City of Plainview, Texas Comprehensive Annual Financial Report

PLAINVIEW, TX
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For the Fiscal Year Ended
September 30, 2013

PLAINVIEW, TX

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ANNUAL FINANCIAL REPORT

YEAR ENDED SEPTEMBER 30, 2013

CITY OF PLAINVIEW, TEXAS
Year Ended September 30, 2013
Table of Contents

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March 7, 2014

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, 2013, 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, 2013, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Plainview's financial statements for the fiscal year ended September 30, 2013, 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. Over the past three years, the South Plains region of West Texas has experienced a significant drought. This drought has directly impacted cotton and other crop production in the area as well as indirectly impacting those local agriculture support industries. The idling of the Cargill Meat Solutions facility in February 2013, which resulted in approximately 2000 employees being dismissed, continues to present challenges and changes to the local economy, but the City continues to monitor the impact of these events and will make adjustments as necessary.

During the 2012-2013 fiscal year, the City Council adopted the updated Comprehensive Plan for the City. This new long range plan coupled with the new Hale County Economic Development Strategic Plan and Targeted Industry Study recognizes the economic challenges confronting the community and envisions an opportunity for renewed growth by laying out some basic steps that need to be taken for the community to be successful

Since the idling of the Cargill plant, the City facilitated the development of a program with South Plains Community Action Agency's SPARTAN transportation, the Texas Department of Transportation (TxDOT), and Cargill to provide transportation from Plainview to the Cargill Meat Solutions Friona facility for some of the displaced workforce. The Department of Labor awarded over $2 million in National Emergency grant assistance to the Texas Workforce Commission to provide training and re-employment services to the dislocated workers.

As identified in the Economic Development Strategic Plan, the City is making investments in Economic Development related projects and programs. The City worked closely with South Plains College to receive Economic Adjustment Assistance grant funds from the U.S. Department of Commerce Economic Development Administration to assist in the expansion of the South Plains College Plainview Campus with the construction of a new Technology Center; this Center will provide training in industrial manufacturing, welding technology, HVAC, electrical, plumbing, construction and other trades.

The City is investing more funds in the Plainview/Hale County Economic Development Corporation (EDC) to help expand the local economic development program. The City, County and EDC are working towards the development of a community-owned business park.

Plainview is home to Wayland Baptist University (WBU), a four-year Christian university with over 1,000 students on the main campus as well as over 5,800 students on their satellite campuses located all across the United States. WBU continues to make investments in their main campus and will be constructing a new multimillion dollar Jimmy Dean Museum, Flores Bible Building and creating a new Business Incubator Program.

The City and County along with the Airport Board are in the process of completing the 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 in improvements over a two year period. The City and County will each fund 5% and the Federal Aviation Administration will pay the remaining 90%.

As a small regional hub, the City continues to see new commercial and industrial activity. Several new retail outlets opened this past year as well as a new retail shopping center planned for construction in 2014. Plainview is home to Gebo's, a farm and ranch store, who has their central office and retail store here, recently remodeled an old, large building for their new retail store. Bill Wells Chevrolet will be constructing a new dealership along the Interstate. Reagor Dykes recently remodeled their Ford Dealership and is planning to construct a new Toyota Dealership over this next year. State Street Housing is making plans to construct a new 80 unit apartment complex. Rock Tops Granite and Stone, manufactures granite countertops for Home Depot, relocated to Plainview and constructed a new facility. The Wal-Mart Distribution Center invested $6.5 million dollars in their facility. The ethanol plant with 110 million gallon annual production capacity east of the City recently reopened and is operating at 80 percent capacity. Hale County recently approved two wind energy reinvestment zones where there are plans to construct two new wind farms; the construction of these farms will have a positive impact on the local economy.

Overall, the Plainview economy continues to hold up well to the drought related challenges mentioned. Sales tax receipts through February are slightly lower than for the same five month period last year, while property tax collections are about .63% above last year as a percent of levy collected at this time.

Long-term financial planning. In 2010, the City Council authorized the issuance of Certificates of Obligation to construct two new water towers, relocate and upgrade water and sewer lines in Highway 70 in conjunction with the rebuilding of this highway by the Texas Department of Transportation, rebuilding two major sewer lift stations, and installing an emergency power backup generator at the City's wastewater treatment plant. The majority of these projects have been completed.

The City is in the process of building a 10 acre Type I landfill cell and this project is scheduled to be completed in 2014 without issuing any additional debt.

The Texas Department of Transportation is currently reworking the frontage roads and portions of Interstate 27 as well as constructing a new overpass at Southwest 3rd Street and the Interstate to improve traffic safety.

The City completed a Community Development Block Grant that allowed for the replacement of 4,300 feet of water distribution lines. This work has been completed. The City is participating in a Texas Department of Housing and Community Affairs HOME grant program to demolish dilapidated homes and reconstruct new ones for those that qualify for this program.

The City Council and 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.

The Cargill Meat Solutions facility was the biggest water customer for the City. In preparation of the 2013-2014 budget, this loss of revenue was taken into consideration and rates were adjusted to recover a portion of this loss in and effort to keep the City financially stable. In addition, property tax rates were increased to assist with new investments in economic development and increasing operating costs. These efforts were recognized in the recent affirmation of the City's AA- bond rating by Standards and Poors (S&P).

While S&P considers Plainview's economy as weak, the City was strong enough in other areas to help assure S&P that the City is in a financially strong position. They found that budgetary flexibility remains very strong; overall budgetary performance has been strong; liquidity is very strong; management conditions are strong; and Plainview's debt and contingent liabilities profile is very strong. The steps the City Council took to raise taxes to offset some of the increasing operating costs and raising water revenues to offset the lost water sales from Cargill's closing, according to S&P, helped put the City in a position to avoid potential stress to the general fund. And, the track record established by the management team showing that the City budgets and operates conservatively, combined to help the City have its bond rating reaffirmed.

In order for the City to work with the County, Industrial Foundation, and other community partners to help take the steps that need to be taken to reinvent and rebuild Plainview's economy, the City must be operating from a strong financial base. This bond rating is an assessment, that is widely recognized, of that financial base.

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 .25%.

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%. In an effort to strengthen the Firefighter Pension Plan the City has instituted a series of increases to the employer's contributions. October 1, 2010 the city increased the employer portion to 16.61%; October 1, 2011 to 18.26%; October 1, 2012 to 19.84%; and October 1, 2013 to 21.45%.

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, 2012 and reported the funded ratio of accrued liability was 86.5%. The City's contribution rate at year end was 16.03% of payroll and the employees individually contribute 7%. TMRS restructured the funds and because of the restructuring contributions beginning January 1, 2012 were at the full rate. Additional information on the City's pension arrangements and post-employment benefits can be found in Note 9 of the financial statements and in the required supplementary information.

Acknowledgements

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

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

Respectfully submitted,

Greg Ingham
City Manager

Sarianne Beversdorf, CPA, CGFO
Director of Finance

CITY OF PLAINVIEW, TEXAS
LISTING OF PRINCIPAL OFFICIALS

ELECTED OFFICIALS	NAME	YEARS SERVICE	OCCUPATION
MAYOR	WENDELL DUNLAP	10	RETIRED/SELF-EMPLOYED
COUNCIL MEMBER DISTRICT 1	DR. CHARLES N. STARNES	4	EDUCATOR
COUNCIL MEMBER DISTRICT 2	CATHY WAGGONER	8	ASSISTANT, CUNNINGHAM CHIROPRACTIC
COUNCIL MEMBER DISTRICT 3	DAVID G. GARCIA	4	RETIRED
COUNCIL MEMBER DISTRICT 4	VIRGINIO "V.O." ORTEGA	4	OPERATIONS MANAGER, ATMOS ENERGY
COUNCIL MEMBER DISTRICT 5	SUSAN BLACKERBY	-	RETIRED
COUNCIL MEMBER DISTRICT 6	LIONEL A. GARCIA	2	RETIRED
COUNCIL MEMBER DISTRICT 7	ERIC HASTEY	2	CONSTRUCTION

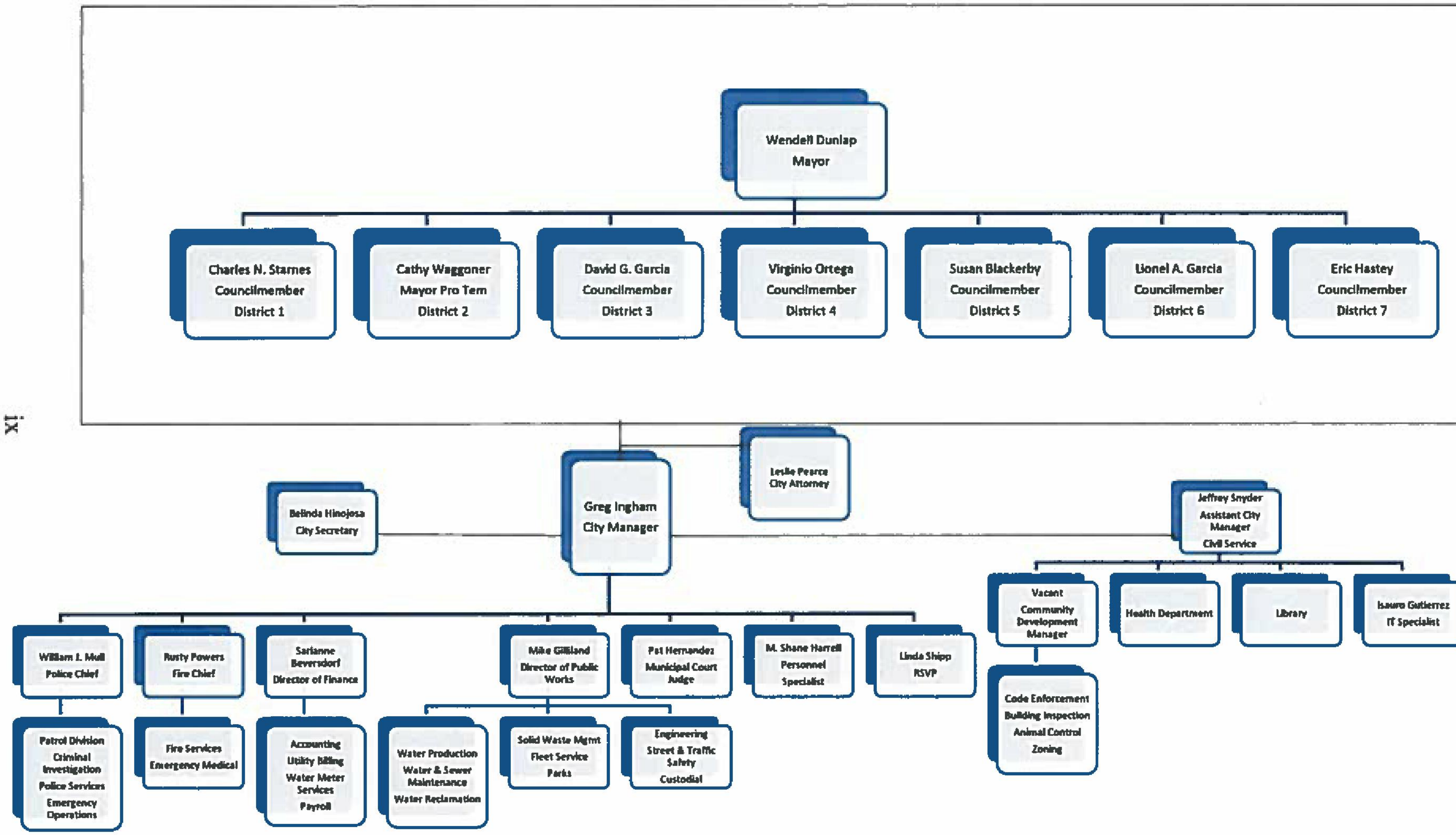
CITY OFFICIALS	NAME	# OF YEARS WITH CITY	# OF YEARS THIS POSITION
CITY MANAGER	GREG INGHAM	10	37
ASSISTANT CITY MANAGER	JEFFREY SNYDER	3	3
DIRECTOR OF FINANCE	SARIANNE BEVERSDORF	4	13
DIRECTOR PUBLIC WORKS	MIKE GILLILAND	5	5
DIRECTOR FIRE SERVICES	RUSTY POWERS	24	5
DIRECTOR POLICE SERVICES	WILLIAM MULL	44	17
MUNICIPAL COURT JUDGE	PAT HERNANDEZ	29	16
CITY ATTORNEY	LESLIE PEARCE	8	14
CITY SECRETARY	BELINDA HINOJOSA	13	13

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



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Financial Section

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

Plainview Office
1401 A West 5th Street, Plainview, TX 79072
806.293.4158 / 800.806.4158 / f: 806.296.5314

Independent Auditor's Report

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

Report on the Financial Statements
We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Plainvew, Texas (the City), as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

Auditor's Responsibility
Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2013, 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.

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Other Matters

Required Supplementary Information
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 53 through 57 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

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

The introductory and general information sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 6, 2014, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Davis Kinard & Co, PC
Certified Public Accountants

Plainview, Texas
February 6, 2014

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, 2013. 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 $93,872,074 at September 30, 2013 and $94,416,996 at September 30, 2012, decreasing 0.6%.
- Total liabilities were $27,975,834 at September 30, 2013, a decrease of 3.6% from September 30, 2012.
- The total assets and deferred outflows of resources of the City exceeded its liabilities at the close of the fiscal year by $66,120,117, an increase of 1.1%. Of this amount, $34,226,673 in unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors.
- During the year, the City's total revenues from all sources exceeded expenses by $943,972.

Governmental Funds

- Total current assets were $16,763,430 at September 30, 2013 and $16,135,121 at September 30, 2012, increasing 3.9%.
- All combined governmental funds reported an ending fund balance of $15,496,130 or a 0.8% increase from the previous year.
- For the year ended September 30, 2013, total revenues exceeded total expenditures by $115,514.

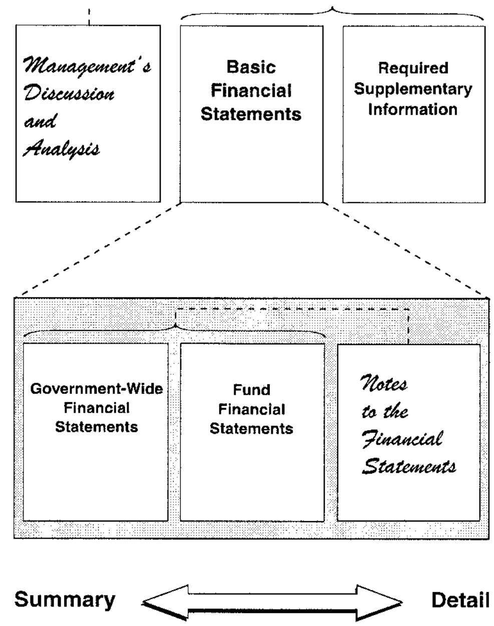
Proprietary Funds

- Net position for combined enterprise funds grew by 1.8% to $36,834,347. Of this amount, $14,432,486 is unrestricted and available to be used to meet the ongoing obligations to citizens and creditors.
- The change in net position or net income generated from operations of the combined enterprise funds during the year ended September 30, 2013 is reported at $865,628.
- A net decrease in cash and cash equivalents of $2,637,967 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:

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



- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the City's overall financial status.

- The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the City's operations in more detail than the government-wide statements.

- *The governmental funds* statements tell how *general government* services were financed in the *short term* as well as what remains for future spending.

- *Proprietary fund* statements offer *short-* and *long-term* financial information about the activities the government operates *like businesses.*

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

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

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

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 position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

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

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

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

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

Fund Financial Statements

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

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

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

The City has the following kinds of funds:

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

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

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

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Net position.

The City's combined net position totaled $66,120,117 at September 30, 2013, $943,972 higher than the prior year. (See Table A-1).

