required Supplementary Information

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF PLAINVIEW, TEXAS
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget to Actual - General Fund
Year Ended September 30, 2012

	Budgeted Amounts		Actual
	Original	Final	GAAP Basis
REVENUES			
Taxes			
Property taxes	$ 4,233,000	$ 4,233,000	$ 4,333,624
General sales and use tax	3,485,000	3,485,000	3,790,688
Selective sales and use tax	29,750	29,750	30,080
Franchise tax	1,230,000	1,230,000	1,347,673
Penalty and interest on taxes	63,000	63,000	86,664
Licenses and permits	46,485	46,485	81,473
Intergovernmental revenue and grants	183,305	183,305	187,923
Charges for services	610,355	610,355	627,144
Fines and forfeitures	329,155	329,155	298,924
Investment earnings	80,000	80,000	68,047
Rents and royalties	360	360	360
Other revenue	886,020	891,020	114,145
Total Revenues	11,176,430	11,181,430	10,966,745
EXPENDITURES			
Current			
General government - administration			
City council	57,895	57,895	(13,814)
City manager	270,330	270,330	75,420
Nondepartmental	282,840	282,840	224,867
Legal	223,445	223,445	84,898
Finance	66,040	66,040	(64,701)
Human resources	68,050	68,050	66,086
Civil service	226,475	226,475	207,878
Property tax appraisal / collection	102,685	102,685	90,902
Total general government - admin	1,297,760	1,297,760	671,536
General government - other			
Municipal court	137,210	137,210	136,761
Community development	128,470	128,470	63,710
Code enforcement	182,970	182,970	172,384
Main Street	99,085	111,585	63,055
Airport	5,000	5,000	-
Total general government - other	552,735	565,235	435,910
Health			
City-county health department	184,015	184,015	174,627
Health OPHP/LPHS (BRHLO)	78,445	78,445	78,950
Health TDH-IMM	166,374	166,374	151,997
Total Health	428,834	428,834	405,574

Exhibit B-1

Adjustments to Budget Basis	Actual Budget Basis	Variance with Final Budget
$	$ 4,333,624	$ 100,624
	3,790,688	305,688
	30,080	330
	1,347,673	117,673
	86,664	23,664
	81,473	34,988
	187,923	4,618
	627,144	16,789
	298,924	(30,231)
	68,047	(11,953)
	360	-
800,720	914,865	23,845
800,720	11,767,465	586,035
56,950	43,136	14,759
187,100	262,520	7,810
	224,867	57,973
134,660	219,558	3,887
126,315	61,614	4,426
	66,086	1,964
	207,878	18,597
	90,902	11,783
505,025	1,176,561	121,199
	136,761	449
	63,710	64,760
	172,384	10,586
46,245	109,300	2,285
	0	5,000
46,245	482,155	83,080
	174,627	9,388
	78,950	(505)
	151,997	14,377
-	405,574	23,260

CITY OF PLAINVIEW, TEXAS
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget to Actual - General Fund
Year Ended September 30, 2012

	Budgeted Amounts		Actual
	Original	Final	GAAP Basis
EXPENDITURES - continued			
Current - continued			
Public safety			
Police	3,358,285	3,358,285	3,209,110
Fire	3,112,825	3,112,825	2,970,655
Traffic control	189,225	189,225	179,075
Emergency operations center	14,235	21,235	16,947
Street lighting	180,000	189,000	184,204
Animal control	126,330	133,180	134,365
Total public safety	6,980,900	7,003,750	6,694,356
Public works			
Public works - general	281,265	281,265	(53,468)
Street cleaning	177,785	177,785	174,001
Streets - other	756,115	993,615	884,302
Building operations	96,055	126,055	124,527
Custodial services	-	-	1,753
Total public works	1,311,220	1,578,720	1,131,115
Recreation and culture			
Parks	696,620	696,620	622,119
Swimming pool	22,000	22,000	20,208
Library	397,665	411,665	387,673
Total Parks and Recreation	1,116,285	1,130,285	1,030,000
Capital outlay	1,000	55,218	90,182
Total Expenditures	11,688,734	12,059,802	10,458,673
Excess of Revenues Over (Under) Expenditures	(512,304)	(878,372)	508,072
Other Financing Sources (Uses)			
Transfers in	481,700	535,918	704,015
Transfers out	(30,000)	(448,500)	(448,500)
Total Other Financing Sources (Uses)	451,700	87,418	255,515
Change in Fund Balance	(60,604)	(790,954)	763,587
Fund Balance - October 1	10,822,659	10,822,659	10,822,659
Fund Balance - September 30	$ 10,762,055	$ 10,031,705	$ 11,586,246

Adjustments to Budget Basis	Actual Budget Basis	Variance with Final Budget
	3,209,110	149,175
	2,970,655	142,170
	179,075	10,150
	16,947	4,288
	184,204	4,796
	134,365	(1,185)
-	6,694,356	309,394
249,450	195,982	85,283
	174,001	3,784
	884,302	109,313
	124,527	1,528
-	1,753	(1,753)
249,450	1,380,565	198,155
	622,119	74,501
	20,208	1,792
	387,673	23,992
-	1,030,000	100,285
	90,182	(34,964)
800,720	11,259,393	800,409
-	508,072	1,386,444
	704,015	168,097
	(448,500)	-
-	255,515	168,097
-	763,587	1,554,541
-	10,822,659	-
$ -	$ 11,586,246	$ 1,554,541

Exhibit B-2

CITY OF PLAINVIEW, TEXAS

Required Supplementary Information
Schedule of Funding Progress - Pension and OPEB Plans
Year Ended September 30, 2012

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
TEXAS MUNICIPAL RETIREMENT SYSTEM PENSION PLAN:						
12/31/09	$ 14,635,017	$ 21,638,907	$ 7,003,890	67.6%	$ 5,489,367	127.6%
12/31/10	25,680,697	31,005,007	5,324,310	82.8%	5,501,123	96.8%
12/31/11	27,413,374	32,602,292	5,188,918	84.1%	5,611,418	92.5%
FIREMEN'S RELIEF AND RETIREMENT FUND PENSION PLAN:						
12/31/07	$ 5,828,076	$ 10,625,354	$ 4,797,278	54.9%	$ 1,480,909	323.9%
12/31/09	4,458,483	11,352,123	6,893,640	39.3%	1,660,058	415.3%
12/31/11	4,969,795	12,699,308	7,729,513	39.1%	1,624,361	475.8%
CITY OF PLAINVIEW RETIREE HEALTH CARE OPEB PLAN:						
12/31/07	$ -	$ 2,630,977	$ 2,630,977	0.0%	N/A	N/A
12/31/09	-	3,036,824	3,036,824	0.0%	N/A	N/A
12/31/11	-	3,965,033	3,965,033	0.0%	N/A	N/A

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

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

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

Change in Fund Balance B-1	$	763,587
Investment earnings		9,167
General government - administration		(151,124)
Public works		(11,745)
Capital outlay		(135,567)
Net transfers		356,000
Change in Fund Balance A-5	$	830,318

B. Budgetary Process

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

1. Prior to the beginning of the fiscal year, the City prepares a budget for the next succeeding fiscal year. The operating budget includes proposed expenditures and the means of financing them.

2. A meeting of the City Council is then called for the purpose of adopting the proposed budget. At least ten days' public notice of the meeting must have been given.

3. Prior to the start of the fiscal year, the budget is legally enacted through passage of a resolution by the City Council.

4. Once a budget is approved, it can be amended only by approval of a majority of the members of the City Council.

5. As required by law, such amendments are made before the fact, are reflected in the official minutes of the City Council and are not made after fiscal year end.

6. During the year, the budget was amended as necessary. The following budget amendments were significant for the General Fund: the budget was amended to provide for a $125,000 transfer to the Equipment Replacement Internal Service Fund, for a $216,000 transfer to the Capital Improvement Fund, a $47,500 transfer to the Service Center Internal Service Fund, and for an additional $30,000 transfer to the Economic Development Fund.

7. All budget appropriations lapse at year end.

PLAINVIEW, TX

explore the opportunities

Combining Statements &
Budget Comparisons

COMBINING STATEMENTS AND BUDGETARY COMPARISONS

CITY OF PLAINVIEW, TEXAS
Combining Balance Sheet
General Funds
September 30, 2012

	General Fund	Capital Improvement Fund	Street Improvement Fund
ASSETS			
Cash and cash equivalents	$ 1,747,465	$ 1,127,066	$ 309,480
Investments	9,308,658	502,086	-
Interest receivable	2,070	165	-
Accounts receivable (net)	197,173	-	-
Taxes receivable (net)	890,793	-	-
Due from other governments	66,966	-	-
Inventories	42,022	-	-
Total Assets	$ 12,255,147	$ 1,629,317	$ 309,480
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts payable	$ 281,325	$ 33,299	$ -
Wages payable	155,008	-	-
Compensated absences payable	5,871	-	-
Due to other funds	5,374	-	-
Deferred revenue	221,323	-	-
Total Liabilities	668,901	33,299	-
Fund Balance			
Nonspendable	42,022	-	-
Assigned	-	1,596,018	309,480
Unassigned	11,544,224	-	-
Total Fund Balance	11,586,246	1,596,018	309,480
Total Liabilities and Fund Balance	$ 12,255,147	$ 1,629,317	$ 309,480

Economic Development Fund	Total General Funds
$ 1,079,178	$ 4,263,189
-	9,810,744
-	2,235
-	197,173
-	890,793
-	66,966
-	42,022
$ 1,079,178	$ 15,273,122
$ -	$ 314,624
-	155,008
-	5,871
-	5,374
-	221,323
-	702,200
-	42,022
1,079,178	2,984,676
-	11,544,224
1,079,178	14,570,922
$ 1,079,178	$ 15,273,122

CITY OF PLAINVIEW, TEXAS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balance - General Funds
Year Ended September 30, 2012