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

	Governmental Activities		Business -type Activities		Total		Total Percent
	2013	2012	2013	2012	2013	2012	Change
Current assets							
Cash and cash equivalents	$ 8,594	$ 8,312	$ 6,533	$ 6,034	$ 15,127	$ 14,346	5.4%
Investments	12,632	12,589	7,987	7,961	20,619	20,550	0.3%
Receivables	1,436	1,221	1,499	1,606	2,935	2,827	3.8%
Due from other governments	248	73	65	9	313	82	281.7%
Internal balances	309	160	(309)	(160)	-	-	0.0%
Inventories	85	82	142	144	227	226	0.4%
Total current assets	23,304	22,437	15,917	15,594	39,221	38,031	3.1%
Noncurrent assets	1,009	1,022	14,915	18,200	15,924	19,222	-17.2%
Capital assets	28,515	28,242	52,746	49,500	81,261	77,742	4.5%
Less accumulated depreciation	(19,759)	(19,383)	(22,775)	(21,411)	(42,534)	(40,794)	4.3%
Total assets	33,069	32,318	60,803	61,883	93,872	94,201	-0.3%
Deferred outflows of resources							
Deferred charge for debt refunding	-	-	224	-	224	-	100.0%
Total outflows of resources	-	-	224	-	224	-	100.0%
Accounts payable and accrued liabilities	1,079	677	386	620	1,465	1,297	13.0%
Deposits and escrow held	-	-	407	396	407	396	2.8%
Compensated absences	969	962	83	76	1,052	1,038	1.3%
Pension and OPEB obligations	1,426	1,318	82	118	1,508	1,436	5.0%
Water contract obligations	-	-	8,124	8,713	8,124	8,713	-6.8%
Landfill closure/postclosure	-	-	1,279	1,188	1,279	1,188	7.7%
Bonds payable	-	-	14,142	14,957	14,142	14,957	-5.4%
Total liabilities	3,474	2,957	24,503	26,068	27,977	29,025	-3.6%
Net position							
Invested in capital assets, net of related debt	8,755	8,859	21,674	19,629	30,429	28,488	6.8%
Restricted	737	810	727	726	1,464	1,536	-4.7%
Unrestricted	20,103	19,692	14,123	15,460	34,226	35,152	-2.6%
Total net position	$ 29,595	$ 29,361	$ 36,524	$ 35,815	$ 66,119	$ 65,176	1.4%

As noted earlier, net position may serve, over time, as a useful indicator of a government's financial position. A large portion of the City's net position (46 percent) reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

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

Changes in net position.

The City's total revenues for the period ended September 30, 2013 were $22,117,104. A significant portion, 45.4 percent, of the City's revenue comes from taxes (See Figure A-3) while 45.2 percent comes from charges for utility services. The total cost of all programs and services was $21,173,132.

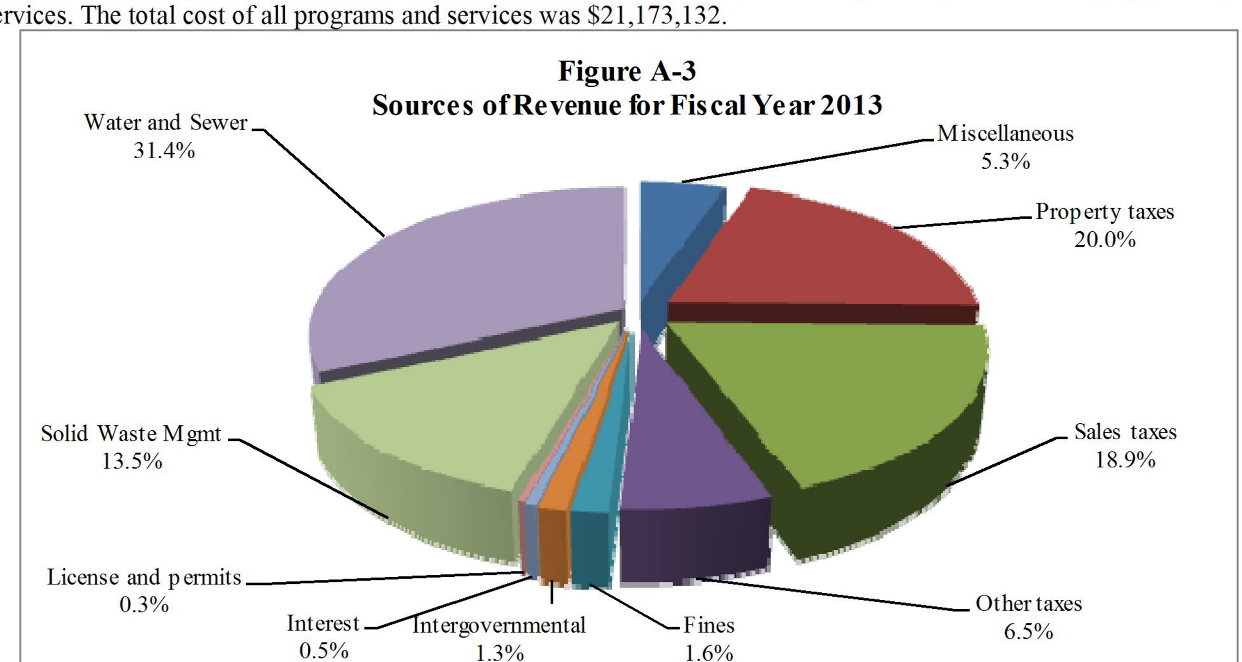
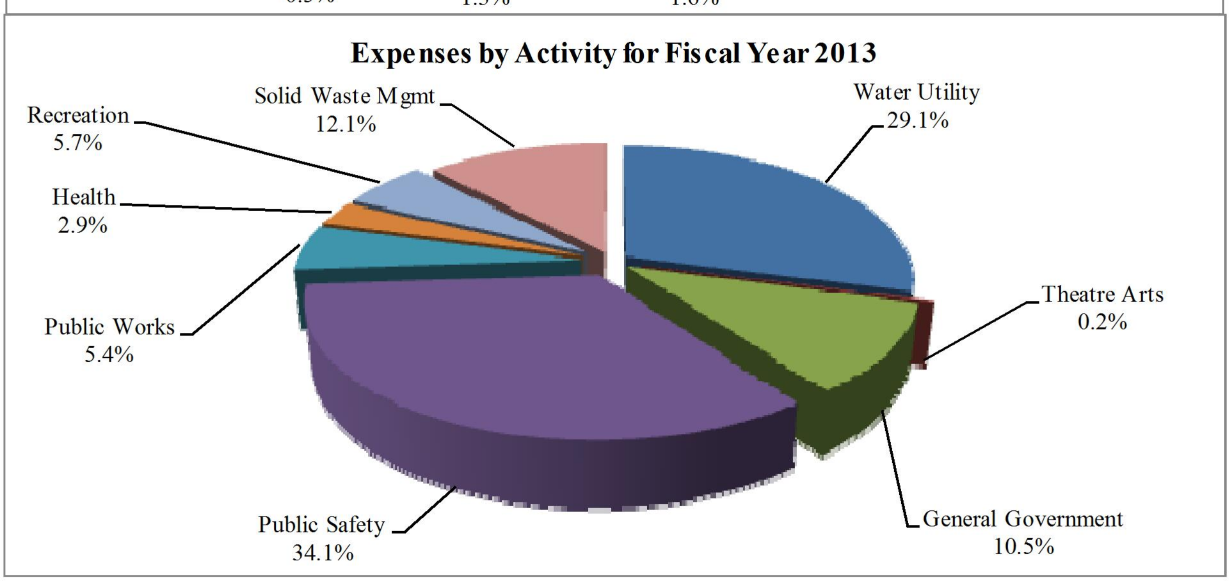


Figure A-3
Sources of Revenue for Fiscal Year 2013



Expenses by Activity for Fiscal Year 2013

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

	Governmental Activities		Business-type Activities		Total		Total Percent Change
	2013	2012	2013	2012	2013	2012	
Program revenues:							
Charges for services	$ 1,106	$ 1,031	$ 9,956	$ 11,033	$ 11,062	$ 12,064	-8.3%
Grants and contributions							
Operating	285	361	-	-	285	361	-21.1%
Capital	35	284	243	129	278	413	100.0%
General revenues:							
Property taxes	4,378	4,287	-	-	4,378	4,287	2.1%
Other taxes	5,607	5,567	-	-	5,607	5,567	0.7%
Other	375	298	133	343	508	641	-20.7%
Total revenues	11,786	11,828	10,332	11,505	22,118	23,333	-5.2%
Expenses:							
General government	2,217	1,663	-	-	2,217	1,663	33.3%
Public safety	7,223	7,196	-	-	7,223	7,196	0.4%
Public works	1,140	1,417	-	-	1,140	1,417	-19.5%
Recreation and culture	1,215	1,199	-	-	1,215	1,199	1.3%
Health	620	415	-	-	620	415	49.4%
Solid waste management	-	-	2,557	2,417	2,557	2,417	5.8%
Water and sewer	-	-	6,169	6,087	6,169	6,087	1.3%
Theatre arts	-	-	34	38	34	38	-10.5%
Total expenses	12,415	11,890	8,760	8,542	21,175	20,432	3.6%
Transfers	863	580	(863)	(580)	-	-	0.0%
Change in net position	234	518	709	2,383	943	2,901	-67.5%
Net position - beginning, as restated	29,361	28,843	35,815	33,432	65,176	62,275	4.7%
Net position - ending	$ 29,595	$ 29,361	$ 36,524	$ 35,815	$ 66,119	$ 65,176	1.4%

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

Governmental Activities

As shown in Table A-2, governmental activities increased net position by $234 thousand accounting for 24.8% of the increase in total net position. 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 $91 thousand, or 2.12 %.
- The franchise tax on gas and electric utilities decreased $3 thousand, or .2%, and general sales tax increased $46 thousand, or 1.1%.
- The cost of all *governmental* activities this year was $12,415 thousand compared to the previous year of $11,890 thousand, a 4.2% increase.
- The amount that our taxpayers paid for these activities through taxes was $9,985 thousand.
- Some of the cost was paid by those who directly benefited from the programs, $1,106 thousand, or by grants and contributions, $320 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
	2013	2012		2013	2012	
General government	$ 2,217	$ 1,663	33.3%	$ 1,713	$ 1,089	57.3%
Public safety	7,223	7,196	0.4%	6,689	6,572	1.8%
Public works	1,140	1,417	-19.5%	1,105	1,307	-15.5%
Recreation and culture	1,215	1,199	1.3%	1,170	1,154	1.4%
Health	620	416	49.0%	311	92	238.2%
Total governmental activities	$ 12,415	$ 11,891	4.4%	$ 10,988	$ 10,214	7.6%

Business-type Activities

Business-type activities increased the City's net position by $709 thousand accounting for 75.2% of the total increase in the government's net position.

- Charges for services generated revenues of $9,956 thousand for the period ended September 30, 2013 compared to $11,033 thousand for the previous period. This 9.8% decrease was derived from the loss of a significant company, Cargill, closing its doors during 2013. The sewer rate stayed the same.

- Expenses totaled $8,760 thousand for 2013 and $8,542 thousand for 2012, a 2.5% 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 $863 thousand for the period, a 49% increase from the previous period.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

Governmental Funds

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

- As of the end of the current fiscal year, the City's governmental funds reported a combined ending fund balance of $15,496,130, an increase of $115,514. 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 2.9%. This increase is mainly attributable to the increase in cash, cash equivalents and investments from $ 14,073,933 at the end of the prior period to $14,401,586 at the end of fiscal year 2013.

- Total liabilities increased 64.83% from $533,082 in 2012 to $878,679 in 2013. The increase was mainly due to a construction project that was completed prior to year end but was not billed out to us until after the fiscal year end.

- Of the combined ending fund balance, approximately $12 million constitutes unassigned fund balance which is available for spending at the government's discretion.

Proprietary Funds

The City's proprietary funds financial statements provide the same type of information found in the government-wide financial statements, but in more detail. There are two types of funds presented – the business-type (enterprise) funds and the internal service funds. The purpose of internal service funds is to provide services within a government on a break-even basis. The net income or loss from these internal service funds has been allocated back to the user departments and activities for the government-wide financial statements. The internal service funds reflect a total net position amount of $7,796,679. Of this amount, $2,462,481 is invested in capital assets. The remainder of the unrestricted net position are generally used for property insurance and to replace capital assets.

Of the combined unrestricted net position of the enterprise funds at the end of fiscal year 2013, approximately $14.4 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:
    - $650,000 to the Health Insurance Fund
    - $ 59,980 to the Service Center Internal Service Fund

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

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets for its governmental and business type activities as of September 30, 2013 amounts to $38,725,268 (net of accumulated depreciation). This investment in capital assets includes land, buildings, systems, system improvements, machinery, equipment, park facilities, and roadways (See Table A-4).

Table A-4
City's Capital Assets
(In thousands dollars)

	Governmental Activities		Business-type Activities		Total		Total Percent Change
	2013	2012	2013	2012	2013	2012	
Land	$ 551	$ 551	$ 529	$ 529	$ 1,080	$ 1,080	0.0%
Buildings	3,795	3,745	2,662	2,654	6,457	6,399	0.9%
System improvements	-	-	39,715	39,443	39,715	39,443	0.7%
Infrastructure	15,566	15,566	-	-	15,566	15,566	0.0%
Machinery and equipment	8,591	8,367	6,418	6,279	15,009	14,646	2.5%
Construction in progress	13	13	3,420	595	3,433	608	464.6%
Totals at historical cost	28,516	28,242	52,744	49,500	81,260	77,742	4.5%
Accumulated depreciation	(19,759)	(19,383)	(22,775)	(21,411)	(42,535)	(40,794)	4.3%
Net capital assets	$ 8,757	$ 8,859	$ 29,969	$ 28,089	$ 38,725	$ 36,948	4.6%

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 $14,142 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 $8,123,989. 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
	2013	2012	2013	2012	2013	2012	Change
Bond and certificates of obligation	$ -	$ -	$ 14,142	$ 14,957	$ 14,142	$ 14,957	-5.5%
Water Supply Contract obligation	-	-	8,124	8,713	8,124	8,713	-6.8%
Total outstanding debt	$ -	$ -	$ 22,266	$ 23,670	$ 22,266	$ 23,670	-5.9%

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The national economy is continuing to move gradually towards recovery, and much of the Texas economy is in the growth mode. The Plainview economy continues to face challenges created by the closure of the Cargill Meat Solutions plant in 2013. The facility was a major utility customer of the City. It employed over 2000 workers. The effects of this closure are still not fully measurable. It is the objective of management to minimize the financial impact of this closure as much as possible. This will be accomplished by continuing to monitor the situation, make adjustments as required, and to continue planning for the future of our community. Adjustments to the utility rates and property tax rates have been made to keep the City of Plainview fiscally viable. Standard & Poors rating services recently affirmed the City's bond rating at the AA- rating with a stable outlook. They recognized the steps that have already been taken and plans that are being made for the future of Plainview. This rating will help the City of Plainview keep the cost of borrowing down if funds are needed for large capital projects that are identified as important to our community through our planning processes. There are several economic indicators that are being monitored. Taking general sales tax as an indicator, receipts for the fiscal year now ended were 1.83% more than receipts from the previous year. Through February of this current year sales tax receipts have decreased .59% over the same period in 2013. Using the unemployment rate as another indicator, the unemployment rate increased from 5.8% in 2012 to a peak of 12.4% in May 2013 to the current rate of 11% in December 2013; while the State, as a whole, was at 5.6%. 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. The City continues to take a conservative approach to the budget as the economic outlook for the next fiscal year continues to have a degree of uncertainty, but resources continue to be allocated for future development. The City Council adopted the updated Comprehensive Plan for the City. This new long range plan coupled with the new Hale County Economic Development Strategic Plan and Targeted Industry Study recognizes the economic challenges confronting the community and envisions an opportunity for renewed growth by laying out some basic steps that need to be taken for the community to be successful.

The General Fund expenditure budget for the upcoming year increased by 11.61% and the ad valorem property tax rate of $0.6185 per $100 valuation increased from $0.5785 per $100 valuation. There is no budgeted reduction of services. Many of the costs such as fuel, health insurance, materials and supplies have increased. In this fund, $1.0 million was allocated for an economic development project and an additional $72,500 for the Industrial Foundation operations. This budget includes an $850 a year raise for all full time employees to help offset some of the increasing cost of health insurance. The City is in the process of making structural changes to the health insurance plan. Staffing levels were reduced by eliminating the Assistant City Engineer position, which was vacant. Last year, three positions were eliminated and those duties were picked up by other positions to the extent possible.

The City continues to take steps to address infrastructure needs. Debt was issued in 2010 for $8.685 million 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 has just been completed and a backup generator for the wastewater treatment plant was purchased. The new sewer lift station improvements will be made this next fiscal year.

In the Water & Sewer Fund, operating budget the greatest increase is due to increases in the cost of maintenance at the wastewater treatment plant and for costs incurred for the City to upgrade its backflow and CSI programs to meet TCEQ requirements. The most significant challenge to revenues has been the loss of 20% of water revenues due to the loss of sales from the Cargill Meat Solutions meat processing plant. Water base rates were increased from $21.50 to $31.00 per month and the rate per thousand was increased 10% in all rate steps to account for this loss. The sewer base rate stayed the same.

The 2013-2014 operating budget for the solid waste management fund was increased by 1.98% from the year before. Funds have been accumulating to meet future landfill and major equipment needs. Included in the budget are funds to complete the process of developing and building a new ten acre landfill pit at an estimated cost of $1.0 million. Two collection trucks were also budgeted for replacement for $395,000. The revenues from fees charged for collections and gate fees have decreased due to the closure of Cargill Meat Solutions. 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@plainviewtx.org.

PLAINVIEW, TX

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Basic Financial Statements

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

Statement of Net Position

September 30, 2013

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 8,594,432	$ 6,533,184	$ 15,127,616
Investments	12,631,820	7,987,068	20,618,888
Receivables, net	1,436,162	1,499,403	2,935,565
Due from other governments	247,834	64,810	312,644
Internal balances	309,244	(309,244)	-
Inventories, at cost	85,064	141,813	226,877
Investment in joint venture	1,009,435	-	1,009,435
Restricted assets:			
Cash and cash equivalents	-	4,518,641	4,518,641
Capital assets:			
Nondepreciable	564,035	3,949,669	4,513,704
Depreciable, net	8,191,125	26,020,439	34,211,564
Unamortized water contract costs and other assets	-	10,397,140	10,397,140
Total Assets	33,069,151	60,802,923	93,872,074
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge for debt refunding	-	223,877	223,877
Total Outflows of Resources	-	223,877	223,877
LIABILITIES			
Accounts payable	986,152	347,672	1,333,824
Accrued interest payable	-	36,854	36,854
Intergovernmental payable	93,221	-	93,221
Payable from restricted assets	-	406,898	406,898
Noncurrent liabilities:			
Due within one year	5,261	1,664,645	1,669,906
Due in more than one year	2,389,503	22,045,628	24,435,131
Total Liabilities	3,474,137	24,501,697	27,975,834
NET POSITION			
Net investment in capital assets	8,755,160	21,674,455	30,429,615
Restricted for:			
Debt service	-	727,406	727,406
Tourism	539,048	-	539,048
Economic development	45,882	-	45,882
PEG fund	1,158		1,158
Law enforcement	66,298	-	66,298
Municipal Court	84,037	-	84,037
Unrestricted	20,103,431	14,123,242	34,226,673
Total Net Position	$ 29,595,014	$ 36,525,103	$ 66,120,117

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

CITY OF PLAINVIEW, TEXAS
Statement of Activities
Year Ended September 30, 2013

		Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities:				
General government - administration	$ 1,597,352	$ 80,154	$ 1,247	
General government - other	619,021	330,535	90,944	
Public safety	7,222,195	527,576	5,958	
Public works	1,139,508	-		35,000
Health	620,373	122,711	186,542	
Recreation and culture	1,215,322	45,071	-	-
Total Governmental Activities	12,413,771	1,106,047	284,691	35,000
Business-Type Activities:				
Solid waste management	2,556,595	2,975,870	-	-
Water and sewer	6,169,041	6,972,714		242,851
Theatre arts	33,725	7,106	-	-
Total Business-Type Activities	8,759,361	9,955,690	-	242,851
Total Primary Government	$ 21,173,132	$ 11,061,737	$ 284,691	$ 277,851

General Revenues and Transfers
Taxes
Property, levied for general purposes
Sales
Selective sales and use
Franchise
Penalty and interest
Miscellaneous
Investment income
Transfers
Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning
Prior period adjustment

Net Position - Ending

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

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
$ (1,515,951)		$ (1,515,951)
(197,542)		(197,542)
(6,688,661)		(6,688,661)
(1,104,508)		(1,104,508)
(311,120)		(311,120)
(1,170,251)		(1,170,251)
(10,988,033)		(10,988,033)
	$ 419,275	419,275
	1,046,524	1,046,524
	(26,619)	(26,619)
	1,439,180	1,439,180
	1,439,180	(9,548,853)
4,377,687	-	4,377,687
3,829,054	-	3,829,054
349,135	-	349,135
1,344,875	-	1,344,875
83,552	-	83,552
328,539	79,585	408,124
46,805	53,593	100,398
862,603	(862,603)	-
11,222,250	(729,425)	10,492,825
234,217	709,755	943,972
29,360,797	36,031,270	65,392,067
-	(215,922)	(215,922)
$ 29,595,014	$ 36,525,103	$ 66,120,117

CITY OF PLAINVIEW, TEXAS

Exhibit A-3

Balance Sheet - Governmental Funds
September 30, 2013

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	$ 4,557,963	$ 824,535	$ 5,382,498
Investments	9,843,623	-	9,843,623
Interest receivable	1,472	-	1,472
Accounts receivable (net)	302,289	-	302,289
Taxes receivable (net)	917,269	29,975	947,244
Due from other governments	55,384	192,450	247,834
Inventories	38,470	-	38,470
Total Assets	$ 15,716,470	$ 1,046,960	$ 16,763,430
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE			
Liabilities			
Accounts payable	$ 379,332	$ 215,822	$ 595,154
Wages payable	183,564	1,479	185,043
Compensated absences payable	5,246	15	5,261
Due to other governments		93,221	93,221
Total Liabilities	568,142	310,537	878,679
Deferred Inflows of Resources			
Unavailable revenue			
Property taxes	213,137	-	213,137
Fines and fees	97,484		97,484
Emergency Medical Serivces	78,000		78,000
Total Deferred Inflows of Resources	388,621	-	388,621
Fund Balance			
Nonspendable	38,470	-	38,470
Restricted	-	736,423	736,423
Assigned	2,815,968	-	2,815,968
Unassigned	11,905,269	-	11,905,269
Total Fund Balance	14,759,707	736,423	15,496,130
Total Liabilities, Deferred Inflows of Resources and Fund Balance	$ 15,716,470	$ 1,046,960	$ 16,763,430

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 Position
September 30, 2013

Total Fund Balances - Governmental Funds	$ 15,496,130
Amounts reported for *governmental activities* in the statement of net position are different because:	
The City uses internal service funds to charge the costs of certain activities, such as insurance, equipment replacement, and vehicle maintenance, to appropriate functions in other funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	8,105,923
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 $22,286,614 and accumulated depreciation was $15,993,934.	6,292,679
The City's investment in joint venture in not reported in the governmental funds but is included in the statement of net position.	1,009,435
Other adjustments are necessary to convert the modified accrual basis of accounting to the accrual basis of accounting. Net property taxes receivable of $213,137, net fines receivable of $97,484 and net emergancy medical serivces receivable of $78,000 were unavailable to pay for current period expenditures and are deferred in the governmental funds but included in the statement of net position.	388,621
Long-term liabilities for compensated absences of $958,835 and net pension obligation of $738,939 are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds but are included in the statement of net position.	(1,697,774)
Net Position of Governmental Activities	$ 29,595,014

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

CITY OF PLAINVIEW, TEXAS

Exhibit A-5

Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds
Year Ended September 30, 2013

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES			
Taxes:			
Property taxes	$ 4,385,873	$ -	$ 4,385,873
Sales and use taxes	3,829,054	-	3,829,054
Selective sales and use taxes	27,417	321,718	349,135
Franchise tax	1,344,875	-	1,344,875
Penalty and interest on taxes	83,552	-	83,552
Licenses and permits	65,776	-	65,776
Intergovernmental revenue and grants	193,747	80,033	273,780
Charges for services	614,684	-	614,684
Fines, forfeitures and fees	310,463	31,128	341,591
Investment earnings	45,362	1,443	46,805
Rents and royalties	360	-	360
Contributions and donations	35,000	10,911	45,911
Other revenue	141,489	187,050	328,539
Total Revenues	11,077,652	632,283	11,709,935
EXPENDITURES			
Current			
General government - administration	937,487	579,496	1,516,983
General government - other	505,879	91,584	597,463
Public safety	6,889,210	4,232	6,893,442
Public works	897,896	-	897,896
Health	377,067	-	377,067
Recreation and culture	1,047,655	-	1,047,655
Capital outlay	86,867	-	86,867
Total Expenditures	10,742,061	675,312	11,417,373
Excess (Deficiency) of Revenue over Expenditures	335,591	(43,029)	292,562
OTHER FINANCING SOURCES (USES)			
Transfers in	563,174	758	563,932
Transfers out	(709,980)	(31,000)	(740,980)
Total Other Financing Sources (Uses)	(146,806)	(30,242)	(177,048)
Net Change in Fund Balance	188,785	(73,271)	115,514
Fund Balance - October 1	14,570,922	809,694	15,380,616
Fund Balance - September 30	$ 14,759,707	$ 736,423	$ 15,496,130

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

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities
Year Ended September 30, 2013

Total Net Change in Fund Balance - Governmental Funds	$	115,514
Amounts reported for *governmental activities* in the statement of activities are different because:		
The City uses internal service funds to charge the costs of certain activities to individual funds. Net change in net position of the internal service funds is reported with governmental activities.		647,624
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.		86,867
Assets were disposed of that were not fully depreciated. The loss is reported on the government -wide financial statements.		(13,644)
Depreciation is not recognized as an expenditure in governmental funds since it does not require the use of current financial resources.		(620,492)
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.		(12,700)
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		(7,648)
Increase in net pension obligation		(36,754)
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 $8,186 and a net increase in fine revenues of $5,636 which is an increase to net position.		75,450
Change in Net Position of Governmental Activities	$	234,217

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

CITY OF PLAINVIEW, TEXAS
Statement of Net Position - Proprietary Funds
September 30, 2013

	Business-type Activities	
	Solid Waste Management Fund	Water and Sewer Fund
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 2,806,560	$ 3,587,265
Investments	3,504,303	4,482,765
Interest receivable	464	2,219
Accounts receivable, net	392,902	1,103,818
Grants receivable	-	64,810
Inventories, at cost	-	141,600
Total Current Assets	6,704,229	9,382,477
Noncurrent Assets:		
Restricted Assets		
Cash and cash equivalents	127,028	4,391,613
Capital Assets		
Nondepreciable	458,260	3,486,409
Depreciable, net	3,686,833	22,299,148
Unamortized water supply contract costs	-	10,397,140
Total Noncurrent Assets	4,272,121	40,574,310
Total Assets	10,976,350	49,956,787
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charge for debt refunding		223,877
Total Outflows of Resources	-	223,877
LIABILITIES		
Current Liabilities:		
Accounts payable	55,166	236,636
Wages payable	17,534	36,641
Accrued interest payable	1,415	35,439
Current portion of long-term liabilities		
Accrued compensated absences	2,423	2,557
Bonds and certificates of obligation	240,000	950,000
Water contract obligation	-	469,665
Total Current Liabilities	316,538	1,730,938

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

Nonmajor Enterprise Fund	Total Enterprise Funds	Governmental Activities Total Internal Service Funds
$ 139,359	$ 6,533,184	$ 3,211,934
-	7,987,068	2,788,197
-	2,683	439
-	1,496,720	184,718
-	64,810	-
213	141,813	46,594
139,572	16,226,278	6,231,882
-	4,518,641	-
5,000	3,949,669	-
34,458	26,020,439	2,462,481
-	10,397,140	-
39,458	44,885,889	2,462,481
179,030	61,112,167	8,694,363
	223,877	-
-	223,877	-
1,372	293,174	203,079
323	54,498	2,876
-	36,854	-
-	4,980	-
-	1,190,000	-
-	469,665	-
1,695	2,049,171	205,955

	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	1,279,135	-
Payable from restricted assets:		
Deposits and escrow	-	406,898
Noncurrent portion of long-term liabilities		
Accrued compensated absences	27,620	50,663
Net pension obligation	13,635	67,672
Net other postemployment benefits obligation	-	-
Bonds and certificates of obligation	245,000	12,380,000
Unamortized premiums and deferred losses on bonds	2,397	324,182
Water contract obligations	-	7,654,324
Total Noncurrent Liabilities	1,567,787	20,883,739
Total Liabilities	1,884,325	22,614,677
NET POSITION		
Net investment in capital assets	3,784,724	17,850,273
Restricted for debt service	-	727,406
Unrestricted	5,307,301	8,988,308
Total Net Position	$ 9,092,025	$ 27,565,987
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds		
Net position of business type activities		

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

Nonmajor Enterprise Fund	Total Enterprise Funds	Governmental Activities Total Internal Service Funds
-	1,279,135	-
-	406,898	-
-	78,283	5,105
1,000	82,307	1,575
-	-	685,049
-	12,625,000	-
-	326,579	-
-	7,654,324	-
1,000	22,452,526	691,729
2,695	24,501,697	897,684
39,458	21,674,455	2,462,481
-	727,406	-
136,877	14,432,486	5,334,198
$ 176,335	$ 36,834,347	$ 7,796,679
	(309,244)	
	$ 36,525,103	

CITY OF PLAINVIEW, TEXAS

Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds

Year Ended September 30, 2013

	Business-type Activities	
	Solid Waste Management Fund	Water and Sewer Fund
OPERATING REVENUE		
Charges for services	$ 2,975,870	$ 6,972,714
Intergovernmental revenue and grants	-	242,851
Other revenue	68,488	10,972
Total Operating Revenues	3,044,358	7,226,537
OPERATING EXPENSES		
Personnel services - salaries and wages	558,460	1,094,078
Personnel services - employee benefits	261,173	474,085
Purchased professional & technical services	267,795	634,432
Purchased property services	316,882	490,007
Other operating expenses	192,011	898,567
Supplies	295,886	623,879
Depreciation and amortization	613,631	1,077,484
Total Operating Expenses	2,505,838	5,292,532
Operating Income (Loss)	538,520	1,934,005
NONOPERATING REVENUES (EXPENSES)		
Gain (loss) on sale of property	(2,074)	(3,077)
Investment earnings	17,285	36,015
Bond issuance cost	-	(22,510)
Bond premium accretion	1,369	22,672
Interest expense	(19,665)	(732,482)
Refunding loss amortization	-	(16,680)
Total Nonoperating Revenues (Expenses)	(3,085)	(716,062)
Income Before Contributions and Transfers	535,435	1,217,943
CONTRIBUTIONS AND TRANSFERS		
Transfers in	7,960	11,542
Transfers out	(374,644)	(538,461)
Total Contributions and Transfers	(366,684)	(526,919)
Change in Net Position	168,751	691,024
Net Position - Beginning of Year, restated	8,923,274	26,874,963
Net Position - End of Year	$ 9,092,025	$ 27,565,987

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

Change in net position of business type activities

The accompanying notes are an integral part of these financial statements

	Nonmajor Enterprise Fund	Total Enterprise Funds	Governmental Activities Total Internal Service Funds
	$ 7,106	$ 9,955,690	$ 2,539,051
	-	242,851	-
	125	79,585	423,134
	7,231	10,278,126	2,962,185
	10,439	1,662,977	100,514
	3,727	738,985	45,306
	-	902,227	4,214
	3,901	810,790	84,039
	3,725	1,094,303	2,678,965
	7,796	927,561	33,753
	3,083	1,694,198	570,122
	32,671	7,831,041	3,516,913
	(25,440)	2,447,085	(554,728)
	-	(5,151)	(7,530)
	293	53,593	14,358
	-	(22,510)	-
	-	24,041	-
	-	(752,147)	-
	-	(16,680)	-
	293	(718,854)	6,828
	(25,147)	1,728,231	(547,900)
	31,000	50,502	1,120,945
	-	(913,105)	(81,294)
	31,000	(862,603)	1,039,651
	5,853	865,628	491,751
	170,482	35,968,719	7,304,928
	$ 176,335	$ 36,834,347	$ 7,796,679
		(155,873)	
		$ 709,755	

CITY OF PLAINVIEW, TEXAS

Statement of Cash Flows - Proprietary Funds

Year Ended September 30, 2013

	Business-type Activities	
	Solid Waste Management Fund	Water and Sewer Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from user charges	$ 3,012,588	$ 7,284,357
Cash from operating transactions - other funds	-	-
Cash payments to employees for services	(839,504)	(1,567,384)
Cash payments for goods and services	(986,201)	(2,945,834)
Other operating cash receipts	68,488	10,972
Net Cash Provided (Used) by Operating Activities	1,255,371	2,782,111
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Increase (decrease) in deposits and escrow held	-	11,158
Transfers to other funds	(374,644)	(538,461)
Transfers from other funds	7,960	11,542
Net Cash (Used) Provided by Noncapital Financing Activities	(366,684)	(515,761)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of capital assets	(229,584)	(3,202,732)
Principal paid on long-term debt	(230,000)	(1,509,159)
Interest paid on long-term debt	(20,336)	(734,315)
Bond issuance costs paid on long-term debt	-	(22,510)
Premiums received on long-term debt	-	118,261
Proceeds from the sale of capital assets	-	-
Net Cash Used by Capital and Related Financing Activities	(479,920)	(5,350,455)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(11,504)	(14,576)
Interest on investments	17,569	36,492
Net Cash Provided by Investing Activities	6,065	21,916
Net (Decrease) Increase in Cash and Restricted Cash	414,832	(3,062,189)
Cash and Cash Equivalents - October 1	2,518,756	11,041,067
Cash and Cash Equivalents - September 30	$ 2,933,588	$ 7,978,878