	General Fund	Capital Improvement Fund	Street Improvement Fund
REVENUES			
Taxes:			
Property taxes	$ 4,333,624	$ -	$ -
Sales and use taxes	3,790,688	-	-
Selective sales and use taxes	30,080	-	-
Franchise tax	1,347,673	-	-
Penalty and interest on taxes	86,664	-	-
Licenses and permits	81,473	-	-
Intergovernmental revenue and grants	187,923	-	-
Charges for services	627,144	-	-
Fines and fees	298,924	-	-
Investment earnings	68,047	5,320	928
Rents and royalties	360	-	-
Other revenue	114,145	-	-
Total Revenues	10,966,745	5,320	928
EXPENDITURES			
Current			
General government - administration	671,536	60,584	-
General government - other	435,910	-	-
Public safety	6,694,356	-	-
Public works	1,131,115	-	11,745
Health	405,574	-	-
Recreation and culture	1,030,000	-	-
Capital outlay	90,182	135,567	-
Total Expenditures	10,458,673	196,151	11,745
Excess (Deficiency) of Revenue over Expenditures	508,072	(190,831)	(10,817)
OTHER FINANCING SOURCES (USES)			
Transfers in	704,015	216,000	-
Transfers out	(448,500)	-	-
Total Other Financing Sources (Uses)	255,515	216,000	-
Net Change in Fund Balance	763,587	25,169	(10,817)
Fund Balance - October 1, restated	10,822,659	1,570,849	320,297
Fund Balance - September 30	$ 11,586,246	$ 1,596,018	$ 309,480

Economic Development Fund	Elimination	Total General Funds
$ -	$ -	$ 4,333,624
-	-	3,790,688
-	-	30,080
-	-	1,347,673
-	-	86,664
-	-	81,473
-	-	187,923
-	-	627,144
-	-	298,924
2,919	-	77,214
-	-	360
-	-	114,145
2,919	-	10,975,912
90,540	-	822,660
-	-	435,910
-	-	6,694,356
-	-	1,142,860
-	-	405,574
-	-	1,030,000
-	-	225,749
90,540	-	10,757,109
(87,621)	-	218,803
140,000	(276,000)	784,015
-	276,000	(172,500)
140,000	-	611,515
52,379	-	830,318
1,026,799	-	13,740,604
$ 1,079,178	$ -	$ 14,570,922

CITY OF PLAINVIEW, TEXAS
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2012

	Hotel - Motel Occupancy Tax Fund	Economic Development Revolving Loan Fund	Police Seizure Fund	Federal Shared Forfeited Fund
ASSETS				
Cash and cash equivalents	$ 553,999	$ 138,801	$ 52,967	$ 2,418
Taxes receivable	29,562	-	-	-
Due from other governments	-	-	-	-
Total Assets	$ 583,561	$ 138,801	$ 52,967	$ 2,418
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	$ 14,918	$ -	$ -	$ -
Wages payable	149	-	-	-
Compensated absences payable	-	-	-	-
Due to other governments	-	22,450	-	-
Total Liabilities	15,067	22,450	-	-
Fund Balances				
Restricted	568,494	116,351	52,967	2,418
Total Fund Balances	568,494	116,351	52,967	2,418
TOTAL LIABILITIES AND FUND BALANCE	$ 583,561	$ 138,801	$ 52,967	$ 2,418

Police Pending Seizures Fund	RSVP Fund	Municipal Court Security Fee Fund	Municipal Court Technology Fund	SECO Grant Fund	Total Nonmajor Governmental Funds
$ 3,985	$ 4,947	$ 40,304	$ 29,160	$ -	$ 826,581
-	-	-	-	-	29,562
-	5,856	-	-	-	5,856
$ 3,985	$ 10,803	$ 40,304	$ 29,160	$ -	$ 861,999
$ 3,985	$ 9,357	$ -	$ -	$ -	$ 28,260
-	1,386	-	-	-	1,535
-	60	-	-	-	60
-	-	-	-	-	22,450
3,985	10,803	-	-	-	52,305
-	-	40,304	29,160	-	809,694
-	-	40,304	29,160	-	809,694
$ 3,985	$ 10,803	$ 40,304	$ 29,160	$ -	$ 861,999

CITY OF PLAINVIEW, TEXAS

Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
Year Ended September 30, 2012

	Hotel - Motel Occupancy Tax Fund	Economic Development Revolving Loan Fund	Police Seizure Fund	Federal Shared Forfeited Fund
REVENUE				
Selective sales and use tax	$ 311,718	$ -	$ -	$ -
Intergovernmental revenue and grants	-	-	-	-
Fines, forfietures and fees	-	-	-	-
Investment earnings	1,415	850	-	-
Contributions and donations	-	-	-	-
Other revenue	4	-	23,030	
Total Revenues	313,137	850	23,030	-
EXPENDITURES				
Current				
General government - administration	180,459	-	-	-
General government - other	-	-	-	-
Public safety	-	-	1,988	-
Capital outlay	17,907	-	-	-
Total Expenditures	198,366	-	1,988	-
Excess (Deficiency) of Revenues over Expenditures	114,771	850	21,042	-
OTHER FINANCING SOURCES (USES)				
Transfers in	877	-	-	-
Transfers out	(31,000)	-	-	-
Total Other Financing Sources (Uses)	(30,123)	-	-	-
Net Change in Fund Balance	84,648	850	21,042	-
Fund Balance - October 1	483,846	115,501	31,925	2,418
Fund Balance - September 30	$ 568,494	$ 116,351	$ 52,967	$ 2,418

Exhibit C-4

Police Pending Seizures Fund	RSVP Fund	Municipal Court Security Fee Fund	Municipal Court Technology Fund	SECO Grant Fund	Total Nonmajor Governmental Funds
$ -	$ -	$ -	$ -	$ -	$ 311,718
-	78,950	-	-	84,346	163,296
-	-	6,541	8,617	-	15,158
-	-	-	-	-	2,265
-	10,267	-	-	-	10,267
-	17	-	-	-	23,051
-	89,234	6,541	8,617	84,346	525,755
-	-	-	-	-	180,459
-	90,111	24	1,621	-	91,756
-	-	-	-	-	1,988
-	-	-	29,830	84,346	132,083
-	90,111	24	31,451	84,346	406,286
-	(877)	6,517	(22,834)	-	119,469
-	877	-	-	-	1,754
-	-	-	-	-	(31,000)
-	877	-	-	-	(29,246)
-	-	6,517	(22,834)	-	90,223
-	-	33,787	51,994	-	719,471
$ -	$ -	$ 40,304	$ 29,160	$ -	$ 809,694

CITY OF PLAINVIEW, TEXAS

Exhibit D-1

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Hotel-Motel Occupancy Tax Fund
Year Ended September 30, 2012

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget
	Original	Final		
REVENUE				
Selective sales and use tax	$ 247,750	$ 247,750	$ 311,718	$ 63,968
Investment earnings	800	800	1,415	615
Other revenue	250	250	4	(246)
Total Revenues	248,800	248,800	313,137	64,337
EXPENDITURES				
Current				
General government - administration				
Non-departmental	213,180	213,180	180,459	32,721
Capital outlay	21,320	21,320	17,907	3,413
Total Expenditures	234,500	234,500	198,366	36,134
Excess (Deficiency) of Revenue over Expenditures	14,300	14,300	114,771	100,471
OTHER FINANCING SOURCES (USES)				
Transfer in	-	-	877	877
Transfers out	(31,000)	(31,000)	(31,000)	-
Total Other Financing Sources (Uses)	(31,000)	(31,000)	(30,123)	877
Net Change in Fund Balance	(16,700)	(16,700)	84,648	101,348
Fund Balance - October 1	434,157	434,157	483,846	-
Fund Balance - September 30	$ 417,457	$ 417,457	$ 568,494	$ 101,348

CITY OF PLAINVIEW, TEXAS **Exhibit D-2**

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Economic Development Revolving Loan Fund
Year Ended September 30, 2012

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget
	Original	Final		
REVENUE				
Investment earnings	$ 200	$ 200	$ 850	$ 650
Total Revenues	200	200	850	650
EXPENDITURES				
Current				
General government - administration				
Non-departmental	115,000	115,000	-	115,000
Total Expenditures	115,000	115,000	-	115,000
Excess (Deficiency) of Revenue over Expenditures	(114,800)	(114,800)	850	115,650
Fund Balance - October 1	115,501	115,501	115,501	-
Fund Balance - September 30	$ 701	$ 701	$ 116,351	$ 115,650

CITY OF PLAINVIEW, TEXAS **Exhibit D-3**

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Police Seizure Fund
Year Ended September 30, 2012

	Budgeted Amounts		Actual GAAP	Variance with Final
	Original	Final	Basis	Budget
REVENUE				
Intergovernmental revenue and grants	$ -	$ -	$ -	$ -
Fines, forfeitures and fees	5,000	5,000	-	(5,000)
Other revenue	-	-	23,030	23,030
Total Revenues	5,000	5,000	23,030	18,030
EXPENDITURES				
Current				
Public safety	2,990	2,990	1,988	1,002
Capital outlay	35,000	35,000	-	35,000
Total Expenditures	37,990	37,990	1,988	36,002
Excess (Deficiency) of Revenue over Expenditures	(32,990)	(32,990)	21,042	54,032
OTHER FINANCING SOURCES (USES)				
Transfer out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	(32,990)	(32,990)	21,042	54,032
Fund Balance - October 1	31,925	31,925	31,925	-
Fund Balance - September 30	$ (1,065)	$ (1,065)	$ 52,967	$ 54,032

Exhibit D-4

CITY OF PLAINVIEW, TEXAS
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Federal Shared Forfeited Fund
Year Ended September 30, 2012

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget
	Original	Final		
REVENUE				
Other revenue	$ -	$ -	$ -	$ -
Total Revenues	-	-	-	-
EXPENDITURES				
Current				
General government - administration				
Capital outlay	415	415	-	415
Total Expenditures	415	415	-	415
Excess (Deficiency) of Revenue over Expenditures	(415)	(415)	-	415
Fund Balance - October 1	2,418	2,418	2,418	-
Fund Balance - September 30	$ 2,003	$ 2,003	$ 2,418	$ 415

CITY OF PLAINVIEW, TEXAS

Exhibit D-5

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - RSVP Fund
Year Ended September 30, 2012

	Budgeted Amounts		Actual	Variance
	Original	Final	GAAP Basis	with Final Budget
REVENUE				
Intergovernmental revenue and grants	$ 78,785	$ 78,785	$ 78,950	$ 165
Contributions and donations	48,130	48,130	10,267	(37,863)
Other revenue	-	-	17	17
Total Revenues	126,915	126,915	89,234	(37,681)
EXPENDITURES				
Current				
General government - other	126,915	126,915	90,111	36,804
Total Expenditures	126,915	126,915	90,111	36,804
Excess (Deficiency) of Revenue over Expenditures	-	-	(877)	(877)
OTHER FINANCING SOURCES (USES)				
Transfer in	-	-	877	877
Total Other Financing Sources (Uses)	-	-	877	877
Net Change in Fund Balance	-	-	-	-
Fund Balance - October 1	-	-	-	-
Fund Balance - September 30	$ -	$ -	$ -	$ -