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

Nonmajor Enterprise Fund	Total Enterprise Funds	Governmental Activities Total Internal Service Funds
$ 7,377	$ 10,304,322	$ -
-	-	2,362,799
(14,124)	(2,421,012)	(145,979)
(15,281)	(3,947,316)	(2,685,281)
125	79,585	423,134
(21,903)	4,015,579	(45,327)
-	11,158	-
	(913,105)	(72,395)
31,000	50,502	1,123,026
31,000	(851,445)	1,050,631
-	(3,432,316)	(1,021,611)
-	(1,739,159)	-
-	(754,651)	-
-	(22,510)	-
-	118,261	-
-	-	1,329
-	(5,830,375)	(1,020,282)
-	(26,080)	(9,609)
293	54,354	14,534
293	28,274	4,925
9,390	(2,637,967)	(10,053)
129,969	13,689,792	3,221,987
$ 139,359	$ 11,051,825	$ 3,211,934

CITY OF PLAINVIEW, TEXAS

Statement of Cash Flows - Proprietary Funds - continued
Year Ended September 30, 2013

	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)	$ 538,520	$ 1,934,005
Adjustments to reconcile operating income to net cash		
Provided (used) by operating activities		
Depreciation and amortization	613,631	1,077,484
Landfill closure/postclosure	90,997	-
(Increase) decrease in operating assets and liabilities:		
Accounts receivable (net)	36,718	68,792
Inventories	-	2,040
Accounts payable	1,467	(244,345)
Wages payable	1,170	7,716
Net other postemployment benefits obligations	-	-
Net pension obligation	(24,135)	(11,477)
Accrued compensated absences	3,094	4,540
Interfund payables	(6,091)	(56,644)
Net Cash Provided (Used) by Operating Activities	$ 1,255,371	$ 2,782,111
RECONCILIATION OF TOTAL CASH AND CASH EQUIVALENTS		
Cash and cash equivalents - Statement of Net Position	$ 2,806,560	$ 3,587,265
Restricted Cash - Statement of Net Position	127,028	4,391,613
Total cash and cash equivalents	$ 2,933,588	$ 7,978,878

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

		Governmental Activities
Nonmajor Enterprise Fund	Total Enterprise Funds	Total Internal Service Funds
$ (25,440)	$ 2,447,085	$ (554,728)
3,083	1,694,198	570,122
-	90,997	-
271	105,781	(176,252)
(48)	1,992	(6,571)
189	(242,689)	51,183
50	8,936	(159)
-	-	71,078
(8)	(35,620)	-
-	7,634	-
-	(62,735)	-
$ (21,903)	$ 4,015,579	$ (45,327)
$ 139,359	$ 6,533,184	$ 3,211,934
-	4,518,641	-
$ 139,359	$ 11,051,825	$ 3,211,934

PLAINVIEW, TX

explore the opportunities

Note 1: Summary of Significant Accounting Policies

The accompanying financial statements of the City of Plainview (the City) have been prepared in conformity with accounting principles applicable to governmental units which are generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Reporting Entity

The City's financial statements include the accounts of all its operations. The City evaluated whether any other entity should be included in these financial statements. The criteria for including organizations as component units within the City's reporting entity, as set forth in accounting principles generally accepted in the United States of America (GAAP) include whether:

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

The City also evaluated any legally separate tax-exempt organizations whose resources are used principally to provide support to the City to determine if its omission from the reporting entity would result in financial statements which are misleading or incomplete. GAAP requires inclusion of such an organization as a component unit when: 1) The economic resources received or held by the organization are entirely or almost entirely for the direct benefit of the City, its component units or its constituents; and 2) The City or its component units are entitled to, or have the ability to otherwise access, a majority of the economic resources received or held by the organization; and 3) Such economic resources are significant to the City.

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

Basis of Presentation

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

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

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

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

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.

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.

Note 1: Summary of Significant Accounting Policies – continued

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

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

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 3.

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

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, fines and EMS accounts receivable. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Note 1: Summary of Significant Accounting Policies – continued

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

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

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

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

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

Fund balance - Details of constraints on fund balances of governmental funds at September 30, 2013 are as follows:

	General Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable:			
Inventories	$ 38,470	$	$ 38,470
Restricted to:			
Tourism		539,048	539,048
Economic Development			
Revolving Loan Fund		45,882	45,882
PEG fund		1,158	1,158
Law Enforcement		66,298	66,298
Municipal Court		84,037	84,037
Assigned to:			
Library projects	19,227		
Capital Improvement	1,446,709		1,446,709
Street Improvement	310,152		310,152
Economic Development	1,039,880		1,039,880
Unassigned	11,905,269		11,905,269
	$ 14,759,707	$ 736,423	$ 15,476,903

Note 1: Summary of Significant Accounting Policies – continued

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, 2013 are nonspendable in form. The City has not reported any amounts that are legally or contractually required to be maintained intact.

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

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

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

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, 2013, 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.

Note 2: Deposits and Investments – continued

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

As of September 30, 2013, 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	$	100,275	0.49%	AAAm	$	100,275
Certificate of Deposits		20,518,613	99.51%	N/A		20,518,613
Total Portfolio	$	20,618,888	100.00%		$	20,618,888

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, 2013:

	General Fund	Nonmajor Governmental Funds	Solid Waste Management Fund	Water and Sewer Fund	Internal Service Funds	Total
Receivables:						
Taxes	$ 1,014,181	$ 29,975	$ -	$ -	$ -	$ 1,044,156
Accounts	420,257	-	394,692	1,109,205	184,718	2,108,872
Fines	649,893	-	-	-	-	649,893
Grants	55,384	192,450	-	64,810	-	312,644
Interest	1,472	-	464	2,219	439	4,594
Gross receivables	2,141,187	222,425	395,156	1,176,234	185,157	4,120,159
Less: allowance for uncollectibles	(864,773)	-	(1,790)	(5,387)	-	(871,950)
Net total receivables	$ 1,276,414	$ 222,425	$ 393,366	$ 1,170,847	$ 185,157	$ 3,248,209

Note 4: 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, 2013, consisted $309,244 is included in internal balances in the government-wide statement of net position 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, 2013, consisted of the following:

Transfer From	Transfer To	Amount	Purpose
General fund	Internal service fund	$ 650,000	Health insurance
General fund	Internal service fund	59,980	Service center operations
Water and sewer fund	Internal service fund	25,550	Service center operations
Water and sewer fund	General fund	30,000	Economic development
Water and sewer fund	General fund	332,911	Transfer in lieu of franchise fees
Water and sewer fund	Internal service fund	150,000	Health insurance
Solid waste mgmt. fund	Internal service fund	25,550	Service center operations
Solid waste mgmt. fund	General fund	149,094	Transfer in lieu of franchise fees
Solid waste mgmt. fund	Internal service fund	200,000	Health insurance
Nonmajor governmental fund	Nonmajor busn. type activities	31,000	Theatre arts
Internal service fund	General fund	51,169	Health insurance
Internal service fund	Nonmajor governmental fund	379	Health insurance
Internal service fund	Nonmajor governmental fund	379	Health insurance
Internal service fund	Solid waste mgmt. fund	7,960	Health insurance
Internal service fund	Water and sewer fund	11,371	Health insurance
Internal service fund	Water and sewer fund	171	Equipment replacement
Internal service fund	Internal service fund	8,728	Service center operations
Internal service fund	Internal service fund	1,137	Health insurance
		$ 1,735,379	

Note 5: Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents consisted of the following at September 30, 2013:

Water and Sewer Fund		
Debt Service	$	762,845
Customer Deposits / Escrow		406,898
Capital Projects (Unspent Bond Proceeds)		3,221,870
		4,391,613
Solid Waste Management Fund		
Capital Projects (Unspent Bond Proceeds)		127,028
Total	$	4,518,641

Note 6: Capital Assets

Capital asset activity for the period ended September 30, 2013 was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Governmental Activities				
Capital assets not being depreciated				
Land	$ 550,702	$ -	$ -	$ 550,702
Construction in progress	13,333	-	-	13,333
Total capital assets not being depreciated	564,035	-	-	564,035
Capital assets being depreciated				
Building and improvements	3,745,255	75,492	(25,789)	3,794,958
Machinery and equipment	8,366,354	1,032,984	(809,811)	8,589,527
Infrastructure	15,565,984	-	-	15,565,984
Total capital assets being depreciated	27,677,593	1,108,476	(835,600)	27,950,469
Less accumulated depreciation for:				
Building and improvements	(2,067,188)	(106,196)	14,827	(2,158,557)
Machinery and equipment	(5,769,328)	(724,876)	799,431	(5,694,773)
Infrastructure	(11,546,472)	(359,542)	-	(11,906,014)
Total accumulated depreciation	(19,382,988)	(1,190,614)	814,258	(19,759,344)
Capital assets being depreciated, net	8,294,605	(82,138)	(21,342)	8,191,125
Governmental activities capital assets, net	$ 8,858,640	$ (82,138)	$ (21,342)	$ 8,755,160

Note 6: Capital Assets – continued

	Beginning Balance	Additions	Retirements	Ending Balance
Business-Type Activities				
Capital assets not being depreciated				
Land	$ 529,367	$ -	$ -	$ 529,367
Construction in progress	595,107	2,825,195	-	3,420,302
Total capital assets not being depreciated	1,124,474	2,825,195	-	3,949,669
Capital assets being depreciated				
Building and improvements	2,654,187	8,283	-	2,662,470
Machinery and equipment	6,277,853	316,935	(176,844)	6,417,944
Improvements and system	39,443,101	281,730	(9,372)	39,715,459
Total capital assets being depreciated	48,375,141	606,948	(186,216)	48,795,873
Less accumulated depreciation for:				
Building and improvements	(2,039,899)	(27,028)	-	(2,066,927)
Machinery and equipment	(3,387,313)	(558,927)	171,864	(3,774,376)
Improvements and system	(15,984,198)	(959,305)	9,372	(16,934,131)
Total accumulated depreciation	(21,411,410)	(1,545,260)	181,236	(22,775,434)
Capital assets being depreciated, net	26,963,731	(938,312)	(4,980)	26,020,439
Business-type activities capital assets, net	$ 28,088,205	$ 1,886,883	$ (4,980)	$ 29,970,108

Depreciation was charged to functions as follows:

Governmental Activities	
General government - administration	$ 32,573
General government - other	4,405
Public safety	191,816
Public works	245,772
Health	2,077
Recreation and culture	143,849
Depreciation for capital assets of internal service funds is allocated to various functions based on usage of the assets	570,122
	$ 1,190,614
Business-type Activities	
Solid Waste Management Fund	$ 613,631
Water and Sewer Fund	928,546
Theatre Arts	3,083
	$ 1,545,260

Note 7: Other Assets

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

	Water and Sewer Fund
Water Supply Contract Costs	$ 12,659,718
(Less) Accumulated Amortization	(2,262,578)
Water Supply Contract Costs, net	$ 10,397,140

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, 2013 are as follows:

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Governmental Activities					
Compensated Absences	$ 962,306	$ 6,895	$ -	$ 969,201	$ 5,261
Net Pension Obligation	704,994	1,109,728	(1,074,208)	740,514	-
Net OPEB Obligation	612,654	311,682	(239,287)	685,049	-
Total Governmental Activities	$ 2,279,954	$ 1,428,305	$ (1,313,495)	$ 2,394,764	$ 5,261
Business-Type Activities					
Certificates of Obligation and bonds	$ 14,965,000	$ -	$ (1,150,000)	$ 13,815,000	$ 1,190,000
Bond premium, net	13,039	337,579	(24,039)	326,579	-
Subtotal	14,978,039	337,579	(1,174,039)	14,141,579	1,190,000
Water contract obligations	8,713,148	-	(589,159)	8,123,989	469,665
Accrued landfill closure / postclosure costs	1,188,138	90,997	-	1,279,135	-
Compensated Absences	75,629	7,634	-	83,263	4,980
Net Pension Obligation	117,927	264,293	(299,913)	82,307	-
Total Business-Type Activities	$ 25,072,881	$ 700,503	$ (2,063,111)	$ 23,710,273	$ 1,664,645

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

Note 8: Long-Term Obligations – continued

Debt service requirements for long-term debt as of September 30, 2013 are as follows:

Year Ended	Bonds Payable and Water Contract Obligations		
September 30,	Principal	Interest	Total
2014	$ 1,659,665	$ 807,675	$ 2,467,340
2015	1,693,906	752,340	2,446,246
2016	1,495,415	698,603	2,194,018
2017	1,537,865	646,598	2,184,463
2018	1,648,857	592,059	2,240,916
2019-2023	7,162,024	2,068,699	9,230,723
2024-2028	4,905,587	877,918	5,783,505
2029-2030	1,835,670	91,935	1,927,605
	$ 21,938,989	$ 6,535,827	$ 28,474,816

Long-term debt interest cost incurred for Business-type Activities for the year ended September 30, 2013 was as follows:

Interest charged to expense	$ 752,147
Interest capitalized	64,036
Total interest incurred	$ 816,183

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, 2013 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%	$ 485,000
2009 General Obligation Refunding Bonds	Refunding - waste water treatment plant bonds	3/1/2021	2.0 to 3.625%	5,075,000
2010 Tax and Revenue Certificates of Obligation	Water and sewer system improvements	3/1/2030	3.0 to 3.8%	8,255,000
				$ 13,815,000

Note 8: Long-Term Obligations – continued

Continuing Disclosure

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

Surface Water Supply Contract Obligations

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

The Authority issued Subordinate Lien Contract Revenue Refunding Bonds, Series 2012 in the amount of $39,505,000, of which the City's portion was $1,673,329 with interest rates ranging from 2% - 5%. The proceeds were used to advance refund $41,575,000 of outstanding Contract Revenue Bonds, Series 2005, of which the City's outstanding balance was $1,768,876 which had interest rates ranging from 3% - 5.25%. The net proceeds of $1,988,233 (including a $337,579 premium less $22,675 in underwriting fees and other issuance costs) were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds. As a result, the Contract Revenue Bonds, Series 2005 bonds are considered defeased and the liability for those bonds has been removed from the statement of net position.

The reacquisition price exceeded the net carrying amount of the old debt by $219,320. This amount is being amortized over the remaining life of the refunded debt. The Authority advance refunded the Contract Revenue Bonds, Series 2005 bonds to reduce the City's share of total debt service payments over the next 12 years by $185,632 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of $44,707.

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%	$ 988,365
Refunding Series 2010 (CUA)	2/15/2020	3.0% to 3.5%	202,968
Refunding Series 2010 (BUREC)	10/1/2018	3.0% to 5.0%	328,878
Refunding Series 2012	2/15/2025	4.50%	1,628,175
Series 2006	2/15/2027	4.25 to 5.0%	1,424,008
Series 2009	2/15/2029	4.16%	676,192
Series 2011	2/15/2031	3.0% to 5.0%	2,875,403
			$ 8,123,989

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, 2013:

Note 8: Long-Term Obligations – continued

Costs of operations	$	186,600
Water pumping and chemical costs		272,756
Debt service		950,584
Total	$	1,409,940

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, 2013 are as follows:

Capitalized contract costs	$	12,659,718
Accumulated amortization		(2,262,578)
Net unamortized costs	$	10,397,140

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

The financial statements of CRMWA as of September 30, 2013, and for the year then ended, reflect the following:

		9/30/2013
Assets:		
Current assets	$	26,255,412
Noncurrent assets		541,914,244
Deferred Outflows of Resources:		
Deferred charge on refunding		1,922,918
Liabilities:		
Current liabilities		14,526,936
Noncurrent liabilities		210,141,260
Net Position:		
Net investment in capital assets		122,072,146
Restricted		208,905,421
Unrestricted		14,446,811
Total Net Position		345,424,378
Operating revenues		13,121,507
Operating expenses		(15,651,757)
Nonoperating revenues and expenses, net		(345,098)
Credits to member cities for bond refunding activity		(2,070,000)
Increase (decrease) in net position		(4,945,348)

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.

Note 9: Employee Retirement Benefits – continued

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 from 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 2012	Plan Year 2013
Employee deposit rate	7%	7%
Matching ratio (city to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service retirement eligibility		
(expressed as age / years of service)	60/5, 0/25	60/5, 0/25
Updated Service Credit	100% Repeating, Transfers	100% Repeating, Transfers
Annuity Increase (to retirees)	70% of CPI Repeating	70% of CPI Repeating

Contributions:

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

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

The annual pension cost and net pension obligation/(asset) as of September 30, 2013 are as follows:

Annual required contribution (ARC)	$	905,346
Interest on net pension obligation		28,066
Adjustment to ARC		(24,659)
Annual pension cost (expense)		908,753
Contributions made		(1,010,411)
Increase (decrease) in net pension obligation		(101,658)
Net pension obligation - beginning of year		400,949
Net pension obligation - end of year	$	299,291

Trend Information

For Year Ending		Annual Pension Cost		Actual Contribution Made	Percentage of APC Contributed		Net Pension Obligation
9/30/2011	$	1,041,491	$	925,833	88.9%	$	456,741
9/30/2012		904,606		960,398	106.2%		400,949
9/30/2013		908,753		1,010,411	111.2%		299,291

Note 9: Employee Retirement Benefits – continued

The required contribution rates for fiscal year 2013 were determined as part of the December 31, 2010 and 2011 actuarial valuations. Additional information as of the latest actuarial valuation, December 31, 2012, is as follows:

Valuation Date	12/31/2010	12/31/2011	12/31/2012
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	27.3 Years - Closed Period	26.3 Years - Closed Period	25.2 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*	7.0%	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%

Funded Status and Funding Progress:

The funded status as of December 31, 2012, the most recent actuarial valuation date, is presented as follows:

		12/31/2012
Actuarial value of assets	$	29,313,307
Actuarial accrued liability (AAL)	$	33,885,138
Funded ratio		86.5%
Unfunded (over-funded) AAL (UAAL)	$	4,571,831
Covered Payroll	$	5,656,134
UAAL as a percentage of covered payroll		80.8%

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.

Note 9: Employee Retirement Benefits – continued

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.

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%

		9/30/2013
Annual required contribution (ARC)	$	711,654
Firefighter contribution		(256,650)
Interest on net pension obligation		32,704
Amortization adjustment on ARC		(22,439)
Total annual pension cost (APC)		465,269
Contributions made		(363,710)
Increase (decrease) in net pension obligation		101,559
Net pension obligation (NPO) at the beginning of year		421,971
NPO at the end of year	$	523,530

Trend Information

ForYear Ending	Annual Pension Cost	Net Employer Contribution	Percentage of APC Contributed	Net Pension Obligation
9/30/2011	$ 408,283	$ 286,298	70.1%	$ 296,887
9/30/2012	454,163	329,078	72.5%	421,972
9/30/2013	465,268	363,710	78.2%	523,530

Note 9: Employee Retirement Benefits – continued

Currently active members are required to contribute 14% of covered pay. For the fiscal year ended September 30, 2013, the employees contributed $256,650 in addition to the employer 19.84% 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

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, 2014 the City 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
9/30/2011	$ 60,600	$ 1,219,737	$ (1,257,644)	$ 22,693
9/30/2012	22,693	1,166,398	(1,055,672)	133,419
9/30/2013	133,419	1,450,506	(1,450,460)	133,465

The City contributes $513 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 $1,950,000 per participant for the policy period. The aggregate stop loss insurance provides that in no event shall the City's point of attachment be less than $1,886,270. Aggregate stop loss payments shall not exceed $1,000,000.

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

Note 10: Health Care Coverage

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.

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.

Note 11: Other Postemployment Benefits – continued

Schedule of Monthly Premiums:

Category	Monthly Premium	Paid By:
Retiree (under 65)	$ 478	Retiree
Retiree (65+)	377	Retiree
Active Employee	513	City
Spouse	378	Employee
1 Child	222	Employee
2+ Children	307	Employee
Full Family	629	Employee
COBRA	523	Former employee

Funding Policy and Annual OPEB Cost:

The City's annual other post employment benefits (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameter of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The City currently funds the plan on a pay-as-you-go basis. The City had its first OPEB actuarial valuation performed for the fiscal year beginning October 1, 2008 as required by GASB. The City's annual OPEB cost for the year ended September 30, 2013 is as follows:

Annual required contribution (ARC)	$ 309,656
Interest on OPEB obligation	27,569
Adjustment to ARC	(25,543)
Annual OPEB cost at end of year	311,682
Net employer contributions	(239,287)
Increase in net OPEB obligation	72,395
Net OPEB obligation at beginning of year	612,654
Net OPEB obligation at end of year	$ 685,049

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, 2013 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
9/30/2011	$ 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%
9/30/2013	239,287	311,682	76.8%	685,049	311,682	76.8%

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

Note 11: Other Postemployment Benefits – continued

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, which is the date of the last actuarial valuation.

Actuarial methods and assumptions:

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

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

Actuarial assumptions were as follows:

Inflation rate	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 2013, 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 $1,886,270 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.

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 $1,279,135 reported as landfill closure and postclosure care liability as of September 30, 2013, represents the cumulative amount reported to date based on the use of 20.63 percent of the estimated capacity of the landfill. The City will recognize the remaining estimated cost of closure and postclosure of $4,921,227 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2013. The City expects to close the landfill in the year 2094. 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 $1,279,135 as of September 30, 2013.

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	12/31/2012
Total current assets	$ 100,260
Total property and equipment	1,918,995
Total current liabilities	384
Net position invested in capital assets	1,918,995
Unrestricted net position	99,876
Total net position	2,018,871
Total operating revenues	71,294
Total operating expenses	(96,693)
Net increase (decrease) in net position	(25,399)
City's 50% share of increase (decrease) in net position	(12,700)

Note 15: Investment in Joint Venture

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, 2013 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 17: Upcoming Accounting Pronouncements

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 and Firemen's Relief and Retirement plans. 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 this new Statement prior to the effective dates.

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. During fiscal year 2013 an emergency generator was purchased for the waste water treatment plant and work was nearly completed on the water tower project. At September 30, 2013 the City had $3.2 million of remaining unspent bond proceeds from this issuance. These funds will be used for the anticipated costs to complete the water tower project for $450,000 and the lift station for $890,000 and other projects allowed by the bond covenants and approved by the City Council.

Note 19: Prior Period Adjustment

The following table illustrates the effect of the prior period adjustments on business-type activities at September 30, 2013.

	Solid Waste Management Fund	Water and Sewer Fund	Nonmajor Enterprise Fund	Allocation of Internal Service Funds	Business-type Activities
As previously stated September 30, 2012	$ 8,948,274	$ 27,065,885	$ 170,482	$ (153,371)	$ 36,031,270
Elimination of bond issuance costs in accordance with GASB 65	(25,000)	(190,922)	-	-	(215,922)
Beginning fund balance October 1, 2012 as restated	$ 8,923,274	$ 26,874,963	$ 170,482	$ (153,371)	$ 35,815,348

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, 2013

	Budgeted Amounts Original	Budgeted Amounts Final	Actual GAAP Basis
REVENUES			
Taxes			
Property taxes	$ 4,296,500	$ 4,296,500	$ 4,385,873
General sales and use tax	3,590,000	3,590,000	3,829,054
Selective sales and use tax	30,000	30,000	27,417
Franchise tax	1,280,000	1,280,000	1,344,875
Penalty and interest on taxes	71,000	71,000	83,552
Licenses and permits	56,600	56,600	65,776
Intergovernmental revenue and grants	185,305	185,305	193,747
Charges for services	606,205	606,205	614,684
Fines and forfeitures	329,855	329,855	310,463
Investment earnings	65,000	65,000	38,631
Rents and royalties	360	360	360
Other revenue	918,095	918,095	141,489
Total Revenues	11,428,920	11,428,920	11,035,921
EXPENDITURES			
Current			
General government - administration			
City council	58,080	58,080	(19,386)
City manager	279,735	279,735	81,471
Nondepartmental	314,530	314,530	266,848
Legal	230,115	230,115	92,289
Finance	68,070	68,070	(67,433)
Human resources	70,230	70,230	65,805
Civil service	236,960	236,960	209,899
Property tax appraisal / collection	100,500	100,500	89,969
Total general government - admin	1,358,220	1,358,220	719,462
General government - other			
Municipal court	145,020	145,020	141,291
Community development	143,440	143,440	129,644
Code enforcement	229,005	229,005	217,180
Main Street	101,985	101,985	17,764
Airport	5,000	5,000	
Total general government - other	624,450	624,450	505,879
Health			
City-county health department	138,035	138,035	136,569
Health OPHP/LPHS (BRHLO)	83,855	83,855	79,004
Health TDH-IMM	167,930	167,930	161,494
Total Health	389,820	389,820	377,067

Adjustments to Budget Basis	Actual Budget Basis	Variance with Final Budget
$	$ 4,385,873	$ 89,373
	3,829,054	239,054
	27,417	(2,583)
	1,344,875	64,875
	83,552	12,552
	65,776	9,176
	193,747	8,442
	614,684	8,479
	310,463	(19,392)
	38,631	(26,369)
	360	-
800,720	942,209	24,114
800,720	11,836,641	407,721
56,950	37,564	20,516
187,100	268,571	11,164
	266,848	47,682
134,660	226,949	3,166
126,315	58,882	9,188
	65,805	4,425
	209,899	27,061
	89,969	10,531
505,025	1,224,487	133,733
	141,291	3,729
	129,644	13,796
	217,180	11,825
46,245	64,009	37,976
		5,000
46,245	552,124	72,326
	136,569	1,466
	79,004	4,851
	161,494	6,436
-	377,067	12,753

CITY OF PLAINVIEW, TEXAS
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget to Actual - General Fund
Year Ended September 30, 2013

	Budgeted Amounts		Actual
	Original	Final	GAAP Basis
EXPENDITURES - continued			
Current - continued			
Public safety			
Police	3,459,405	3,459,405	3,317,652
Fire	3,182,455	3,182,455	3,076,052
Traffic control	191,880	191,880	157,385
Emergency operations center	18,700	18,700	8,473
Street lighting	190,000	190,000	181,717
Animal control	145,615	145,615	147,931
Total public safety	7,188,055	7,188,055	6,889,210
Public works			
Public works - general	269,190	269,190	(87,618)
Street cleaning	179,715	179,715	168,713
Streets - other	713,835	713,835	687,658
Building operations	100,145	128,505	128,384
Custodial services	-	2,500.00	759
Total public works	1,262,885	1,293,745	897,896
Recreation and culture			
Parks	717,685	717,685	612,495
Swimming pool	24,500	24,500	22,000
Library	412,150	412,150	413,160
Total Parks and Recreation	1,154,335	1,154,335	1,047,655
Capital outlay	750	750	15,226
Total Expenditures	11,978,515	12,009,375	10,452,395
Excess of Revenues Over (Under) Expenditures	(549,595)	(580,455)	583,526
Other Financing Sources (Uses)			
Transfers in	495,495	495,495	533,174
Transfers out	(30,000)	(739,980)	(739,980)
Total Other Financing Sources (Uses)	465,495	(244,485)	(206,806)
Change in Fund Balance	(84,100)	(824,940)	376,720
Fund Balance - October 1	11,586,246	11,586,246	11,586,246
Fund Balance - September 30	$ 11,502,146	$ 10,761,306	$ 11,962,966

Adjustments to Budget Basis	Actual Budget Basis	Variance with Final Budget
	3,317,652	141,753
	3,076,052	106,403
	157,385	34,495
	8,473	10,227
	181,717	8,283
	147,931	(2,316)
-	6,889,210	298,845
249,450	161,832	107,358
	168,713	11,002
	687,658	26,177
	128,384	121
-	759	1,741
249,450	1,147,346	146,399
	612,495	105,190
	22,000	2,500
	413,160	(1,010)
-	1,047,655	106,680
	15,226	(14,476)
800,720	11,253,115	756,260
-	583,526	1,163,981
	533,174	37,679
	(739,980)	-
-	(206,806)	37,679
-	376,720	1,201,660
-	11,586,246	-
$ -	$ 11,962,966	$ 1,201,660

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

Required Supplementary Information

Schedule of Funding Progress - Pension and OPEB Plans

Year Ended September 30, 2013

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:						
12/31/10	$ 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%
12/31/12	29,313,307	33,885,138	4,571,831	86.5%	5,656,134	80.8%
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

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

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

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

Change in Fund Balance Exhibit B-1	$	376,720
Investment earnings		6,731
General government - administration		(218,025)
Intergovernmental grants		35,000
Capital outlay		(71,641)
Net transfers		60,000
Change in Fund Balance Exhibit A-5	$	188,785

Note B: Budgetary Process

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

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

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

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

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

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

6. During the year, the budget was amended as necessary. The following budget amendments were significant for the General Fund: the budget was amended to provide for a $650,000 transfer to the Health Insurance Fund and for a $59,980 transfer to the Service Internal Service Fund.

7. All budget appropriations lapse at year end.

PLAINVIEW, TX

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Combining Statements &
Budget Comparisons

COMBINING STATEMENTS AND BUDGETARY COMPARISONS

CITY OF PLAINVIEW, TEXAS
Combining Balance Sheet
General Funds
September 30, 2013

	General Fund	Capital Improvement Fund	Street Improvement Fund
ASSETS			
Cash and cash equivalents	$ 2,262,614	$ 945,317	$ 310,152
Investments	9,339,944	503,679	-
Interest receivable	1,379	93	-
Accounts receivable (net)	302,289	-	-
Taxes receivable (net)	917,269	-	-
Due from other governments	55,384	-	-
Inventories	38,470	-	-
Total Assets	$ 12,917,349	$ 1,449,089	$ 310,152
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities			
Accounts payable	$ 376,952	$ 2,380	$ -
Wages payable	183,564	-	-
Compensated absences payable	5,246	-	-
Total Liabilities	565,762	2,380	-
Deferred Inflows of Resources			
Unavailable revenue			
Property taxes	213,137	-	-
Fines and fees	97,484	-	-
Emergency Medical Serivces	78,000	-	-
Total Deferred Inflows of Resources	388,621	-	-
Fund Balances			
Nonspendable	38,470	-	-
Assigned	19,227	1,446,709	310,152
Unassigned	11,905,269	-	-
Total Fund Balance	11,962,966	1,446,709	310,152
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 12,917,349	$ 1,449,089	$ 310,152

Economic Development Fund	Total General Funds
$ 1,039,880	$ 4,557,963
-	9,843,623
-	1,472
-	302,289
-	917,269
-	55,384
-	38,470
$ 1,039,880	$ 15,716,470
$ -	$ 379,332
-	183,564
-	5,246
-	568,142
-	213,137
-	97,484
-	78,000
-	388,621
-	38,470
1,039,880	2,815,968
-	11,905,269
1,039,880	14,759,707
$ 1,039,880	$ 15,716,470

CITY OF PLAINVIEW, TEXAS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balance - General Funds
Year Ended September 30, 2013

	General Fund	Capital Improvement Fund	Street Improvement Fund
REVENUES			
Taxes:			
Property taxes	$ 4,385,873	$ -	$ -
Sales and use taxes	3,829,054	-	-
Selective sales and use taxes	27,417	-	-
Franchise tax	1,344,875	-	-
Penalty and interest on taxes	83,552	-	-
Licenses and permits	65,776	-	-
Intergovernmental revenue and grants	193,747	35,000	-
Charges for services	614,684	-	-
Fines and fees	310,463	-	-
Investment earnings	38,631	3,773	672
Rents and royalties	360	-	-
Other revenue	141,489	-	-
Total Revenues	11,035,921	38,773	672
EXPENDITURES			
Current			
General government - administration	719,462	116,441	-
General government - other	505,879	-	-
Public safety	6,889,210	-	-
Public works	897,896	-	-
Health	377,067	-	-
Recreation and culture	1,047,655	-	-
Capital outlay	15,226	71,641	-
Total Expenditures	10,452,395	188,082	-
Excess (Deficiency) of Revenue over Expenditures	583,526	(149,309)	672
OTHER FINANCING SOURCES (USES)			
Transfers in	533,174	-	-
Transfers out	(739,980)	-	-
Total Other Financing Sources (Uses)	(206,806)	-	-
Net Change in Fund Balance	376,720	(149,309)	672
Fund Balance - October 1	11,586,246	1,596,018	309,480
Fund Balance - September 30	$ 11,962,966	$ 1,446,709	$ 310,152

Economic Development Fund	Elimination	Total General Funds
$ -	$ -	$ 4,385,873
-	-	3,829,054
-	-	27,417
-	-	1,344,875
-	-	83,552
-	-	65,776
-	-	228,747
-	-	614,684
-	-	310,463
2,286	-	45,362
-	-	360
-	-	141,489
2,286	-	11,077,652
101,584	-	937,487
-	-	505,879
-	-	6,889,210
-	-	897,896
-	-	377,067
-	-	1,047,655
-	-	86,867
101,584	-	10,742,061
(99,298)	-	335,591
60,000	(30,000)	563,174
-	30,000	(709,980)
60,000	-	(146,806)
(39,298)	-	188,785
1,079,178	-	14,570,922
$ 1,039,880	$ -	$ 14,759,707

CITY OF PLAINVIEW, TEXAS
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2013

	Hotel - Motel Occupancy Tax Fund	Economic Development Revolving Loan Fund	Police Seizure Fund	Federal Shared Forfeited Fund
ASSETS				
Cash and cash equivalents	$ 525,430	$ 139,103	$ 63,880	$ 2,418
Taxes receivable	29,525	-	-	-
Due from other governments	182,671	-	-	-
Total Assets	$ 737,626	$ 139,103	$ 63,880	$ 2,418
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	$ 198,578	$ -	$ -	$ -
Wages payable	-	-	-	-
Compensated absences payable	-	-	-	-
Due to other governments	-	93,221	-	-
Total Liabilities	198,578	93,221	-	-
Fund Balances				
Restricted	539,048	45,882	63,880	2,418
Total Fund Balances	539,048	45,882	63,880	2,418
TOTAL LIABILITIES AND FUND BALANCE	$ 737,626	$ 139,103	$ 63,880	$ 2,418