Exhibit D-6

CITY OF PLAINVIEW, TEXAS

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Municipal Court Security Fee Fund
Year Ended September 30, 2012

	Budgeted Amounts Original	Budgeted Amounts Final	Actual GAAP Basis	Variance with Final Budget
REVENUE				
Fines, forfeitures and fees	$ 8,000	$ 8,000	$ 6,541	$ (1,459)
Total Revenues	8,000	8,000	6,541	(1,459)
EXPENDITURES				
Current				
General government - other	25,000	25,000	24	24,976
Total Expenditures	25,000	25,000	24	24,976
Excess (Deficiency) of Revenue over Expenditures	(17,000)	(17,000)	6,517	23,517
Fund Balance - October 1	33,787	33,787	33,787	-
Fund Balance - September 30	$ 16,787	$ 16,787	$ 40,304	$ 23,517

Exhibit D-7

CITY OF PLAINVIEW, TEXAS

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Municipal Court Technology Fund
Year Ended September 30, 2012

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget
	Original	Final		
REVENUE				
Fines, forfeitures and fees	$ 9,500	$ 9,500	$ 8,617	$ (883)
Total Revenues	9,500	9,500	8,617	(883)
EXPENDITURES				
Current				
General government - other	1,000	1,000	1,621	(621)
Capital outlay	38,000	38,000	29,830	8,170
Total Expenditures	39,000	39,000	31,451	7,549
Excess (Deficiency) of Revenue over Expenditures	(29,500)	(29,500)	(22,834)	6,666
Fund Balance - October 1	51,994	51,994	51,994	-
Fund Balance - September 30	$ 22,494	$ 22,494	$ 29,160	$ 6,666

CITY OF PLAINVIEW, TEXAS **Exhibit D-8**

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - SECO Grant Fund
Year Ended September 30, 2012

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget
	Original	Final		
REVENUE				
Intergovernmental revenue and grants	$ 86,365	$ 86,365	$ 84,346	$ (2,019)
Total Revenues	86,365	86,365	84,346	(2,019)
EXPENDITURES				
Capital outlay	86,365	86,365	84,346	2,019
Total Expenditures	86,365	86,365	84,346	2,019
Excess (Deficiency) of Revenue over Expenditures	-	-	-	-
Fund Balance - October 1	-	-	-	-
Fund Balance - September 30	$ -	$ -	$ -	$ -

CITY OF PLAINVIEW, TEXAS **Exhibit D-9**

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Capital Improvement Fund

Year Ended September 30, 2012

	Budgeted Amounts Original	Budgeted Amounts Final	Actual GAAP Basis	Variance with Final Budget
REVENUE				
Investment earnings	$ 3,000	$ 3,000	$ 5,320	$ 2,320
Total Revenues	3,000	3,000	5,320	2,320
EXPENDITURES				
Current				
General government - administration	150,000	150,000	60,584	89,416
Capital outlay	986,000	986,000	135,567	850,433
Total Expenditures	1,136,000	1,136,000	196,151	939,849
Excess (Deficiency) of Revenue over Expenditures	(1,133,000)	(1,133,000)	(190,831)	942,169
OTHER FINANCING SOURCES (USES)				
Transfer in	-	216,000	216,000	-
Total Other Financing Sources (Uses)	-	216,000	216,000	-
Net Change in Fund Balance	(1,133,000)	(917,000)	25,169	942,169
Fund Balance - October 1	1,570,849	1,570,849	1,570,849	-
Fund Balance - September 30	$ 437,849	$ 653,849	$ 1,596,018	$ 942,169

Exhibit D-10

CITY OF PLAINVIEW, TEXAS
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Street Improvement Fund
Year Ended September 30, 2012

	Budgeted Amounts		Actual	Variance
	Original	Final	GAAP Basis	with Final Budget
REVENUE				
Investment earnings	$ 950	$ 950	$ 928	$ (22)
Total Revenues	950	950	928	(22)
EXPENDITURES				
Current				
Public works	-	-	11,745	(11,745)
Capital outlay	150,000	150,000	-	150,000
Total Expenditures	150,000	150,000	11,745	138,255
Excess (Deficiency) of Revenue over Expenditures	(149,050)	(149,050)	(10,817)	138,233
Fund Balance - October 1	320,297	320,297	320,297	-
Fund Balance - September 30	$ 171,247	$ 171,247	$ 309,480	$ 138,233

CITY OF PLAINVIEW, TEXAS **Exhibit D-11**

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Economic Development Fund
Year Ended September 30, 2012

	Budgeted Amounts		Actual	Variance
	Original	Final	GAAP Basis	with Final Budget
REVENUE				
Investment earnings	$ 1,400	$ 1,400	$ 2,919	$ 1,519
Total Revenues	1,400	1,400	2,919	1,519
EXPENDITURES				
Current				
General government - administration	110,000	130,000	90,540	39,460
Total Expenditures	110,000	130,000	90,540	39,460
Excess (Deficiency) of Revenue over Expenditures	(108,600)	(128,600)	(87,621)	40,979
OTHER FINANCING SOURCES (USES)				
Transfer in	60,000	140,000	140,000	-
Total Other Financing Sources (Uses)	60,000	140,000	140,000	-
Net Change in Fund Balance	(48,600)	11,400	52,379	40,979
Fund Balance - October 1	1,026,799	1,026,799	1,026,799	-
Fund Balance - September 30	$ 978,199	$ 1,038,199	$ 1,079,178	$ 40,979

CITY OF PLAINVIEW, TEXAS
Combining Statement of Net Assets
Internal Service Funds
September 30, 2012

	Unemployment Compensation Fund	Equipment Replacement Fund	Property Insurance Fund
ASSETS			
Current Assets:			
Cash and cash equivalents	$ 98,191	$ 1,164,408	$ 1,063,871
Investments	-	1,203,718	802,609
Interest receivable	-	216	212
Accounts receivable, net	-	-	6,310
Due from other funds	-	-	-
Inventories	-	-	-
Total current assets	98,191	2,368,342	1,873,002
Noncurrent Assets:			
Capital assets:			
Depreciable, net	-	1,983,468	-
Total noncurrent assets	-	1,983,468	-
Total Assets	98,191	4,351,810	1,873,002
LIABILITIES			
Current Liabilities:			
Accounts payable	5,788	356	968
Wages payable	-	-	-
Total current liabilities	5,788	356	968
Noncurrent Liabilities:			
Noncurrent portion of long-term liabilities			
Accrued compensated absences	-	-	-
Net pension obligation	-	-	-
Net other postemployment benefits obligation	-	-	-
Total noncurrent liabilities	-	-	-
Total Liabilities	5,788	356	968
NET ASSETS			
Invested in capital assets, net of related debt	-	1,983,468	-
Unrestricted	92,403	2,367,986	1,872,034
Total Net Assets	$ 92,403	$ 4,351,454	$ 1,872,034

Exhibit E-1

Health Insurance Fund	Cafeteria Plan Fund	Service Center Fund	Total Internal Service Funds
$ 716,195	$ 27,228	$ 152,094	$ 3,221,987
772,261	-	-	2,778,588
187	-	-	615
165	-	1,991	8,466
-	-	12,139	12,139
-	-	40,023	40,023
1,488,808	27,228	206,247	6,061,818
-	-	35,224	2,018,692
-	-	35,224	2,018,692
1,488,808	27,228	241,471	8,080,510
138,003	-	6,781	151,896
-	-	3,035	3,035
138,003	-	9,816	154,931
-	-	5,188	5,188
-	-	2,809	2,809
612,654	-	-	612,654
612,654	-	7,997	620,651
750,657	-	17,813	775,582
-	-	35,224	2,018,692
738,151	27,228	188,434	5,286,236
$ 738,151	$ 27,228	$ 223,658	$ 7,304,928

CITY OF PLAINVIEW, TEXAS
Combining Statement of Revenues, Expenses, and Changes in Net Assets
Internal Service Funds
Year Ended September 30, 2012

	Unemployment Compensation Fund	Equipment Replacement Fund	Property Insurance Fund
OPERATING REVENUES			
Charges for services	$ 10,400	$ 533,279	$ 100,890
Other revenue	-	-	6,311
Total Operating Revenues	10,400	533,279	107,201
OPERATING EXPENSES			
Personnel services - salaries and wages	-	-	-
Personnel services - employee benefits	-	-	-
Purchased professional & technical services	766	-	-
Purchased property services	-	29,088	-
Other operating expenses	5,818	-	66,403
Supplies	-	-	-
Depreciation and amortization	-	520,868	-
Total Operating Expenses	6,584	549,956	66,403
Operating Income (Loss)	3,816	(16,677)	40,798
NONOPERATING REVENUES (EXPENSES)			
Gain (loss) on sale of property	-	(16,096)	-
Investment earnings	-	10,821	7,830
Total Nonoperating Revenues (Expenses)	-	(5,275)	7,830
Income (Loss) Before Transfers	3,816	(21,952)	48,628
Transfer in	-	125,000	-
Transfers out	-	(54,218)	-
Total Transfers	-	70,782	-
Change in Net Assets	3,816	48,830	48,628
Net Assets - October 1	88,587	4,302,624	1,823,406
Net Assets - September 30	$ 92,403	$ 4,351,454	$ 1,872,034

Health Insurance Fund	Cafeteria Plan Fund	Service Center Fund	Total Internal Service Funds
$ 1,584,778	$ 33,715	$ 110,112	$ 2,373,174
46,272	-	433	53,016
1,631,050	33,715	110,545	2,426,190
-	-	104,487	104,487
-	-	47,972	47,972
9,010	-	-	9,776
-	-	31,230	60,318
1,865,167	33,846	3,982	1,975,216
-	-	32,876	32,876
-	-	14,096	534,964
1,874,177	33,846	234,643	2,765,609
(243,127)	(131)	(124,098)	(339,419)
-	-	72,380	56,284
6,404	24	-	25,079
6,404	24	72,380	81,363
(236,723)	(107)	(51,718)	(258,056)
-	-	96,008	221,008
(169,249)	-	-	(223,467)
(169,249)	-	96,008	(2,459)
(405,972)	(107)	44,290	(260,515)
1,144,123	27,335	179,368	7,565,443
$ 738,151	$ 27,228	$ 223,658	$ 7,304,928

CITY OF PLAINVIEW, TEXAS
Combining Statement of Cash Flows
Internal Service Funds
Year Ended September 30, 2012