Police Pending Seizures Fund	RSVP Fund	Municipal Court Security Fee Fund	Municipal Court Technology Fund	PEG Fund	HRA Home RSP 2011 Fund	Total Nonmajor Governmental Funds
$ 3,985	$ 8,342	$ 46,432	$ 37,605	708	(3,368)	$ 824,535
-	-	-	-	450	-	29,975
-	6,411	-	-	-	3,368	192,450
$ 3,985	$ 14,753	$ 46,432	$ 37,605	$ 1,158	$ -	$ 1,046,960
$ 3,985	$ 13,259	$ -	$ -	$ -	$ -	$ 215,822
-	1,479	-	-	-	-	1,479
-	15	-	-	-	-	15
-	-	-	-	-	-	93,221
3,985	14,753	-	-	-	-	310,537
-	-	46,432	37,605	1,158	-	736,423
-	-	46,432	37,605	1,158	-	736,423
$ 3,985	$ 14,753	$ 46,432	$ 37,605	$ 1,158	$ -	$ 1,046,960

CITY OF PLAINVIEW, TEXAS
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
Year Ended September 30, 2013

	Hotel - Motel Occupancy Tax Fund	Economic Development Revolving Loan Fund	Police Seizure Fund	Federal Shared Forfeited Fund
REVENUE				
Selective sales and use tax	$ 321,718	$ -	$ -	$ -
Intergovernmental revenue and grants	-	-	-	-
Fines, forfietures and fees	-	-	15,145	-
Investment earnings	1,141	302	-	-
Contributions and donations	-	-	-	-
Other revenue	183,673	-	-	
Total Revenues	506,532	302	15,145	-
EXPENDITURES				
Current				
General government - administration	505,357	70,771	-	-
General government - other	-	-	-	-
Public safety	-	-	4,232	-
Total Expenditures	505,357	70,771	4,232	-
Excess (Deficiency) of Revenues over Expenditures	1,175	(70,469)	10,913	-
OTHER FINANCING SOURCES (USES)				
Transfers in	379	-	-	-
Transfers out	(31,000)	-	-	-
Total Other Financing Sources (Uses)	(30,621)	-	-	-
Net Change in Fund Balance	(29,446)	(70,469)	10,913	-
Fund Balance - October 1	568,494	116,351	52,967	2,418
Fund Balance - September 30	$ 539,048	$ 45,882	$ 63,880	$ 2,418

Police Pending Seizures Fund	RSVP Fund	Municipal Court Security Fee Fund	Municipal Court Technology Fund	PEG Fund	HRA Home RSP 2011 Fund	Total Nonmajor Governmental Funds
$ -	$ -	$ -	$ -	$ -	$ -	$ 321,718
-	80,033	-	-			80,033
-	-	6,380	8,445	1,158	-	31,128
-	-	-	-	-	-	1,443
-	10,911	-	-	-	-	10,911
-	9	-	-	-	3,368	187,050
-	90,953	6,380	8,445	1,158	3,368	632,283
-	-	-	-	-	3,368	579,496
-	91,332	252	-	-	-	91,584
-	-	-	-	-	-	4,232
-	91,332	252	-	-	3,368	675,312
-	(379)	6,128	8,445	1,158	-	(43,029)
-	379	-	-	-	-	758
-	-	-	-	-	-	(31,000)
-	379	-	-	-	-	(30,242)
-	-	6,128	8,445	1,158	-	(73,271)
-	-	40,304	29,160	-	-	809,694
$ -	$ -	$ 46,432	$ 37,605	$ 1,158	$ -	$ 736,423

Exhibit D-1

CITY OF PLAINVIEW, TEXAS

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Hotel-Motel Occupancy Tax Fund
Year Ended September 30, 2013

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget
	Original	Final		
REVENUE				
Selective sales and use tax	$ 253,000	$ 253,000	$ 321,718	$ 68,718
Investment earnings	800	800	1,141	341
Other revenue	250	250	183,673	183,423
Total Revenues	254,050	254,050	506,532	252,482
EXPENDITURES				
Current				
General government - administration				
Non-departmental	220,640	605,640	505,357	100,283
Capital outlay	2,000	2,000	-	2,000
Total Expenditures	222,640	607,640	505,357	102,283
Excess (Deficiency) of Revenue over Expenditures	31,410	(353,590)	1,175	354,765
OTHER FINANCING SOURCES (USES)				
Transfer in	-	-	379	379
Transfers out	(31,000)	(31,000)	(31,000)	-
Total Other Financing Sources (Uses)	(31,000)	(31,000)	(30,621)	379
Net Change in Fund Balance	410	(384,590)	(29,446)	355,144
Fund Balance - October 1	568,494	568,494	568,494	-
Fund Balance - September 30	$ 568,904	$ 183,904	$ 539,048	$ 355,144

Exhibit D-2

CITY OF PLAINVIEW, TEXAS

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Economic Development Revolving Loan Fund
Year Ended September 30, 2013

	Budgeted Amounts		Actual	Variance
	Original	Final	GAAP Basis	with Final Budget
REVENUE				
Investment earnings	$ 200	$ 200	$ 302	$ 102
Total Revenues	200	200	302	102
EXPENDITURES				
Current				
General government - administration				
Non-departmental	115,500	115,500	70,771	44,729
Total Expenditures	115,500	115,500	70,771	44,729
Excess (Deficiency) of Revenue over Expenditures	(115,300)	(115,300)	(70,469)	44,831
Fund Balance - October 1	116,351	116,351	116,351	-
Fund Balance - September 30	$ 1,051	$ 1,051	$ 45,882	$ 44,831

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, 2013

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget
	Original	Final		
REVENUE				
Intergovernmental revenue and grants	$ -	$ -	$ -	$ -
Fines, forfeitures and fees	4,000	4,000	15,145	11,145
Total Revenues	4,000	4,000	15,145	11,145
EXPENDITURES				
Current				
Public safety	5,245	5,245	4,232	1,013
Capital outlay	30,000	30,000	-	30,000
Total Expenditures	35,245	35,245	4,232	31,013
Excess (Deficiency) of Revenue over Expenditures	(31,245)	(31,245)	10,913	42,158
Fund Balance - October 1	52,967	52,967	52,967	-
Fund Balance - September 30	$ 21,722	$ 21,722	$ 63,880	$ 42,158

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

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Federal Shared Forfeited Fund
Year Ended September 30, 2013

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

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, 2013

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget
	Original	Final		
REVENUE				
Intergovernmental revenue and grants	$ 79,510	$ 79,510	$ 80,033	$ 523
Contributions and donations	18,395	18,395	10,911	(7,484)
Other revenue	-	-	9	9
Total Revenues	97,905	97,905	90,953	(6,952)
EXPENDITURES				
Current				
General government - other	97,905	97,905	91,332	6,573
Total Expenditures	97,905	97,905	91,332	6,573
Excess (Deficiency) of Revenue over Expenditures	-	-	(379)	(379)
OTHER FINANCING SOURCES (USES)				
Transfer in	-	-	379	379
Total Other Financing Sources (Uses)	-	-	379	379
Net Change in Fund Balance	-	-	-	-
Fund Balance - October 1	-	-	-	-
Fund Balance - September 30	$ -	$ -	$ -	$ -

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

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Municipal Court Security Fee Fund
Year Ended September 30, 2013

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget
	Original	Final		
REVENUE				
Fines, forfeitures and fees	$ 8,000	$ 8,000	$ 6,380	$ (1,620)
Total Revenues	8,000	8,000	6,380	(1,620)
EXPENDITURES				
Current				
General government - other	35,000	35,000	252	34,748
Total Expenditures	35,000	35,000	252	34,748
Excess (Deficiency) of Revenue over Expenditures	(27,000)	(27,000)	6,128	33,128
Fund Balance - October 1	40,304	40,304	40,304	-
Fund Balance - September 30	$ 13,304	$ 13,304	$ 46,432	$ 33,128

CITY OF PLAINVIEW, TEXAS

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Municipal Court Technology Fund
Year Ended September 30, 2013

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget
	Original	Final		
REVENUE				
Fines, forfeitures and fees	$ 9,500	$ 9,500	$ 8,445	$ (1,055)
Total Revenues	9,500	9,500	8,445	(1,055)
EXPENDITURES				
Current				
General government - other	1,000	1,000	-	1,000
Capital outlay	38,000	38,000	-	38,000
Total Expenditures	39,000	39,000	-	39,000
Excess (Deficiency) of Revenue over Expenditures	(29,500)	(29,500)	8,445	37,945
Fund Balance - October 1	29,160	29,160	29,160	-
Fund Balance - September 30	$ (340)	$ (340)	$ 37,605	$ 37,945

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

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - PEG Fund
Year Ended September 30, 2013

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget
	Original	Final		
REVENUE				
Fines, forfeitures and fees	$ -	$ -	1,158	$ 1,158
Total Revenues	-	-	1,158	1,158
EXPENDITURES				
General government - administration	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenue over Expenditures	-	-	1,158	1,158
Fund Balance - October 1	-	-	-	-
Fund Balance - September 30	$ -	$ -	$ 1,158	$ 1,158

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

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - HRA - HOME RSP 2011
Year Ended September 30, 2013

	Budgeted Amounts Original	Budgeted Amounts Final	Actual GAAP Basis	Variance with Final Budget
REVENUE				
Other revenues	$ -	$ -	3,368	$ 3,368
Total Revenues	-	-	3,368	3,368
EXPENDITURES				
General government - administration	-	10,000	3,368	6,632
Total Expenditures	-	10,000	3,368	6,632
Excess (Deficiency) of Revenue over Expenditures	-	(10,000)	-	10,000
Fund Balance - October 1	-	-	-	-
Fund Balance - September 30	$ -	$ (10,000)	$ -	$ 10,000

Exhibit D-10

CITY OF PLAINVIEW, TEXAS

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Capital Improvement Fund
Year Ended September 30, 2013

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget
	Original	Final		
REVENUE				
Intergovernmental revenue and grants	$ -	$ 35,000	$ 35,000	-
Investment earnings	3,000	3,000	3,773	773
Total Revenues	3,000	38,000	38,773	773
EXPENDITURES				
Current				
General government - administration	115,000	115,000	116,441	(1,441)
Capital outlay	1,041,000	1,076,000	71,641	1,004,359
Total Expenditures	1,156,000	1,191,000	188,082	1,002,918
Excess (Deficiency) of Revenue over Expenditures	(1,153,000)	(1,153,000)	(149,309)	1,003,691
Fund Balance - October 1	1,596,018	1,596,018	1,596,018	-
Fund Balance - September 30	$ 443,018	$ 443,018	$ 1,446,709	$ 1,003,691

Exhibit D-11

CITY OF PLAINVIEW, TEXAS

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Street Improvement Fund
Year Ended September 30, 2013

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget
	Original	Final		
REVENUE				
Investment earnings	$ 950	$ 950	$ 672	$ (278)
Total Revenues	950	950	672	(278)
EXPENDITURES				
Current				
Public works	-	-	-	-
Capital outlay	150,000	150,000	-	150,000
Total Expenditures	150,000	150,000	-	150,000
Excess (Deficiency) of Revenue over Expenditures	(149,050)	(149,050)	672	149,722
Fund Balance - October 1	309,480	309,480	309,480	-
Fund Balance - September 30	$ 160,430	$ 160,430	$ 310,152	$ 149,722

CITY OF PLAINVIEW, TEXAS

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Economic Development Fund
Year Ended September 30, 2013

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget
	Original	Final		
REVENUE				
Investment earnings	$ 1,500	$ 1,500	$ 2,286	$ 786
Total Revenues	1,500	1,500	2,286	786
EXPENDITURES				
Current				
General government - administration	130,000	145,000	101,584	43,416
Total Expenditures	130,000	145,000	101,584	43,416
Excess (Deficiency) of Revenue over Expenditures	(128,500)	(143,500)	(99,298)	44,202
OTHER FINANCING SOURCES (USES)				
Transfer in	60,000	60,000	60,000	-
Total Other Financing Sources (Uses)	60,000	60,000	60,000	-
Net Change in Fund Balance	(68,500)	(83,500)	(39,298)	44,202
Fund Balance - October 1	1,079,178	1,079,178	1,079,178	-
Fund Balance - September 30	$ 1,010,678	$ 995,678	$ 1,039,880	$ 44,202

CITY OF PLAINVIEW, TEXAS
Combining Statement of Net Position
Internal Service Funds
September 30, 2013

	Unemployment Compensation Fund	Equipment Replacement Fund	Property Insurance Fund
ASSETS			
Current Assets:			
Cash and cash equivalents	$ 91,045	$ 661,493	$ 943,395
Investments	-	1,207,906	805,313
Interest receivable	-	143	144
Accounts receivable, net	-	-	131,731
Inventories	-	-	-
Total current assets	91,045	1,869,542	1,880,583
Noncurrent Assets:			
Capital assets:			
Depreciable, net	-	2,432,607	-
Total noncurrent assets	-	2,432,607	-
Total Assets	91,045	4,302,149	1,880,583
LIABILITIES			
Current Liabilities:			
Accounts payable	2,153	29,994	29,310
Wages payable	-	-	-
Total current liabilities	2,153	29,994	29,310
Noncurrent Liabilities:			
Noncurrent portion of long-term liabilities			
Accrued compensated absences	-	-	-
Net pension obligation	-	-	-
Net other postemployment benefits obligation	-	-	-
Total noncurrent liabilities	-	-	-
Total Liabilities	2,153	29,994	29,310
NET POSITION			
Investment in capital assets	-	2,432,607	-
Unrestricted	88,892	1,839,548	1,851,273
Total Net Position	$ 88,892	$ 4,272,155	$ 1,851,273

Exhibit E-1

Health Insurance Fund	Cafeteria Plan Fund	Service Center Fund	Total Internal Service Funds
$ 1,352,831	$ 33,086	$ 130,084	$ 3,211,934
774,978	-	-	2,788,197
152	-	-	439
6,729	-	46,258	184,718
-	-	46,594	46,594
2,134,690	33,086	222,936	6,231,882
-	-	29,874	2,462,481
-	-	29,874	2,462,481
2,134,690	33,086	252,810	8,694,363
133,465	2,936	5,221	203,079
-	-	2,876	2,876
133,465	2,936	8,097	205,955
-	-	5,105	5,105
-	-	1,575	1,575
685,049	-	-	685,049
685,049	-	6,680	691,729
818,514	2,936	14,777	897,684
-	-	29,874	2,462,481
1,316,176	30,150	208,159	5,334,198
$ 1,316,176	$ 30,150	$ 238,033	$ 7,796,679

CITY OF PLAINVIEW, TEXAS
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Funds
Year Ended September 30, 2013

	Unemployment Compensation Fund	Equipment Replacement Fund	Property Insurance Fund
OPERATING REVENUES			
Charges for services	$ 10,250	$ 542,065	$ 296,768
Other revenue	-	-	4,109
Total Operating Revenues	10,250	542,065	300,877
OPERATING EXPENSES			
Personnel services - salaries and wages	-	-	-
Personnel services - employee benefits	-	-	-
Purchased professional & technical services	804	-	-
Purchased property services	-	55,158	-
Other operating expenses	12,957	-	326,572
Supplies	-	-	-
Depreciation and amortization	-	554,714	-
Total Operating Expenses	13,761	609,872	326,572
Operating Income (Loss)	(3,511)	(67,807)	(25,695)
NONOPERATING REVENUES (EXPENSES)			
Gain (loss) on sale of property	-	(8,859)	-
Investment earnings	-	6,266	4,934
Total Nonoperating Revenues (Expenses)	-	(2,593)	4,934
Income (Loss) Before Transfers	(3,511)	(70,400)	(20,761)
Transfer in	-	-	-
Transfers out	-	(8,899)	-
Total Transfers	-	(8,899)	-
Change in Net Position	(3,511)	(79,299)	(20,761)
Net Position - October 1	92,403	4,351,454	1,872,034
Net Position - September 30	$ 88,892	$ 4,272,155	$ 1,851,273

Health Insurance Fund	Cafeteria Plan Fund	Service Center Fund	Total Internal Service Funds
$ 1,538,916	$ 34,450	$ 116,602	$ 2,539,051
418,844	-	181	423,134
1,957,760	34,450	116,783	2,962,185
-	-	100,514	100,514
-	-	45,306	45,306
3,410	-	-	4,214
-	-	28,881	84,039
2,307,072	31,544	820	2,678,965
-	-	33,753	33,753
-	-	15,408	570,122
2,310,482	31,544	224,682	3,516,913
(352,722)	2,906	(107,899)	(554,728)
-	-	1,329	(7,530)
3,142	16	-	14,358
3,142	16	1,329	6,828
(349,580)	2,922	(106,570)	(547,900)
1,000,000	-	120,945	1,120,945
(72,395)	-	-	(81,294)
927,605	-	120,945	1,039,651
578,025	2,922	14,375	491,751
738,151	27,228	223,658	7,304,928
$ 1,316,176	$ 30,150	$ 238,033	$ 7,796,679