	Unemployment Compensation Fund	Equipment Replacement Fund	Property Insurance Fund
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash from operating transactions - other funds	$ 10,430	$ 533,279	$ 109,908
Cash payments to employees for services	-	-	-
Cash payments for goods and services	(796)	(31,299)	(65,435)
Other operating cash receipts	-	-	6,311
Net Cash Provided (Used) by Operating Activities	9,634	501,980	50,784
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from other funds	-	125,000	-
Transfers to other funds	-	(54,218)	-
Repayment of interfund payable	-	-	-
Net Cash Provided (Used) by Noncapital Financing Activities	-	70,782	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	-	(461,796)	-
Proceeds from the sale of capital assets	-	1,500	-
Net Cash Provided (Used) by Capital and Related Financing Activities	-	(460,296)	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments	-	(7,853)	(38,208)
Interest on investments	-	11,056	8,071
Net Cash Provided (Used) by Investing Activities	-	3,203	(30,137)
Net Increase (Decrease) in Cash and Cash Equivalents	9,634	115,669	20,647
Cash and Cash Equivalents - October 1	88,557	1,048,739	1,043,224
Cash and Cash Equivalents - September 30	$ 98,191	$ 1,164,408	$ 1,063,871

Health Insurance Fund	Cafeteria Plan Fund	Service Center Fund	Total Internal Service Funds
$ 1,585,153	$ 33,715	$ 111,852	$ 2,384,337
-	-	(151,493)	(151,493)
(1,671,657)	(42,197)	(70,673)	(1,882,057)
46,272	-	433	53,016
(40,232)	(8,482)	(109,881)	403,803
	-	96,008	221,008
(169,249)			(223,467)
-	-	6,174	6,174
(169,249)	-	102,182	3,715
-	-		(461,796)
-	-	72,380	73,880
-	-	72,380	(387,916)
(9,988)	-	-	(56,049)
6,675	24	-	25,826
(3,313)	24	-	(30,223)
(212,794)	(8,458)	64,681	(10,621)
928,989	35,686	87,413	3,232,608
$ 716,195	$ 27,228	$ 152,094	$ 3,221,987

CITY OF PLAINVIEW, TEXAS
Combining Statement of Cash Flows
Internal Service Funds
Year Ended September 30, 2012

	Unemployment Compensation Fund	Equipment Replacement Fund	Property Insurance Fund
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating income (loss)	$ 3,816	$ (16,677)	$ 40,798
Adjustments to reconcile operating income to net cash			
Provided (used) by operating activities			
Depreciation and amortization	-	520,868	-
(Increase) decrease in operating assets and liabilities:			
Accounts receivable (net)	30	-	9,018
Inventories	-	-	-
Accounts payable	5,788	(2,211)	968
Wages payable	-	-	-
Net other postemployment benefits obligation	-	-	-
Net Cash Provided (Used) by Operating Activities	$ 9,634	$ 501,980	$ 50,784

Exhibit E-3

Health Insurance Fund		Cafeteria Plan Fund		Service Center Fund		Total Internal Service Funds	
$	(243,127)	$	(131)	$	(124,098)	$	(339,419)
	-		-		14,096		534,964
	375		-		1,740		11,163
	-		-		1,247		1,247
	33,270		(8,351)		(1,899)		27,565
	-		-		966		966
	169,250		-		(1,933)		167,317
$	(40,232)	$	(8,482)	$	(109,881)	$	403,803

PLAINVIEW, TX

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Capital Assets -
Governmental Funds

Exhibit F-1

CITY OF PLAINVIEW, TEXAS

Schedule of Capital Assets Used in the Operation
of Governmental Funds By Sources*
September 30, 2012

Capital Assets Used in the Operation of Governmental Funds:				
Land			$	550,701
Buildings				3,248,971
Improvements other than buildings				15,565,984
Machinery and equipment				3,263,054
Construction in progress				13,333
Total			$	22,642,043
Investment in Capital Assets:				
Acquired prior to October 1, 1990			$	10,434,964
Acquired after September 30, 1990				
General fund				
General revenues	$	2,709,584		
Capital improvement		3,690,530		
Street improvement		4,466,627		
Special revenue funds				
Hotel/Motel occupancy tax		553,220		
Police seizure		54,408		
Homeland security grant		355,807		
LLEBG grant		80,927		
RSVP		4,858		
SECO grant		84,346		
Justice assistance grant		134,936		
Criminal justice division equipment grant		10,186		
Municipal court security fee		16,481		
Municipal court technology		45,169		
				12,207,079
Total			$	22,642,043

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

CITY OF PLAINVIEW, TEXAS
Schedule of Capital Assets Used in the Operation
of Governmental Funds by Function and Activity *
Year Ended September 30, 2012

	Land	Buildings	Improvements Other Than Buildings
From General Fund			
General government	$ 448,904	$ 346,552	$ 7,265,413
Police		250,027	10,500
Fire	-	275,399	10,423
Traffic and Safety	-	-	64,810
Animal control	-	149,754	11,740
Civil defense	10,500	168,599	-
Engineering	-	-	-
Street	-	16,223	-
Recreation	-	50,490	497,145
Library	-	314,227	-
Health	-	-	-
Emergency medical services	-	-	-
Capital improvement	68,715	1,090,898	2,339,966
Street improvement	18,502	-	5,365,987
Total General Fund	$ 546,621	$ 2,662,169	$ 15,565,984
From Special Revenue Funds			
Hotel/Motel occupancy tax	$ 4,080	$ 506,969	$ -
Police seizure	-		-
Homeland security grant	-	-	-
LLEBG grant	-	-	-
RSVP	-	-	-
SECO grant		73,640	
Justice assistance grant	-	-	-
Criminal justice division equipment grant			
Municipal court security fee	-	6,193	-
Municipal court technology	-	-	-
Total Special Revenue Funds	$ 4,080	$ 586,802	$ -
Total	$ 550,701	$ 3,248,971	$ 15,565,984

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

Machinery and Equipment	Construction in Progress	Total
$ 177,736	$ -	$ 8,238,605
403,870	-	664,397
560,290	-	846,112
216,432	-	281,242
18,331	-	179,825
8,958	-	188,057
9,365	-	9,365
514,177	-	530,400
258,502	-	806,137
131,634	-	445,861
35,250	-	35,250
-	-	-
177,618	13,333	3,690,530
1,435	-	5,385,924
$ 2,513,598	$ 13,333	$ 21,301,705
$ 42,171	$ -	$ 553,220
54,408	-	54,408
355,807	-	355,807
80,927	-	80,927
4,858	-	4,858
10,706		84,346
134,936	-	134,936
10,186		10,186
10,288	-	16,481
45,169	-	45,169
$ 749,456	$ -	$ 1,340,338
$ 3,263,054	$ 13,333	$ 22,642,043

Exhibit F-3

CITY OF PLAINVIEW, TEXAS

Schedule of Changes in Capital Assets Used in the Operation of Governmental Funds By Function and Activity*

Year Ended September 30, 2012

	Capital Assets 9/30/11	Additions (Deletions)	Capital Assets 9/30/12
From General Fund			
General government	$ 8,239,708	$ (1,103)	$ 8,238,605
Police	648,551	15,846	664,397
Fire	863,265	(17,153)	846,112
Traffic and safety	281,242	-	281,242
Animal control	179,825	-	179,825
Civil defense	187,294	763	188,057
Engineering	9,365	-	9,365
Street	576,000	(45,600)	530,400
Recreation	807,208	(1,071)	806,137
Library	439,946	5,915	445,861
Health	31,685	3,565	35,250
Capital improvement	3,558,843	131,687	3,690,530
Street improvement	5,276,317	109,607	5,385,924
Total General Fund	$ 21,099,249	$ 202,456	$ 21,301,705
From Special Revenue Funds			
Hotel/Motel occupancy tax	$ 535,312	$ 17,908	$ 553,220
Police seizure	77,438	(23,030)	54,408
Homeland security grant	127,679	228,128	355,807
LLEBG grant	80,927	-	80,927
RSVP	4,858	-	4,858
SECO grant	-	84,346	84,346
Justice assistance grant	134,936	-	134,936
Criminal justice division equipment grant	10,186	-	10,186
Municipal court security fee	16,481	-	16,481
Municipal court technology	15,338	29,831	45,169
Total Special Revenue Funds	$ 1,003,155	$ 337,183	$ 1,340,338
Total	$ 22,102,404	$ 539,639	$ 22,642,043

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

Debt Service Requirements

DEBT SERVICE REQUIREMENTS – SCHEDULES OF MATURITIES

Solid Waste Management Fund
Tax and Solid Waste and Waterworks and Sewer System
Surplus Revenue Certificates of Obligation, Series 2008
Debt Service Requirements
Schedule of Maturities
2013-2015

Fiscal Year	Outstanding Debt Beginning of Year	Principal	Interest	Total
2013	715,000	230,000	21,000	251,000
2014	485,000	240,000	12,775	252,775
2015	245,000	245,000	4,288	249,288
Totals		$ 715,000	$ 38,063	$ 753,063
Annual Average Requirements		$ 238,333	$ 12,688	$ 251,021

Water and Sewer Utility Fund
General Obligation Refunding Bonds, Series 2009
Debt Service Requirements
Schedule of Maturities
2013-2021

Fiscal Year	Outstanding Debt Beginning of Year	Principal	Interest	Total
2013	5,635,000	560,000	161,906	721,906
2014	5,075,000	570,000	149,894	719,894
2015	4,505,000	585,000	136,169	721,169
2016	3,920,000	600,000	120,606	720,606
2017	3,320,000	620,000	103,056	723,056
2018	2,700,000	640,000	83,356	723,356
2019	2,060,000	660,000	61,406	721,406
2020	1,400,000	685,000	37,441	722,441
2021	715,000	715,000	12,513	727,513
Total		$ 5,635,000	$ 866,347	$ 6,501,347
Annual Average Requirements		$ 626,111	$ 96,261	$ 722,372

Proceeds used for construction of a Water Reclamation and Treatment Facility

Water and Sewer Utility Fund
Water Supply Contract Obilgation
Contract Revenue Bonds, Series 1999
and Series 2010 Refunding
(CRMWA Prepayment of USBR Debt)
Debt Service Requirements
Schedule of Maturities
2013-2018

Fiscal Year	Outstanding Debt Beginning of Year	Principal	Interest	Total
2013	378,853	49,975	12,432	62,407
2014	328,878	51,742	10,682	62,424
2015	277,136	53,509	8,872	62,381
2016	223,627	55,276	7,267	62,543
2017	168,351	56,790	5,608	62,398
2018	111,561	111,561	3,905	115,466
Total		$ 378,853	$ 48,766	$ 427,619
Annual Average Requirements		$ 63,142	$ 8,128	$ 71,270

Water and Sewer Utility Fund
Water Supply Contract Obilgation
Contract Revenue Bonds, Series 1999 Unrefunded Portion
and Series 2005 Refunding
(CRMWA Conjuctive Use Groundwater Supply Project)
Debt Service Requirements
Schedule of Maturities
2013-2020

Fiscal Year	Outstanding Debt Beginning of Year	Principal	Interest	Total
2013	1,148,491	160,126	55,195	215,321
2014	988,365	168,166	47,840	216,006
2015	820,199	150,750	39,431	190,181
2016	669,449	139,643	31,894	171,537
2017	529,806	146,644	24,912	171,556
2018	383,162	153,768	17,579	171,347
2019	229,394	160,893	10,805	171,698
2020	68,501	68,501	3,414	71,915
Total		$ 1,148,491	$ 231,070	$ 1,379,561
Annual Average Requirements		$ 143,561	$ 28,884	$ 172,445

Water and Sewer Utility Fund
Water Supply Contract Obilgation
Contract Revenue Bonds, Series 2005
(CRMWA Conjuctive Use Groundwater Supply Project)
Debt Service Requirements
Schedule of Maturities
2013-2025

Fiscal Year	Outstanding Debt Beginning of Year	Principal	Interest	Total
2013	1,768,875	-	91,263	91,263
2014	1,768,875	-	91,263	91,263
2015	1,768,875	29,418	91,263	120,681
2016	1,739,457	52,141	89,718	141,859
2017	1,687,316	55,073	86,981	142,054
2018	1,632,243	58,004	84,090	142,094
2019	1,574,239	60,937	46,520	107,457
2020	1,513,302	181,882	77,845	259,727
2021	1,331,420	275,779	68,297	344,076
2022	1,055,641	290,659	53,818	344,477
2023	764,982	306,076	38,559	344,635
2024	458,906	321,958	22,945	344,903
2025	136,948	136,948	6,848	143,796
Total		$ 1,768,875	$ 849,410	$ 2,618,285
Annual Average Requirements		$ 136,067	$ 65,339	$ 201,407

Water and Sewer Utility Fund
Water Supply Contract Obilgation
Contract Revenue Bonds, Series 2006
(CRMWA Conjuctive Use Groundwater Supply Project)
Debt Service Requirements
Schedule of Maturities
2013-2027

Fiscal Year	Outstanding Debt Beginning of Year	Principal	Interest	Total
2013	1,497,350	73,342	74,867	148,209
2014	1,424,008	77,034	71,200	148,234
2015	1,346,974	80,914	67,349	148,263
2016	1,266,060	84,982	63,303	148,285
2017	1,181,078	89,239	59,054	148,293
2018	1,091,839	93,685	54,592	148,277
2019	998,154	98,318	27,951	126,269
2020	899,836	103,251	44,992	148,243
2021	796,585	108,450	39,829	148,279
2022	688,135	113,838	34,407	148,245
2023	574,297	119,525	28,715	148,240
2024	454,772	125,588	22,739	148,327
2025	329,184	131,919	16,459	148,378
2026	197,265	138,438	9,863	148,301
2027	58,827	58,827	2,942	61,769
Total		$ 1,497,350	$ 618,262	$ 2,115,612
Annual Average Requirements		$ 99,823	$ 41,217	$ 141,041

Water and Sewer Utility Fund
Water Supply Contract Obilgation
Contract Revenue Bonds, Series 1999 Remainder
and Series 2010 Refunding
(CRMWA Conjuctive Use Groundwater Supply Project)
Debt Service Requirements
Schedule of Maturities
2013-2020

Fiscal Year	Outstanding Debt Beginning of Year	Principal	Interest	Total
2013	234,236	31,268	7,793	39,061
2014	202,968	32,456	6,699	39,155
2015	170,512	27,582	5,659	33,241
2016	142,930	23,921	4,831	28,752
2017	119,009	24,564	4,114	28,678
2018	94,445	25,455	3,304	28,759
2019	68,990	44,701	2,413	47,114
2020	24,289	24,289	848	25,137
Total		$ 234,236	$ 35,661	$ 269,897
Annual Average Requirements		$ 29,280	$ 4,458	$ 33,737

Water and Sewer Utility Fund
Water Supply Contract Obilgation
Contract Revenue Bonds, Series 2009
(CRMWA Conjuctive Use Groundwater Supply Project)
Debt Service Requirements
Schedule of Maturities
2013-2029

Fiscal Year	Outstanding Debt Beginning of Year	Principal	Interest	Total
2013	705,289	29,097	29,777	58,874
2014	676,192	30,082	28,904	58,986
2015	646,110	31,312	27,799	59,111
2016	614,798	32,604	26,546	59,150
2017	582,194	33,896	25,242	59,138
2018	548,298	35,311	23,886	59,197
2019	512,987	36,910	14,664	51,574
2020	476,077	38,694	20,748	59,442
2021	437,383	40,540	18,813	59,353
2022	396,843	42,262	17,060	59,322
2023	354,581	43,923	15,370	59,293
2024	310,658	45,707	15,407	61,114
2025	264,951	47,675	11,746	59,421
2026	217,276	49,829	9,681	59,510
2027	167,447	52,166	7,488	59,654
2028	115,281	82,740	5,178	87,918
2029	32,541	32,541	1,465	34,006
Total		$ 705,289	$ 299,774	$ 1,005,063
Annual Average Requirements		$ 41,488	$ 17,634	$ 59,121

Water and Sewer Utility Fund
Tax and Waterworks and Sewer System Revenue
Certificates of Obligation, Series 2010
Debt Service Requirements
Schedule of Maturities
2013-2030

Fiscal Year	Outstanding Debt Beginning of Year	Principal	Interest	Total
2013	8,615,000	360,000	274,355	634,355
2014	8,255,000	380,000	263,255	643,255
2015	7,875,000	380,000	251,855	631,855
2016	7,495,000	395,000	240,230	635,230
2017	7,100,000	395,000	228,380	623,380
2018	6,705,000	410,000	216,305	626,305
2019	6,295,000	430,000	203,705	633,705
2020	5,865,000	430,000	190,805	620,805
2021	5,435,000	450,000	177,605	627,605
2022	4,985,000	465,000	163,880	628,880
2023	4,520,000	480,000	149,465	629,465
2024	4,040,000	515,000	133,785	648,785
2025	3,525,000	535,000	116,717	651,717
2026	2,990,000	550,000	98,540	648,540
2027	2,440,000	570,000	79,215	649,215
2028	1,870,000	600,000	58,440	658,440
2029	1,270,000	620,000	36,170	656,170
2030	650,000	650,000	12,350	662,350
Total		$ 8,615,000	$ 2,895,057	$ 11,510,057
Annual Average Requirements		$ 478,611	$ 160,837	$ 639,448

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

Water and Sewer Utility Fund
Water Supply Contract Obilgation
Subordinate Lien Contract Revenue Bonds, Series 2011
(CRMWA Conjuctive Use Groundwater Supply Project)
Debt Service Requirements
Schedule of Maturities
2013-2031

Fiscal Year	Outstanding Debt Beginning of Year	Principal	Interest	Total
2013	2,980,054	104,649	141,566	246,215
2014	2,875,405	110,185	136,334	246,519
2015	2,765,220	115,723	130,825	246,548
2016	2,649,497	121,447	125,039	246,486
2017	2,528,050	127,482	118,966	246,448
2018	2,400,568	133,019	113,456	246,475
2019	2,267,549	139,241	107,237	246,478
2020	2,128,308	145,338	66,221	211,559
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	78,704	3,439	82,143
Total		$ 2,980,054	$ 1,503,739	$ 4,483,793
Annual Average Requirements		$ 156,845	$ 79,144	$ 235,989

PLAINVIEW, TX

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities										
Invested in capital assets, net of related debt	$ 8,147,031	$ 7,805,176	$ 7,702,738	$ 8,148,900	$ 7,922,852	$ 9,159,664	$ 9,088,340	$ 8,878,102	$ 8,917,698	$ 8,858,640
Restricted	822,054	470,807	627,451	673,728	762,030	885,322	858,657	708,954	719,471	809,694
Unrestricted	9,682,284	11,581,894	12,599,869	13,068,762	14,859,033	16,374,882	17,052,397	18,120,254	19,206,004	19,692,463
Total governmental activities net assets	$ 18,651,369	$ 19,857,877	$ 20,930,058	$ 21,891,390	$ 23,543,915	$ 26,419,868	$ 26,999,394	$ 27,707,310	$ 28,843,173	$ 29,360,797
Business-type activities										
Invested in capital assets, net of related debt	$ 17,166,111	$ 17,326,054	$ 17,768,845	$ 18,330,951	$ 19,118,182	$ 19,280,212	$ 19,352,797	$ 19,454,647	$ 19,250,791	$ 19,844,796
Restricted	620,675	243,921	249,644	259,615	269,494	249,382	261,049	295,291	457,277	725,569
Unrestricted	5,625,024	6,843,537	7,379,322	8,198,944	8,782,742	9,824,587	10,700,804	11,878,515	13,940,331	15,460,905
Total business-type activities net assets	$ 23,411,810	$ 24,413,512	$ 25,397,811	$ 26,789,510	$ 28,170,418	$ 29,354,181	$ 30,314,650	$ 31,628,453	$ 33,648,399	$ 36,031,270
Primary government										
Invested in capital assets, net of related debt	$ 25,313,142	$ 25,131,230	$ 25,471,583	$ 26,479,851	$ 27,041,034	$ 28,439,876	$ 28,441,137	$ 28,332,749	$ 28,168,489	$ 28,703,436
Restricted	1,442,729	714,728	877,095	933,343	1,031,524	1,134,704	1,119,706	1,004,245	1,176,748	1,535,263
Unrestricted	15,307,308	18,425,431	19,979,191	21,267,706	23,641,775	26,199,469	27,753,201	29,998,769	33,146,335	35,153,368
Total primary government net assets	$ 42,063,179	$ 44,271,389	$ 46,327,869	$ 48,680,900	$ 51,714,333	$ 55,774,049	$ 57,314,044	$ 59,335,763	$ 62,491,572	$ 65,392,067