CITY OF PLAINVIEW, TEXAS
Combining Statement of Cash Flows
Internal Service Funds
Year Ended September 30, 2013

	Unemployment Compensation Fund	Equipment Replacement Fund	Property Insurance Fund
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash from operating transactions - other funds	$ 10,250	$ 542,065	$ 171,347
Cash payments to employees for services	-	-	-
Cash payments for goods and services	(17,396)	(25,520)	(298,230)
Other operating cash receipts	-	-	4,109
Net Cash Provided (Used) by Operating Activities	(7,146)	516,545	(122,774)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from other funds	-	-	-
Transfers to other funds	-	-	-
Net Cash Provided (Used) by Noncapital Financing Activities	-	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	-	(1,021,611)	-
Proceeds from the sale of capital assets	-	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	-	(1,021,611)	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments	-	(4,188)	(2,704)
Interest on investments	-	6,339	5,002
Net Cash Provided (Used) by Investing Activities	-	2,151	2,298
Net Increase (Decrease) in Cash and Cash Equivalents	(7,146)	(502,915)	(120,476)
Cash and Cash Equivalents - October 1	98,191	1,164,408	1,063,871
Cash and Cash Equivalents - September 30	$ 91,045	$ 661,493	$ 943,395

	Health Insurance Fund	Cafeteria Plan Fund	Service Center Fund	Total Internal Service Funds
	$ 1,532,352	$ 34,450	$ 72,335	$ 2,362,799
	-	-	(145,979)	(145,979)
	(2,242,625)	(28,608)	(72,902)	(2,685,281)
	418,844	-	181	423,134
	(291,429)	5,842	(146,365)	(45,327)
	1,000,000	-	123,026	1,123,026
	(72,395)	-	-	(72,395)
	927,605	-	123,026	1,050,631
	-	-	-	(1,021,611)
	-	-	1,329	1,329
	-	-	1,329	(1,020,282)
	(2,717)	-	-	(9,609)
	3,177	16	-	14,534
	460	16	-	4,925
	636,636	5,858	(22,010)	(10,053)
	716,195	27,228	152,094	3,221,987
	$ 1,352,831	$ 33,086	$ 130,084	$ 3,211,934

CITY OF PLAINVIEW, TEXAS
Combining Statement of Cash Flows
Internal Service Funds
Year Ended September 30, 2013

	Unemployment Compensation Fund	Equipment Replacement Fund	Property Insurance Fund
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating income (loss)	$ (3,511)	$ (67,807)	$ (25,695)
Adjustments to reconcile operating income to net cash Provided (used) by operating activities			
Depreciation and amortization	-	554,714	-
(Increase) decrease in operating assets and liabilities:			
Accounts receivable (net)	-	-	(125,421)
Inventories	-	-	-
Accounts payable	(3,635)	29,638	28,342
Wages payable	-	-	-
Net other postemployment benefits obligation	-	-	-
Net Cash Provided (Used) by Operating Activities	$ (7,146)	$ 516,545	$ (122,774)

Health Insurance Fund		Cafeteria Plan Fund		Service Center Fund		Total Internal Service Funds	
$	(352,722)	$	2,906	$	(107,899)	$	(554,728)
	-		-		15,408		570,122
	(6,564)		-		(44,267)		(176,252)
	-		-		(6,571)		(6,571)
	(4,538)		2,936		(1,560)		51,183
	-		-		(159)		(159)
	72,395		-		(1,317)		71,078
$	(291,429)	$	5,842	$	(146,365)	$	(45,327)

PLAINVIEW, TX

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Capital Assets -
Governmental Funds

CITY OF PLAINVIEW, TEXAS

Exhibit F-1

Schedule of Capital Assets Used in the Operation
Of Governmental Funds by Sources*
September 30, 2013

Capital Assets Used in the Operation of Governmental Funds:		
Land		$ 550,702
Buildings		3,293,324
Improvements other than buildings		15,565,984
Machinery and equipment		2,863,271
Construction in progress		13,333
Total		$ 22,286,614
Investment in Capital Assets:		
Acquired prior to October 1, 1990		$ 10,415,214
Acquired after September 30, 1990		
General fund		
General revenues	$ 2,425,097	
Capital improvements	3,751,762	
Street improvements	4,466,627	
Special revenue funds		
Hotel/Motel tax fund	550,250	
Police seizure	21,968	
Homeland security grant	333,527	
LLEBG grant	27,208	
RSVP fund	4,858	
SECO grant	84,346	
Justice assistance grant	134,936	
Criminal justice division equipment grant	10,186	
Municipal court security fund	16,481	
Municipal court technology fund	44,154	
		11,871,400
Total		$ 22,286,614

* 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

Exhibit F-2

Schedule of Capital Assets Used in the Operation
Of Governmental Funds by Function and Activity*
For the Year Ended September 30, 2013

	Land	Buildings	Improvements Other Than Buildings
From General Fund			
General government	$ 448,904	$ 346,552	$ 7,265,414
Police		250,027	10,500
Fire / EMS		249,610	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			
Capital improvement fund	68,715	1,161,040	2,339,966
Street improvement fund	18,503	-	5,365,986
Total General Fund	546,622	2,706,522	15,565,984
From Special Revenue Funds			
Hotel/Motel tax fund	$ 4,080	$ 506,969	$ -
Police seizure fund			
Homeland security grant			
LLEBG grant			
RSVP fund			
SECO grant		73,640	
Justice assistance grant			
Criminal justice division equipment grant			
Municipal court security fund		6,193	
Municipal court technology fund	-	-	-
Total Special Revenue Funds	$ 4,080	$ 586,802	$ -
Total	$ 550,702	$ 3,293,324	$ 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
$ 177,888	$ -	$ 8,238,758
279,482		540,009
553,875		813,908
216,432		281,242
17,851		179,345
8,958		188,057
8,848		8,848
380,240		396,463
259,883		807,518
122,395		436,622
30,244		30,244
168,708	13,333	3,751,762
1,435	-	5,385,924
2,226,239	13,333	21,058,700
$ 39,201	$ -	$ 550,250
21,968		21,968
333,527		333,527
27,208		27,208
4,858		4,858
10,706		84,346
134,936		134,936
10,186		10,186
10,288		16,481
44,154	-	44,154
$ 637,032	$ -	$ 1,227,914
$ 2,863,271	$ 13,333	$ 22,286,614

CITY OF PLAINVIEW, TEXAS

Exhibit F-3

Schedule of Changes in Capital Assets Used in the Operation
Of Governmental Funds by Function and Activity*
For the Year Ended September 30, 2013

	Capital Assets 9/30/12	Additions (Deletions)	Capital Assets 9/30/13
From General Fund			
General government	$ 8,238,605	$ 153	$ 8,238,758
Police	664,397	(124,388)	540,009
Fire	846,112	(32,204)	813,908
Traffic and safety	281,242		281,242
Animal control	179,825	(480)	179,345
Civil defense	188,057		188,057
Engineering	9,365	(517)	8,848
Street	530,400	(133,937)	396,463
Recreation	806,137	1,381	807,518
Library	445,861	(9,239)	436,622
Health	35,250	(5,006)	30,244
Capital improvements	3,690,530	61,232	3,751,762
Street improvements	5,385,924	-	5,385,924
Total General Fund	$ 21,301,705	$ (243,005)	$ 21,058,700
From Special Revenue Funds			
Hotel/Motel tax fund	$ 553,220	$ (2,970)	$ 550,250
Police seizure fund	54,408	(32,440)	21,968
Homeland security grant	355,807	(22,280)	333,527
LLEBG grant	80,927	(53,719)	27,208
RSVP fund	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 fund	16,481		16,481
Municipal court technology fund	45,169	(1,015)	44,154
Total Special Revenue Funds	$ 1,340,338	$ (112,424)	$ 1,227,914
Total	$ 22,642,043	$ (355,429)	$ 22,286,614

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

Debt Service Requirements

DEBT SERVICE REQUIREMENTS – SCHEDULES OF MATURITIES

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
2014-2015

Exhibit G-1

Fiscal Year	Outstanding Debt Beginning of Year	Principal	Interest	Total
2014	485,000	240,000	12,775	252,775
2015	245,000	245,000	4,288	249,288
Totals		$ 485,000	$ 17,063	$ 502,063
Annual Average Requirements		$ 242,500	$ 8,532	$ 251,032

Water and Sewer Utility Fund **Exhibit G-2**

General Obligation Refunding Bonds, Series 2009
Debt Service Requirements
Schedule of Maturities
2014-2021

Fiscal Year	Outstanding Debt Beginning of Year	Principal	Interest	Total
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		$ 5,075,000	$ 704,441	$ 5,779,441
Annual Average Requirements		$ 634,375	$ 88,055	$ 722,430

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
2014-2018

Exhibit G-3

Fiscal Year	Outstanding Debt Beginning of Year	Principal	Interest	Total
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		$ 328,878	$ 36,334	$ 365,212
Annual Average Requirements		$ 65,776	$ 7,267	$ 73,042

Water and Sewer Utility Fund **Exhibit G-4**

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
2014-2020

Fiscal Year	Outstanding Debt Beginning of Year	Principal	Interest	Total
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		$ 988,365	$ 175,875	$ 1,164,240
Annual Average Requirements		$ 141,195	$ 25,125	$ 166,320

Water and Sewer Utility Fund **Exhibit G-5**

Water Supply Contract Obilgation
Contract Revenue Bonds, Series 2005 Refunding Series 2012
(CRMWA Conjuctive Use Groundwater Supply Project)
Debt Service Requirements
Schedule of Maturities
2014-2025

Fiscal Year	Outstanding Debt Beginning of Year	Principal	Interest	Total
2014	1,628,175		80,092	80,092
2015	1,628,175	24,116	80,093	104,209
2016	1,604,059	42,539	78,887	121,426
2017	1,561,520	44,250	77,266	121,516
2018	1,517,270	46,058	75,676	121,734
2019	1,471,212	48,110	73,561	121,671
2020	1,423,102	168,178	71,155	239,333
2021	1,254,924	260,856	62,746	323,602
2022	994,068	274,099	49,704	323,803
2023	719,969	288,100	35,998	324,098
2024	431,869	302,980	21,593	324,573
2025	128,889	128,889	6,444	135,333
Total		$ 1,628,175	$ 713,215	$ 2,341,390
Annual Average Requirements		$ 148,016	$ 59,435	$ 195,116

Water and Sewer Utility Fund **Exhibit G-6**

Water Supply Contract Obilgation
Contract Revenue Bonds, Series 2006
(CRMWA Conjuctive Use Groundwater Supply Project)
Debt Service Requirements
Schedule of Maturities
2014-2027

Fiscal Year	Outstanding Debt Beginning of Year	Principal	Interest	Total
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	49,908	148,226
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		$ 1,424,008	$ 565,352	$ 1,989,360
Annual Average Requirements		$ 101,715	$ 40,382	$ 142,097

Water and Sewer Utility Fund **Exhibit G-7**

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
2014-2020

Fiscal Year	Outstanding Debt Beginning of Year	Principal	Interest	Total
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		$ 202,968	$ 27,868	$ 230,836
Annual Average Requirements		$ 28,995	$ 3,981	$ 32,977

Water and Sewer Utility Fund **Exhibit G-8**

Water Supply Contract Obilgation
Contract Revenue Bonds, Series 2009
(CRMWA Conjuctive Use Groundwater Supply Project)
Debt Service Requirements
Schedule of Maturities
2014-2029

Fiscal Year	Outstanding Debt Beginning of Year	Principal	Interest	Total
2014	676,192	30,082	28,904	58,986
2015	646,110	31,312	27,799	59,111
2016	614,798	32,604	26,546	59,150
2017	582,194	33,896	25,242	59,138
2018	548,298	35,311	23,886	59,197
2019	512,987	36,910	22,474	59,384
2020	476,077	38,694	20,748	59,442
2021	437,383	40,540	18,813	59,353
2022	396,843	42,262	17,060	59,322
2023	354,581	43,923	15,370	59,293
2024	310,658	45,707	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		$ 676,192	$ 277,807	$ 953,999
Annual Average Requirements		$ 42,262	$ 17,363	$ 59,625

Water and Sewer Utility Fund
Tax and Waterworks and Sewer System Revenue
Certificates of Obligation, Series 2010
Debt Service Requirements
Schedule of Maturities
2014-2030

Fiscal Year	Outstanding Debt Beginning of Year	Principal	Interest	Total
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		$ 8,255,000	$ 2,620,702	$ 10,875,702
Annual Average Requirements		$ 485,588	$ 154,159	$ 639,747

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

Water and Sewer Utility Fund **Exhibit G-10**

Water Supply Contract Obilgation
Subordinate Lien Contract Revenue Bonds, Series 2011
(CRMWA Conjuctive Use Groundwater Supply Project)
Debt Service Requirements
Schedule of Maturities
2014-2031

Fiscal Year	Outstanding Debt Beginning of Year	Principal	Interest	Total
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	101,218	246,556
2021	1,982,970	152,120	94,422	246,542
2022	1,830,850	159,524	86,970	246,494
2023	1,671,326	167,363	79,072	246,435
2024	1,503,963	175,762	70,704	246,466
2025	1,328,201	184,597	61,915	246,512
2026	1,143,604	193,805	52,686	246,491
2027	949,799	203,511	42,995	246,506
2028	746,288	213,154	33,381	246,535
2029	533,134	222,051	24,446	246,497
2030	311,083	232,379	14,065	246,444
2031	78,704	78,704	3,439	82,143
Total		$ 2,875,405	$ 1,397,170	$ 4,272,575
Annual Average Requirements		$ 159,745	$ 77,621	$ 237,365

PLAINVIEW, TX

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental activities										
Invested in capital assets, net of related debt	$ 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	$ 8,755,160
Restricted	470,807	627,451	673,728	762,030	885,322	858,657	708,954	719,471	809,694	736,423
Unrestricted	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	20,103,431
Total governmental activities net assets	$ 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	$ 29,595,014
Business-type activities										
Invested in capital assets, net of related debt	$ 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	$ 21,674,455
Restricted	243,921	249,644	259,615	269,494	249,382	261,049	295,291	457,277	725,569	727,406
Unrestricted	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	14,123,242
Total business-type activities net assets	$ 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	$ 36,525,103
Primary government										
Invested in capital assets, net of related debt	$ 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	$ 30,429,615
Restricted	714,728	877,095	933,343	1,031,524	1,134,704	1,119,706	1,004,245	1,176,748	1,535,263	1,463,829
Unrestricted	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	34,226,673
Total primary government net assets	$ 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	$ 66,120,117

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses										
Governmental activities										
General government	$ 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	$ 2,216,373
Public safety	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	7,222,195
Public works	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	1,139,508
Health	320,044	326,638	351,502	335,592	386,649	422,516	400,138	458,362	415,163	620,373
Recreation and culture	910,316	898,867	966,803	911,388	1,013,098	1,208,656	1,148,095	1,260,092	1,198,777	1,215,322
Total government activities expenses	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	12,413,771
Business-type activities										
Solid waste management	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	2,556,595
Water and sewer	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	6,169,041
Theatre arts	51,908	37,130	31,848	38,315	32,388	39,376	37,434	39,255	37,899	33,725
Total business-type activities expenses	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	8,759,361
Total primary government expenses	$ 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	$ 21,173,132
Program revenues										
Governmental activities										
Charges for services										
General government	$ 237,434	$ 190,086	$ 181,134	$ 184,703	$ 205,781	$ 278,204	$ 260,553	$ 479,984	$ 400,227	$ 410,689
Public safety	425,066	615,622	534,098	560,576	701,235	656,572	660,570	546,086	444,024	527,576
Public works	-	-	-	-	-	-	-	-	-	-
Health	138,774	127,251	134,345	120,623	140,023	148,168	139,729	147,724	141,787	122,711
Recreation and culture	49,165	49,900	52,729	48,969	53,713	54,780	54,859	44,073	45,166	45,071
Operating grants and contributions	309,221	407,355	263,039	277,027	294,822	414,022	499,170	400,536	361,486	284,691
Capital grants and contributions	305,363	290,667	86,062	35,628	-	11,205	146,896	240,810	283,519	35,000
Total governmental activities program revenues	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	1,425,738
Business-type activities										
Charges for services										
Solid waste management	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	2,975,870
Water and sewer	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	6,972,714
Theatre arts	21,376	14,457	11,320	21,449	20,158	22,941	22,697	21,163	9,940	7,106
Operating grants and contributions	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	242,851
Total business-type activities program revenues	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	10,198,541
Total primary government program revenues	$ 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	$ 11,624,279