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses										
Governmental activities										
General government	$ 1,477,223	$ 1,359,098	$ 1,340,761	$ 1,260,970	$ 1,204,382	$ 1,364,075	$ 1,814,265	$ 1,966,824	$ 1,762,080	$ 1,663,084
Public safety	5,099,977	4,875,499	5,056,519	5,298,067	5,570,288	5,975,267	6,174,194	6,498,010	6,857,257	7,195,991
Public works	909,308	996,242	1,155,224	1,249,822	1,193,044	1,197,307	1,234,289	1,200,917	965,223	1,417,063
Health	342,184	320,044	326,638	351,502	335,592	386,649	422,516	400,138	458,362	415,163
Recreation and culture	904,837	910,316	898,867	966,803	911,388	1,013,098	1,208,656	1,148,095	1,260,092	1,198,777
Total government activities expenses	8,733,529	8,461,199	8,778,009	9,127,164	9,214,694	9,936,396	10,853,920	11,213,984	11,303,014	11,890,078
Business-type activities										
Solid waste management	1,963,684	1,934,292	1,997,364	1,991,817	1,957,093	2,201,151	2,325,580	2,520,166	2,573,083	2,416,578
Water and sewer	3,751,350	4,786,631	4,682,119	5,170,010	5,025,576	5,379,624	5,573,408	5,226,035	5,634,722	6,087,341
Theatre arts	76,685	51,908	37,130	31,848	38,315	32,388	39,376	37,434	39,255	37,899
Total business-type activities expenses	5,791,719	6,772,831	6,716,613	7,193,675	7,020,984	7,613,163	7,938,364	7,783,635	8,247,060	8,541,818
Total primary government expenses	$ 14,525,248	$ 15,234,030	$ 15,494,622	$ 16,320,839	$ 16,235,678	$ 17,549,559	$ 18,792,284	$ 18,997,619	$ 19,550,074	$ 20,431,896
Program revenues										
Governmental activities										
Charges for services										
General government	$ 220,379	$ 237,434	$ 190,086	$ 181,134	$ 184,703	$ 205,781	$ 278,204	$ 260,553	$ 479,984	$ 400,227
Public safety	521,984	425,066	615,622	534,098	560,576	701,235	656,572	660,570	546,086	444,024
Public works	3,522	-	-	-	-	-	-	-	-	-
Health	127,204	138,774	127,251	134,345	120,623	140,023	148,168	139,729	147,724	141,787
Recreation and culture	50,434	49,165	49,900	52,729	48,969	53,713	54,780	54,859	44,073	45,166
Operating grants and contributions	290,609	309,221	407,355	263,039	277,027	294,822	414,022	499,170	400,536	361,486
Capital grants and contributions	-	305,363	290,667	86,062	35,628	-	11,205	146,896	240,810	283,519
Total governmental activities program revenues	1,214,132	1,465,023	1,680,881	1,251,407	1,227,526	1,395,574	1,562,951	1,761,777	1,859,213	1,676,209
Business-type activities										
Charges for services										
Solid waste management	2,400,063	2,303,587	2,412,223	2,434,545	2,591,363	2,731,076	2,904,631	2,999,883	2,905,358	3,101,968
Water and sewer	4,759,243	5,093,875	4,969,225	5,656,733	5,435,089	5,852,233	6,037,512	6,097,265	7,615,276	7,920,904
Theatre arts	31,664	21,376	14,457	11,320	21,449	20,158	22,941	22,697	21,163	9,940
Operating grants and contributions	61,925	4,180	220	1,000	-	1,000	1,000	-	-	-
Capital grants and contributions	-	177,125	167,927	79,296	11,390	-	40,562	58,000	-	128,755
Total business-type activities program revenues	7,252,895	7,600,143	7,564,052	8,182,894	8,059,291	8,604,467	9,006,646	9,177,845	10,541,797	11,161,567
Total primary government program revenues	$ 8,467,027	$ 9,065,166	$ 9,244,933	$ 9,434,301	$ 9,286,817	$ 10,000,041	$ 10,569,597	$ 10,939,622	$ 12,401,010	$ 12,837,776

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Net (expenses) / revenues										
Governmental activities	$ (7,519,397)	$ (6,996,176)	$ (7,097,128)	$ (7,875,757)	$ (7,987,168)	$ (8,540,822)	$ (9,290,969)	$ (9,452,207)	$ (9,443,801)	$ (10,213,869)
Business-type activities	1,461,176	827,312	847,439	989,219	1,038,307	991,304	1,068,282	1,394,210	2,294,737	2,619,749
Total primary government net expense	$ (6,058,221)	$ (6,168,864)	$ (6,249,689)	$ (6,886,538)	$ (6,948,861)	$ (7,549,518)	$ (8,222,687)	$ (8,057,997)	$ (7,149,064)	$ (7,594,120)
General revenues and other changes in net assets										
Governmental activities										
Taxes										
Property taxes	$ 2,804,542	$ 2,994,774	$ 3,213,515	$ 3,459,565	$ 3,751,688	$ 3,777,277	$ 4,072,569	$ 4,121,886	$ 4,269,904	$ 4,286,822
Sales taxes	2,874,628	2,993,451	3,024,917	3,066,386	3,428,684	3,523,496	3,489,461	3,533,785	3,688,408	3,790,688
Franchise taxes	779,683	815,836	874,602	1,012,923	923,477	1,391,824	1,151,056	1,393,606	1,397,897	1,347,673
Penalty and interest	55,672	47,639	60,141	57,051	60,334	61,680	75,689	75,093	75,788	86,664
Other taxes	212,526	217,864	246,688	249,567	292,902	322,021	282,371	296,271	318,044	341,798
Miscellaneous	33,900	33,136	109,604	99,221	30,416	39,827	66,226	107,740	70,018	137,196
Investment earnings	370,828	404,997	363,218	650,117	769,389	567,919	297,333	203,399	144,265	104,558
Special item	-	444,757	-	-	-	1,272,713	-	-	32,687	56,284
Transfers	342,234	250,231	276,625	242,260	382,803	460,018	435,790	428,343	605,683	579,810
Total governmental activities	7,474,013	8,202,685	8,169,310	8,837,090	9,639,693	11,416,775	9,870,495	10,160,123	10,602,694	10,731,493
Business-type activities										
Investment earnings	217,678	176,913	228,151	384,840	445,198	319,079	178,213	228,396	113,624	87,932
Miscellaneous	-	247,710	185,333	259,902	280,206	333,397	149,764	119,542	217,268	136,938
Special and extraordinary items	(1,592,019)	-	-	-	-	-	-	-	-	118,062
Transfers	(342,234)	(250,231)	(276,625)	(242,260)	(382,803)	(460,018)	(435,790)	(428,343)	(605,683)	(579,810)
Total business-type activities	(1,716,575)	174,392	136,859	402,482	342,601	192,458	(107,813)	(80,405)	(274,791)	(236,878)
Total primary government	$ 5,757,438	$ 8,377,077	$ 8,306,169	$ 9,239,572	$ 9,982,294	$ 11,609,233	$ 9,762,682	$ 10,079,718	$ 10,327,903	$ 10,494,615
Change in net assets										
Governmental activities	$ (45,384)	$ 1,206,509	$ 1,072,182	$ 961,333	$ 1,652,525	$ 2,875,953	$ 579,526	$ 707,916	$ 1,158,893	$ 517,624
Business-type activities	(255,399)	1,001,704	984,298	1,391,701	1,380,908	1,183,762	960,469	1,313,805	2,019,946	2,382,871
Total primary government	$ (300,783)	$ 2,208,213	$ 2,056,480	$ 2,353,034	$ 3,033,433	$ 4,059,715	$ 1,539,995	$ 2,021,721	$ 3,178,839	$ 2,900,495

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General fund										
Nonspendable	$ 41,852	$ 38,782	$ 38,224	$ 44,973	$ 44,460	$ 49,183	$ 43,829	$ 40,223	$ 42,453	$ 42,022
Assigned	505,622	895,761	1,035,855	1,026,074	1,361,073	1,890,009	2,311,844	2,598,099	2,917,945	2,984,676
Unassigned	4,790,805	5,354,055	5,887,583	6,533,987	7,478,159	8,406,128	8,847,506	9,869,544	10,780,206	11,544,224
Total general fund	$ 5,338,279	$ 6,288,598	$ 6,961,662	$ 7,605,034	$ 8,883,692	$ 10,345,320	$ 11,203,179	$ 12,507,866	$ 13,740,604	$ 14,570,922
All other governmental funds										
Restricted	$ 822,054	$ 162,440	$ 154,005	$ 286,989	$ 249,385	$ 211,258	$ -	$ -	$ -	$ -
Restricted, reported in										
Special revenue funds:										
Hotel occupancy tax fund	-	57,932	197,332	239,413	293,598	394,591	410,710	434,157	483,846	568,494
Revolving loan fund	-	183,188	206,875	91,542	150,322	197,083	296,929	114,758	115,501	116,351
Police seizure funds	-	19,177	19,240	8,243	6,452	4,682	69,145	58,938	34,343	55,385
Local law enforcement block grants	-	11,642	7,605	-	-	-	-	-	-	-
RSVP fund	(430)	(339)	(339)	60	-	-	-	-	-	-
Court security fee fund	-	33,274	34,103	29,573	35,017	39,332	41,849	48,875	33,787	40,304
Court technology fee fund	-	3,154	8,291	11,614	20,555	31,467	40,024	52,226	51,994	29,160
TLSAC library grant fund	-	-	-	6,354	6,701	6,909	-	-	-	-
Home program grant fund	-	-	-	-	-	32,621	47,621	-	-	-
JAG law enforcement grant funds	-	-	-	-	-	-	3,210	-	-	-
Total all other governmental funds	$ 821,624	$ 470,468	$ 627,112	$ 673,788	$ 762,030	$ 917,943	$ 909,488	$ 708,954	$ 719,471	$ 809,694

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues										
Taxes (see Schedule 5)	$ 6,722,502	$ 7,051,986	$ 7,411,970	$ 7,854,623	$ 8,440,707	$ 9,067,033	$ 9,062,717	$ 9,417,000	$ 9,736,285	$ 9,900,447
Licenses and permits	36,613	107,659	76,844	57,398	50,425	48,800	47,497	53,328	93,757	81,473
Intergovernmental	378,680	309,222	533,698	264,301	268,840	288,410	400,704	618,872	387,245	351,219
Charges for services	478,275	497,985	690,488	606,311	605,751	742,441	636,325	654,049	732,318	627,144
Fines	283,683	244,796	215,528	238,595	258,696	305,692	440,657	402,484	387,513	314,082
Investment earnings	254,988	285,868	242,723	433,018	518,355	388,711	219,224	154,808	108,277	79,479
Rents and Royalties	-	360	360	360	360	360	360	360	360	360
Contributions and donations	-	7,468	4,736	4,988	8,186	6,412	20,319	15,234	13,291	10,267
Other revenues	567,258	18,085	105,531	26,368	25,774	40,527	8,134	58,472	70,018	137,196
Total revenues	8,721,999	8,523,429	9,281,878	9,485,962	10,177,094	10,888,386	10,835,937	11,374,607	11,529,064	11,501,667
Expenditures										
General Government	1,670,414	1,238,733	1,293,466	1,220,384	1,196,732	1,314,345	1,718,989	1,836,624	1,649,313	1,530,785
Public safety	4,724,521	4,714,896	4,982,170	5,157,281	5,478,839	5,828,529	5,953,304	6,062,813	6,389,636	6,696,344
Public works	848,996	701,590	832,083	833,754	814,880	830,318	910,141	904,783	662,859	1,142,860
Health	339,149	329,416	329,285	357,498	341,897	381,296	406,096	389,144	419,261	405,574
Recreation and Culture	817,808	859,623	845,895	928,456	886,163	955,160	1,036,580	995,397	1,085,960	1,030,000
Capital outlay	532,211	88,554	195,895	431,418	225,289	171,215	165,660	291,537	521,325	357,832
Total expenditures	8,933,099	7,932,812	8,478,794	8,928,791	8,943,800	9,480,863	10,190,770	10,480,298	10,728,354	11,163,395
Excess of revenues over (under) expenditures	(211,100)	590,617	803,084	557,171	1,233,294	1,407,523	645,167	894,309	800,710	338,272
Other financing sources (uses)										
Sale of property	-	-	-	2,037	802	-	100	-	-	-
Transfers in	451,883	347,389	437,625	716,847	863,804	1,000,018	1,158,347	1,017,904	1,395,280	785,769
Transfers out	(109,649)	(338,843)	(411,000)	(586,007)	(731,000)	(790,000)	(954,210)	(808,061)	(952,735)	(203,500)
Total other financing sources (uses)	342,234	8,546	26,625	132,877	133,606	210,018	204,237	209,843	442,545	582,269
Net change in fund balances	$ 131,134	$ 599,163	$ 829,709	$ 690,048	$ 1,366,900	$ 1,617,541	$ 849,404	$ 1,104,152	$ 1,243,255	$ 920,541
Debt service as a percentage of noncapital expenditures	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Schedule 5
City of Plainview
Tax Revenues by Source, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year	Property	Sales & Use	Franchise	Occupancy	Mixed Beverage	Interest and Penalty	Total
2003	$ 2,804,541	$ 2,874,628	$ 779,683	$ 195,392	$ 17,134	$ 51,124	$ 6,722,502
2004	2,977,196	2,993,451	815,836	201,739	16,125	47,639	7,051,986
2005	3,205,622	3,024,917	874,602	224,569	22,119	60,141	7,411,970
2006	3,468,696	3,066,386	1,012,923	226,650	22,917	57,051	7,854,623
2007	3,735,310	3,428,684	923,477	265,952	26,950	60,334	8,440,707
2008	3,768,012	3,523,496	1,391,824	293,850	28,171	61,680	9,067,033
2009	4,064,140	3,489,461	1,151,056	252,042	30,329	75,689	9,062,717
2010	4,118,245	3,533,785	1,393,606	263,933	32,338	75,093	9,417,000
2011	4,256,148	3,688,408	1,397,897	282,670	35,374	75,788	9,736,285
2012	4,333,624	3,790,688	1,347,673	311,718	30,080	86,664	9,900,447
Percent Change 2003-2012	54.5%	31.9%	72.8%	59.5%	75.6%	69.5%	47.3%

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

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2003	$ 342,674,242	$ 278,188,351	$ 100,231,426	$ 99,750,644	$ 621,343,375	0.4575
2004	352,513,111	278,401,661	99,207,870	104,002,515	626,120,127	0.4775
2005	370,111,441	265,003,476	108,632,079	106,244,000	637,502,996	0.5049
2006	382,502,242	278,304,888	123,162,726	106,684,498	677,285,358	0.5149
2007	399,663,677	285,629,500	128,627,118	110,398,777	703,521,518	0.5349
2008	415,014,053	264,587,043	133,058,257	104,264,066	708,395,287	0.5342
2009	431,325,292	272,486,153	129,275,369	107,516,218	725,570,596	0.5685
2010	535,517,490	191,231,337	112,155,171	112,877,410	726,026,588	0.5685
2011	553,758,570	194,864,064	110,147,649	120,318,815	738,451,468	0.5785
2012	562,212,709	203,686,243	107,244,019	124,849,328	748,293,643	0.5785

Source: Hale County Appraisal District.

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

Schedule 7
City of Plainview
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per $100 of assessed value)

	City Direct Rates			Overlapping Rates		
	Operating & Maintenace	General Obligation Debt Service	Total Direct Rate	Plainview Independent School District	High Plains Water District	Hale County
2003	0.4575	-	0.4575	1.3700	0.00840	0.463205
2004	0.4775	-	0.4775	1.3700	0.00830	0.463205
2005	0.5049	-	0.5049	1.4500	0.00830	0.483205
2006	0.5149	-	0.5149	1.5000	0.00830	0.495219
2007	0.5349	-	0.5349	1.3700	0.00830	0.492519
2008	0.5342	-	0.5342	1.0400	0.00794	0.495219
2009	0.5685	-	0.5685	1.0400	0.00794	0.492100
2010	0.5685	-	0.5685	1.0400	0.00794	0.492100
2011	0.5785	-	0.5785	1.0400	0.00785	0.492100
2012	0.5785	-	0.5785	1.0400	0.00776	0.491800

Source: Hale County Appraisal District

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

	2012			2003		
	Taxable Assessed Value	Rank	Percent of Taxable Assessed Value	Taxable Assessed Value	Rank	Percent of Taxable Assessed Value
Wal-Mart - Inventory	$ 81,373,080	1	10.87	$ 90,698,400	1	14.60
Wal-Mart Distribution	13,672,240	2	1.83	16,045,890	2	2.60
Wal-Mart Stores	8,026,270	3	1.07	2,675,331	8	0.40
Acher Daniels Midland	7,913,419	4	1.06	4,044,794	6	0.70
Wal-Mart Stores - Inventory	7,088,301	5	0.95	4,681,314	5	0.80
Excel Energy	5,965,802	6	0.80	7,456,852	3	1.20
BNSF Railway	5,025,486	7	0.67	2,662,553	9	0.40
United Supermarkets	3,930,470	8	0.53	2,633,000	10	0.40
Atmos Energy	3,684,200	9	0.49	3,004,866	7	0.50
Stonegate Center	3,441,001	10	0.46			
Southwestern Bell				6,037,207	4	1.00
Total	$ 140,120,269		18.73	$ 139,940,207		22.60

Source: Hale County Appraisal District

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

Fiscal Year Ended Sept 30	Taxes Levied for the Fiscal Year	Adjustments	Total Adjusted Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections To Date	
				Amount	Percentage of Levy		Amount	Percentage of Adjusted Levy
2003	$ 2,841,513	$ (27,575)	$ 2,813,938	$ 2,730,645	96.10	$ 76,514	$ 2,807,159	99.76
2004	2,992,076	1,843	2,993,919	2,908,427	97.20	78,139	2,986,566	99.75
2005	3,217,884	(16,448)	3,201,436	3,125,829	97.14	65,646	3,191,475	99.69
2006	3,574,242	(95,420)	3,478,822	3,393,539	94.94	73,129	3,466,668	99.65
2007	3,762,550	(6,321)	3,756,229	3,667,112	97.46	77,633	3,744,745	99.69
2008	3,784,098	(20,265)	3,763,833	3,691,589	97.56	59,088	3,750,677	99.65
2009	4,124,614	(48,233)	4,076,381	3,969,938	96.25	80,472	4,050,410	99.36
2010	4,127,462	(2,723)	4,124,739	4,022,367	97.45	63,805	4,086,172	99.06
2011	4,271,943	(5,135)	4,266,808	4,162,047	97.43	51,356	4,213,403	98.75
2012	4,328,879	(10,705)	4,318,174	4,217,584	97.43	-	4,217,584	97.67

Source: Hale County Appraisal District

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

	Governmental Activities		Business-type Activities					
Fiscal Year	General Obligation Bonds	Certificates of Obligation Bonds	Certificates of Obligation Bonds	General Obligation Refunding Bonds	Water Authority Indebtedness	Total Primary Government	Percentage of Personal Income	Per Capita
2003	$ -	$ -	$ 9,375,000	$ 1,830,000	$ 3,505,700	$ 14,710,700	1.85%	$ 666
2004	-	-	9,040,000	1,400,000	3,334,951	13,774,951	1.73%	628
2005	-	-	8,685,000	950,000	4,942,495	14,577,495	1.74%	666
2006	-	-	8,315,000	485,000	6,603,975	15,403,975	1.82%	704
2007	-	-	7,925,000	-	6,372,024	14,297,024	1.69%	660
2008	-	-	9,065,000	-	6,106,514	15,171,514	1.69%	711
2009	-	-	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	n/a	1,067

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 2012 is unavailable.

See Schedule of Demographic and Economic Statistics for Population data.

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

	General Bonded Debt Outstanding				
Fiscal Year	General Obligation Bonds	Certificates of Obligation Bonds	Total	Percentage of Actual TaxableValue of Property	Per Capita
2003	$ -	$ -	$ -	-	$ -
2004	-	-	-	-	-
2005	-	-	-	-	-
2006	-	-	-	-	-
2007	-	-	-	-	-
2008	-	-	-	-	-
2009	-	-	-	-	-
2010	-	-	-	-	-
2011	-	-	-	-	-
2012	-	-	-	-	-

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

Schedule 12
City of Plainview
Direct and Overlapping Governmental Activities Debt
As of September 30, 2012

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Debt repaid with property taxes			
Plainview Independent School District	$ -	65.69 %	$ -
County of Hale	-	42.21	-
Other debt			
Plainview Independent School District	1,172,191	65.69	770,012
County of Hale	-	42.21	-
Subtotal overlapping debt			770,012
City direct debt			-
Total direct and overlapping debt			$ 770,012

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 bounderies of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Plainview. This process recognizes that, when considering the city's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account.