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Net (expenses) / revenues										
Governmental activities	$ (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)	$ (10,988,033)
Business-type activities	827,312	847,439	989,219	1,038,307	991,304	1,068,282	1,394,210	2,294,737	2,619,749	1,439,180
Total primary government net expense	$ (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)	$ (9,548,853)
General revenues and other changes in net assets										
Governmental activities										
Taxes										
Property taxes	$ 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	$ 4,377,687
Sales taxes	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	3,829,054
Franchise taxes	815,836	874,602	1,012,923	923,477	1,391,824	1,151,056	1,393,606	1,397,897	1,347,673	1,344,875
Penalty and interest	47,639	60,141	57,051	60,334	61,680	75,689	75,093	75,788	86,664	83,552
Other taxes	217,864	246,688	249,567	292,902	322,021	282,371	296,271	318,044	341,798	349,135
Miscellaneous	33,136	109,604	99,221	30,416	39,827	66,226	107,740	70,018	137,196	328,539
Investment earnings	404,997	363,218	650,117	769,389	567,919	297,333	203,399	144,265	104,558	46,805
Special item	444,757	-	-	-	1,272,713	-	-	32,687	56,284	-
Transfers	250,231	276,625	242,260	382,803	460,018	435,790	428,343	605,683	579,810	862,603
Total governmental activities	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	11,222,250
Business-type activities										
Investment earnings	176,913	228,151	384,840	445,198	319,079	178,213	228,396	113,624	87,932	53,593
Miscellaneous	247,710	185,333	259,902	280,206	333,397	149,764	119,542	217,268	136,938	79,585
Special and extraordinary items	-	-	-	-	-	-	-	-	118,062	-
Transfers	(250,231)	(276,625)	(242,260)	(382,803)	(460,018)	(435,790)	(428,343)	(605,683)	(579,810)	(862,603)
Total business-type activities	174,392	136,859	402,482	342,601	192,458	(107,813)	(80,405)	(274,791)	(236,878)	(729,425)
Total primary government	$ 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	$ 10,492,825
Change in net assets										
Governmental activities	$ 1,206,509	$ 1,072,182	$ 961,333	$ 1,652,525	$ 2,875,953	$ 579,526	$ 707,916	$ 1,158,893	$ 517,624	$ 234,217
Business-type activities	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	709,755
Total primary government	$ 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	$ 943,972

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General fund										
Nonspendable	$ 38,782	$ 38,224	$ 44,973	$ 44,460	$ 49,183	$ 43,829	$ 40,223	$ 42,453	$ 42,022	$ 38,470
Assigned	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	2,796,741
Unassigned	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	11,924,496
Total general fund	$ 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	$ 14,759,707
All other governmental funds										
Restricted	$ 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	539,048
Revolving loan fund	183,188	206,875	91,542	150,322	197,083	296,929	114,758	115,501	116,351	45,882
Police seizure funds	19,177	19,240	8,243	6,452	4,682	69,145	58,938	34,343	55,385	66,298
Local law enforcement block grants	11,642	7,605	-	-	-	-	-	-	-	-
RSVP fund	(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	46,432
Court technology fee fund	3,154	8,291	11,614	20,555	31,467	40,024	52,226	51,994	29,160	37,605
TLSAC library grant fund	-	-	6,354	6,701	6,909	-	-	-	-	-
Home program grant fund	-	-	-	-	32,621	47,621	-	-	-	-
PEG fund										1,158
JAG law enforcement grant funds	-	-	-	-	-	3,210	-	-	-	-
Total all other governmental funds	$ 470,468	$ 627,112	$ 673,788	$ 762,030	$ 917,943	$ 909,488	$ 708,954	$ 719,471	$ 809,694	$ 736,423

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues										
Taxes (see Schedule 5)	$ 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	$ 9,992,489
Licenses and permits	107,659	76,844	57,398	50,425	48,800	47,497	53,328	93,757	81,473	65,776
Intergovernmental	309,222	533,698	264,301	268,840	288,410	400,704	618,872	387,245	351,219	273,780
Charges for services	497,985	690,488	606,311	605,751	742,441	636,325	654,049	732,318	627,144	614,684
Fines	244,796	215,528	238,595	258,696	305,692	440,657	402,484	387,513	314,082	341,591
Investment earnings	285,868	242,723	433,018	518,355	388,711	219,224	154,808	108,277	79,479	46,805
Rents and Royalties	360	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	45,911
Other revenues	18,085	105,531	26,368	25,774	40,527	8,134	58,472	70,018	137,196	328,539
Total revenues	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	11,709,935
Expenditures										
General Government	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	2,114,446
Public safety	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	6,893,442
Public works	701,590	832,083	833,754	814,880	830,318	910,141	904,783	662,859	1,142,860	897,896
Health	329,416	329,285	357,498	341,897	381,296	406,096	389,144	419,261	405,574	377,067
Recreation and Culture	859,623	845,895	928,456	886,163	955,160	1,036,580	995,397	1,085,960	1,030,000	1,047,655
Capital outlay	88,554	195,895	431,418	225,289	171,215	165,660	291,537	521,325	357,832	86,867
Total expenditures	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	11,417,373
Excess of revenues over (under) expenditures	590,617	803,084	557,171	1,233,294	1,407,523	645,167	894,309	800,710	338,272	292,562
Other financing sources (uses)										
Sale of property	-	-	2,037	802	-	100	-	-	-	-
Transfers in	347,389	437,625	716,847	863,804	1,000,018	1,158,347	1,017,904	1,395,280	785,769	563,932
Transfers out	(338,843)	(411,000)	(586,007)	(731,000)	(790,000)	(954,210)	(808,061)	(952,735)	(203,500)	(740,980)
Total other financing sources (uses)	8,546	26,625	132,877	133,606	210,018	204,237	209,843	442,545	582,269	(177,048)
Net change in fund balances	$ 599,163	$ 829,709	$ 690,048	$ 1,366,900	$ 1,617,541	$ 849,404	$ 1,104,152	$ 1,243,255	$ 920,541	$ 115,514
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
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
2013	4,385,873	3,829,054	1,344,875	321,718	27,417	83,552	9,992,489
Percent Change 2004-2013	47.3%	27.9%	64.8%	59.5%	70.0%	75.4%	41.7%

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
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
2013	573,318,449	202,986,230	109,325,033	128,471,037	757,158,675	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
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	0.492100
2013	0.5785	-	0.5785	1.0400	0.00754	0.492100

Source: Hale County Appraisal District

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

	2013			2004		
	Taxable Assessed Value	Rank	Percent of Taxable Assessed Value	Taxable Assessed Value	Rank	Percent of Taxable Assessed Value
Wal-Mart - Inventory	$ 81,414,710	1	10.75	$ 86,865,140	1	13.83
Wal-Mart Distribution	13,615,340	2	1.80	15,914,730	2	2.53
Acher Daniels Midland	10,095,299	3	1.33	3,835,504	6	0.61
Wal-Mart Stores	8,026,270	4	1.06	2,699,747	9	0.43
Wal-Mart Stores - Inventory	7,025,745	5	0.93	4,884,354	4	0.78
Excel Energy	6,633,772	6	0.88	6,585,632	3	1.05
BNSF Railway	5,718,166	7	0.76	2,691,536	10	0.43
Atmos Energy	4,190,660	8	0.55	3,092,686	7	0.49
United Supermarkets	3,802,118	9	0.50			
Reagor Dykes Auto Company	3,497,110	10	0.46			
Southwestern Bell				4,821,537	5	0.77
West Acres Limited Partnership				2,738,291	8	0.44
Total	$ 144,019,190		19.02	$ 134,129,157		21.36

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: Amount	Collected within the Fiscal Year of the Levy: Percentage of Levy	Collections in Subsequent Years	Total Collections To Date: Amount	Total Collections To Date: Percentage of Adjusted Levy
2004	$ 2,992,076	$ 1,798	$ 2,993,874	$ 2,908,427	97.20	$ 78,529	$ 2,986,956	99.77
2005	3,217,884	(16,505)	3,201,378	3,125,829	97.14	66,304	3,192,133	99.71
2006	3,574,242	(95,490)	3,478,752	3,393,539	94.94	75,320	3,468,859	99.72
2007	3,762,550	(6,321)	3,756,229	3,667,112	97.46	79,542	3,746,654	99.75
2008	3,784,098	(20,290)	3,763,808	3,691,589	97.56	62,400	3,753,989	99.74
2009	4,124,614	(48,216)	4,076,398	3,969,938	96.25	88,075	4,058,013	99.55
2010	4,127,462	(2,706)	4,124,756	4,022,367	97.45	78,047	4,100,414	99.41
2011	4,271,943	(5,118)	4,266,825	4,162,047	97.43	76,357	4,238,404	99.33
2012	4,328,879	(11,215)	4,317,664	4,217,584	97.43	47,583	4,265,167	98.78
2013	4,380,163	(4,961)	4,375,202	4,274,369	97.58	-	4,274,369	97.70

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
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	2.26%	1,067
2013	-	-	8,740,000	5,075,000	8,123,989	21,938,989	n/a	988

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 2013 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
2004	$ -	$ -	$ -	-	$ -
2005	-	-	-	-	-
2006	-	-	-	-	-
2007	-	-	-	-	-
2008	-	-	-	-	-
2009	-	-	-	-	-
2010	-	-	-	-	-
2011	-	-	-	-	-
2012	-	-	-	-	-
2013	-	-	-	-	-

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, 2013

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	1,048,936	65.69	689,046
County of Hale	-	42.21	-
Subtotal overlapping debt			689,046
City direct debt			-
Total direct and overlapping debt			$ 689,046

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					
Fiscal Year	Utility Operating Revenues	Less: Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
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
2013	7,226,537	5,165,632	2,060,905	920,000	436,261	1.52	3,044,358	1,892,207	1,152,151	230,000	21,000	4.59

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
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	1,048,790,000	28,914	5,801	6.6%
2013	22,194	36,273	N/A	N/A	5,522	11.0%

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

Note: Personal income data for calendar year 2013 is unavailable.

Schedule 15
City of Plainview
Principal Employers *
Last Ten Years

2004	2005	2006	2007
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

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

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

* Employers are listed alphabetically with no ranking intended. The number of employees is not disclosed due to confidentiality.
Sources: Texas Workforce Commission, 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	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
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	1	1	1	1	1	1	1	1	1	1
Human Resources	1	1	1	1	1	1	1	1	1	1
Civil Service	1	1	1	1	1	1	1	1		
Administrative Services									2	2
Muncipal Court	3	3	3	3	3	3	3	2	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	4
Main Street	1	1	1	1	1	1	1	1	1	1
RSVP	3	2	2	2	2	2	2	2	2	2
Public Safety										
Police	44	44	45	45	45	45	45	45	46	46
Fire / EMS	36	36	36	36	36	36	36	36	36	36
Traffic Control	4	4	3	3	3	3	3	3	3	3
Animal Control	2	2	2	2	2	2	2	2	2	2
Public Works										
Public Works	3	3	3	3	3	3	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	5
Custodial Services	2	2	2	2	2	2	2	2	2	2
Health	6	6	6	6	7	7	7	7	7	6
Recreation and Culture										
Parks	12	12	12	12	12	12	12	11	11	11
Library	6	6	6	5	5	5	5	5	5	5

Convention and Tourism					1	1	1	1	1	1
Solid Waste Management										
Collection	11	11	11	11	11	11	11	11	11	11
Landfill	8	8	8	8	8	8	8	8	8	8
Recycling	1	1	1	1	1	1	1	1	1	1
Vector Mowing	1	1	1	1	1	1	1	1	1	1
Vector Spraying	1	1	1	1	1	1	1	1	1	1
Water & Sewer										
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	6	6	6	6	6	6	6	6	6
Water Collection	3	3	3	3	3	3	3	3	3	3
Service Center	5	5	5	4	4	4	4	4	4	3
Theatre Arts	1	1								
Total	202	200	199	197	199	199	199	197	199	196

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	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General government										
Building permits issued	220	290	182	140	184	154	266	208	226	228
Building inspections	6,019	6,030	4,695	4,059	2,284	2,057	2,494	1,524	1,058	976
Public safety										
Police										
Calls for service	19,492	16,815	15,796	14,898	13,997	15,378	14,403	14,313	19,225	20,946
Citations issued	3,255	2,767	3,363	3,052	4,290	3,307	3,377	2,642	2,243	2,310
Arrests	1,690	1,474	1,493	1,570	1,712	1,659	1,593	1,594	1,346	1,309
Fire/EMS										
Ambulance calls	1,985	2,094	1,916	1,841	2,027	1,915	1,949	2,139	2,067	2,367
Fire calls	1,400	1,492	1,509	1,400	1,634	1,560	1,656	1,878	1,673	1,888
Inspections	400	400	400	237	96	122	137	45	86	168
Public works										
Street seal coating (lane miles)	53.31	49.53	36.17	25.32	23.08	19.97	21.18	-	23.39	12.12
Street patch material used (tons)	300.5	366.4	222.4	490.0	487.0	184.6	437.7	335.8	279.3	266.5
Health										
Immunizations	4,340	4,205	3,952	3,379	5,462	6,452	5,018	4,739	2,892	2,296
Inspections	318	302	300	302	288	156	253	231	243	284
Recreation and culture										
Parks										
Shelter house permits	179	156	173	177	216	192	235	303	294	306
Library										
Volumes in collection	52,119	51,512	46,763	50,661	52,109	48,244	53,593	46,473	52,566	53,358
Volumes borrowed	53,464	51,775	53,231	47,925	51,418	55,319	55,019	48,543	47,277	42,339
Visitors	85,606	88,286	89,781	85,545	88,993	92,247	93,761	83,630	76,541	71,643

Solid waste management										
Refuse collected (annual tonage)	27,768	29,243	27,461	29,218	28,317	31,200	31,200	28,099	27,789	20,535
Recyclables collected (annual tonage)	1,583	1,440	1,255	1,971	592	1,061	646	841	636	382
Water										
New connections	44	24	107	18	12	13	14	18	25	3
Main line repairs	52	103	97	103	86	124	124	72	112	163
Average daily production (thousands of gallons)	4,517	4,438	4,964	4,297	4,298	4,442	4,406	5,463	5,037	4,089
Peak daily production (thousands of gallons)	8,557	9,572	9,422	8,017	10,659	8,647	8,561	10,048	8,766	6,539
Wastewater										
Average daily sewage treatment (thousands of gallons)	1,970	2,020	2,090	2,200	2,000	1,800	1,928	1,560	1,510	1,566
Theatre										
Events scheduled	34	51	53	97	108	101	102	85	40	37
Attendees	4,446	8,061	5,703	10,554	13,623	10,622	10,665	9,760	5,280	5,611

Sources: Various city departments

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

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	22	22	22	22	22	22	24	24	21	23
Staff and detective units, SWAT Van	12	12	12	12	12	12	13	14	16	14
Fire/EMS										
Stations	3	3	3	3	3	3	3	3	3	3
Ambulances	4	4	4	4	4	4	4	4	4	4
Public works										
Paved streets (miles)	130	136	137	137	137	137	137	137	137	137
Streetlights	1,337	1,337	1,337	1,337	1,356	1,356	1,357	1,358	1,356	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	17	18
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	301	301	301	301	301
Playgrounds	14	14	14	14	14	14	14	14	14	14
Baseball/softball diamonds	19	19	19	19	19	19	21	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, pavilions, covered tables	5	5	5	5	5	5	7	7	7	26
Library										
Internet access workstations	10	10	10	11	15	15	15	15	15	15

Solid waste management										
Residential collection trucks	3	3	3	3	3	3	3	3	3	3
Commercial collection trucks	2	2	2	2	2	2	2	2	2	2
Recyclables collection trucks	2	2	2	2	2	2	2	2	2	2
Landfill remaining capacity										
(thousands of cubic yards)	10,818	10,836	10,756	10,674	10,593	10,495	10,495	10,303	10,216	10,136
Water										
Water mains (miles)	193	193	201	201	201	201	208	208	197	197
Fire hydrants	745	745	745	745	745	747	731	736	736	744
Storage capacity (thousands of gallons)	7,590	7,590	7,590	7,590	7,590	7,590	7,590	7,590	7,590	9,590
Wastewater										
Collection lines (miles)	135	135	140	140	140	140	164	164	164	164
Treatment capacity										
(thousands of gallons per day)	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300

Sources: Various city departments

Notes: No capital asset indicators are available for the general government, health or Theatre function.

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Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Plainview, Texas (the City), as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise City's basic financial statements, and have issued our report thereon dated February 6, 2014.

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

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

Davis Kinard & Co, PC
Certified Public Accountants

Plainview, Texas
February 6, 2014