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

	Water and Sewer Revenue Bonds						Solid Waste Management Revenue Bonds					
				Debt Service						Debt Service		
Fiscal Year	Utility Operating Revenues	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage
2003	$ 4,759,242	$ 3,212,067	$ 1,547,175	$ 488,000	$ 494,301	1.58	$ 2,400,063	$ 1,544,349	$ 855,714	$ 252,000	$ 36,600	2.97
2004	5,184,875	3,556,553	1,628,322	507,000	472,089	1.66	2,401,145	1,496,362	904,783	258,000	30,300	3.14
2005	5,043,446	3,480,034	1,563,412	535,000	448,814	1.59	2,508,308	1,563,551	944,757	270,000	23,850	3.22
2006	5,731,970	3,981,831	1,750,139	556,000	424,376	1.79	2,527,008	1,597,849	929,159	279,000	17,100	3.14
2007	5,495,629	3,874,419	1,621,210	584,000	397,896	1.65	2,692,496	1,606,164	1,086,332	291,000	8,730	3.62
2008	5,912,084	4,241,912	1,670,172	410,000	371,511	2.14	2,858,367	1,742,492	1,115,875	-	-	-
2009	6,108,850	4,456,922	1,651,928	430,000	351,459	2.11	2,979,411	1,731,807	1,247,604	190,000	59,967	4.99
2010	6,193,488	4,192,542	2,000,946	605,000	325,464	2.15	3,125,995	1,887,998	1,237,997	205,000	44,012	4.97
2011	7,706,153	4,527,963	3,178,190	540,000	183,806	4.39	3,031,524	1,905,573	1,125,951	215,000	36,662	4.47
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

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

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

Calendar Year	City Population	County Population	County Personal Income	County Per Capita Personal Income	School Enrollment	County Unemployment Rate
2003	22,084	36,605	$ 795,007,000	$ 21,719	5,858	6.3%
2004	21,935	36,303	796,747,000	21,947	6,085	6.1%
2005	21,893	36,171	836,282,000	23,120	6,058	5.4%
2006	21,887	35,862	847,210,000	23,624	6,028	5.3%
2007	21,656	35,731	845,130,000	23,653	5,942	4.4%
2008	21,324	35,326	898,285,000	25,428	5,784	4.9%
2009	21,884	35,408	941,923,000	26,602	5,846	5.9%
2010	22,194	36,273	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	N/A	N/A	5,801	6.6%

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

Note: Personal income data for calendar year 2012 is unavailable.

Schedule 15
City of Plainview
Principal Employers *
Last Ten Years

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

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

2011	2012
Azteca Milling	Azteca Milling
Cargill Meat Solutions	Cargill Meat Solutions
Central Plains MHMR Center	Central Plains MHMR Center
City of Plainview	City of Plainview
Covenant Hospital	Covenant Hospital
Plainview Independent School District	Plainview Independent School District
Texas Department of Criminal Justice	Texas Department of Criminal Justice
United Supermarkets	United Supermarkets
Wal-Mart Associates	Wal-Mart Associates
Wayland Baptist University	Wayland Baptist University

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

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

Function/Program	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Government										
City Manager	2	2	2	2	2	2	2	2	2	2
Legal	2	2	2	2	2	2	2	2	2	2
Finance	2	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	1	1	1	1	1	1	
Administrative Services										2
Muncipal Court	3	3	3	3	3	3	3	3	2	2
Community Development	2	2	2	2	2	2	2	2	2	2
Code Enforcement	3	3	3	3	3	3	3	3	3	3
Main Street	1	1	1	1	1	1	1	1	1	1
RSVP	3	3	2	2	2	2	2	2	2	2
Public Safety										
Police	44	44	44	45	45	45	45	45	45	46
Fire / EMS	36	36	36	36	36	36	36	36	36	36
Traffic Control	4	4	4	3	3	3	3	3	3	3
Animal Control	3	2	2	2	2	2	2	2	2	2
Public Works										
Public Works	3	3	3	3	3	3	3	3	3	3
Street Cleaning	2	2	2	2	2	2	2	2	2	2
Street Department	7	7	7	7	7	7	7	7	7	7
Custodial Services	2	2	2	2	2	2	2	2	2	2
Health	7	6	6	6	6	7	7	7	7	7
Recreation and Culture										
Parks	12	12	12	12	12	12	12	12	11	11
Library	6	6	6	6	5	5	5	5	5	5

Convention and Tourism						1	1	1	1	1
Solid Waste Management										
Collection	12	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										
Utility Accounting	6	6	6	6	6	6	6	6	6	6
Meter Services	3	3	3	3	3	3	3	3	3	3
Water Production	7	7	7	7	7	7	7	7	7	7
Wastewater Treatment	5	5	5	5	5	5	5	5	5	5
Water Distribution	7	7	6	6	6	6	6	6	6	6
Water Collection	3	3	3	3	3	3	3	3	3	3
Service Center	6	5	5	5	4	4	4	4	4	4
Theatre Arts	1	1	1							
Total	207	202	200	199	197	199	199	199	197	199

Source: City of Plainview Annual Budget Personnel Summary

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

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

Function/Program	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General government										
Building permits issued	228	220	290	182	140	184	154	266	208	226
Building inspections	5,003	6,019	6,030	4,695	4,059	2,284	2,057	2,494	1,524	1,058
Public safety										
Police										
Calls for service	18,797	19,492	16,815	15,796	14,898	13,997	15,378	14,403	14,313	19,225
Citations issued	4,589	3,255	2,767	3,363	3,052	4,290	3,307	3,377	2,642	2,243
Arrests	2,248	1,690	1,474	1,493	1,570	1,712	1,659	1,593	1,594	1,346
Fire/EMS										
Ambulance calls	1,859	1,985	2,094	1,916	1,841	2,027	1,915	1,949	2,139	2,067
Fire calls	1,249	1,400	1,492	1,509	1,400	1,634	1,560	1,656	1,878	1,673
Inspections	400	400	400	400	237	96	122	137	45	86
Public works										
Street seal coating (lane miles)	42.74	53.31	49.53	36.17	25.32	23.08	19.97	21.18	-	23.39
Street patch material used (tons)	234.9	300.5	366.4	222.4	490.0	487.0	184.6	437.7	335.8	279.3
Health										
Immunizations	6,379	4,340	4,205	3,952	3,379	5,462	6,452	5,018	4,739	2,892
Inspections	321	318	302	300	302	288	156	253	231	243
Recreation and culture										
Parks										
Shelter house permits	170	179	156	173	177	216	192	235	303	294
Library										
Volumes in collection	50,670	52,119	51,512	46,763	50,661	52,109	48,244	53,593	46,473	52,566
Volumes borrowed	48,390	53,464	51,775	53,231	47,925	51,418	55,319	55,019	48,543	47,277
Visitors	85,604	85,606	88,286	89,781	85,545	88,993	92,247	93,761	83,630	76,541

Solid waste management										
Refuse collected (annual tonage)	27,435	27,768	29,243	27,461	29,218	28,317	31,200	31,200	28,099	27,789
Recyclables collected (annual tonage)	1,353	1,583	1,440	1,255	1,971	592	1,061	646	841	636
Water										
New connections	46	44	24	107	18	12	13	14	18	25
Main line repairs	70	52	103	97	103	86	124	124	72	112
Average daily production (thousands of gallons)	5,257	4,517	4,438	4,964	4,297	4,298	4,442	4,406	5,463	5,037
Peak daily production (thousands of gallons)	10,761	8,557	9,572	9,422	8,017	10,659	8,647	8,561	10,048	8,766
Wastewater										
Average daily sewage treatment (thousands of gallons)	1,890	1,970	2,020	2,090	2,200	2,000	1,800	1,928	1,560	1,510
Theatre										
Events scheduled	30	34	51	53	97	108	101	102	85	40
Attendees	4,925	4,446	8,061	5,703	10,554	13,623	10,622	10,665	9,760	5,280

Sources: Various city departments

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

Function/Program	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	22	22	22	22	22	22	22	24	24	21
Staff and detective units	12	12	12	12	12	12	12	13	14	16
Fire/EMS										
Stations	3	3	3	3	3	3	3	3	3	3
Ambulances	4	4	4	4	4	4	4	4	4	4
Public works										
Paved streets (miles)	130	130	136	137	137	137	137	137	137	137
Streetlights	1,337	1,337	1,337	1,337	1,337	1,356	1,356	1,357	1,358	1,356
Traffic signals - City	7	7	7	7	7	7	7	7	7	7
Traffic signals - State	16	16	16	16	16	16	16	16	16	17
Recreation and culture										
Parks										
Developed parks acreage	286	286	286	286	286	286	286	286	286	286
Open spaces acreage	243	243	243	243	243	243	301	301	301	301
Playgrounds	14	14	14	14	14	14	14	14	14	14
Baseball/softball diamonds	19	19	19	19	19	19	19	21	21	21
Football/soccer fields	3	3	3	3	3	3	3	3	3	3
Multi-purpose athletic courts	6	6	6	6	6	6	6	6	6	6
Community centers and open pavilions	5	5	5	5	5	5	5	7	7	7
Library										
Internet access workstations	10	10	10	10	11	15	15	15	15	15

Solid waste management										
Residential collection trucks	3	3	3	3	3	3	3	3	3	3
Commercial collection trucks	2	2	2	2	2	2	2	2	2	2
Recyclables collection trucks	2	2	2	2	2	2	2	2	2	2
Landfill remaining capacity (thousands of cubic yards)	10,972	10,818	10,836	10,756	10,674	10,593	10,495	10,495	10,303	10,216
Water										
Water mains (miles)	193	193	193	201	201	201	201	208	208	197
Fire hydrants	745	745	745	745	745	745	747	731	736	736
Storage capacity (thousands of gallons)	7,590	7,590	7,590	7,590	7,590	7,590	7,590	7,590	7,590	7,590
Wastewater										
Collection lines (miles)	135	135	135	140	140	140	140	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.

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

To the City Council
City of Plainview, Texas

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Plainview, Texas (the City), as of and for the year ended September 30, 2012, which collectively comprise the City's basic financial statements and have issued our report thereon dated January 29, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or 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.

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

Compliance and Other Matters

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

This report is intended solely for the information and use of management, City Council, others within the entity, and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Davis Kinard & Co, PC
Certified Public Accountants

Plainview, Texas
January 29, 2013