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City of Plainview, Texas

Comprehensive Annual Financial Report

For the Fiscal Year Ended
September 30, 2016



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ANNUAL FINANCIAL REPORT

YEAR ENDED SEPTEMBER 30, 2016

CITY OF PLAINVIEW, TEXAS

Year Ended September 30, 2016

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Year Ended September 30, 2016

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Introductory Section

March 3, 2017

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

The City of Plainview's Comprehensive Annual Financial Report (CAFR) for the year ended September 30, 2016, 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, 2016, 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, 2016, are fairly presented in conformity with generally accepted accounting principles in the United States of America. The independent auditor's report is presented as the first component of the financial section of this report.

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

Profile of the Government

The City of Plainview, incorporated in 1907, is located on the Central Plains of Northwest Texas, 46 miles north of Lubbock and 75 miles south of Amarillo. The City of Plainview is the County seat of Hale County, one of the most intensively farmed counties in the state with crops irrigated

from water produced from the Ogallala Aquifer. Cotton is the major crop. Other crops include corn, soybeans, sorghum, wheat, peanuts, vegetables, as well as, dairy cows, swine, sheep, and beef cattle production. The City of Plainview is the agribusiness, financial and transportation center of this highly developed farming area.

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

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

City Services

The City of Plainview provides a full range of services. These services include police and fire protection, maintenance of streets and infrastructure, emergency medical service, parks and recreation, cultural events, library, health, vector control, zoning, code administration, building inspection, and general administrative services.

The City of Plainview also provides utility services which include water supply and distribution, storm water, waste water collection and treatment, and solid waste collection and disposal.

Financial Information

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

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

Budgetary control has been established at the individual fund level. Financial reports are produced displaying budget and actual expenditures by line item, and are distributed monthly to City departmental and divisional management and to others upon request. Summary financial reports for the operating funds are also displayed on the website.

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

Cash management. The City of Plainview awards its depository contract through official bidding procedures for a three year period with a provision for two one-year continuations under the same contract. The contract with Happy State Bank expired September 30, 2016. After going through the bidding process, the City awarded the new contract to Centennial Bank for a three year period with the option for two one-year renewals.

The current contract with Centennial Bank guarantees the City of Plainview the 91 day Treasury Bill rate plus 35 basis points on all funds held on deposit. Idle cash is placed in certificates of deposit and TexPool. At the end of the first quarter of the current fiscal year the City held \$32.9 million in certificates of deposits with an average maturity of 222 days and an average yield of 0.87%.

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

All safekeeping arrangements are in accordance with a safekeeping agreement approved by the City Manager which defines the procedural steps for gaining access to pledged collateral on deposit should the City of Plainview determine that the City's funds are in jeopardy. The safekeeping institution, or Custodian's, are Federal Home Loan Bank and TIB-The Independent Bankers Bank. The safekeeping agreement is a three-party contract between the City of Plainview, the depository bank, and the Custodian. Additional information on the City's banking and investing activities can be found in Note 2 of the financial statements.

Risk management. The City of Plainview has joined together with other governmental agencies in the State as a member of the Texas Municipal League Intergovernmental Risk Pool (TML-IRP) for insurance coverage. The City pays an annual premium for coverage of worker's compensation liability, general liability, law enforcement liability, errors and omissions liability, auto liability, and property damage. The City of Plainview is generally self-insured for physical damage to vehicles. Additional information on the City's risk management activities can be found in Note 12 of the financial statements.

Employee health plan. The City of Plainview provides health insurance for employees, their dependents and retirees and their dependents who are not eligible for Medicare or Medicaid. On January 1, 2015 the city switched from being self- insured to a fully insured health plan. The rising costs of health care, claims and the restrictions and requirements of the Affordable Care Act made it necessary for the City to limit its exposure and switch from being self- insured to being fully insured. Until January 1, 2015 the plan was a grandfathered modified self-insurance plan in that a third party administrator provided processing services and PPO contracts with service providers and excess loss coverage. Additional information on the City's health coverage can be found in Notes 10 and 11 of the financial statements.

Pension benefits. The City participates in two retirement plans. Firefighters are provided benefits through the City's single employer defined benefit pension plan and all other employees are

provided benefits through a non-institutional, joint contributory, hybrid defined benefit plan in the state-wide Texas Municipal Retirement System (TMRS).

The City implemented GASB Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27, during the year ended September 30, 2015, which requires recognition of its net pension liability and a more comprehensive measure of pension expense.

The Firefighters Retirement System is administered by a board of trustees. The actuarial valuation for the System was completed as of December 31, 2015. The funded ratio of actuarial accrued liability of this plan was 37.3%. As a matter of policy the City contributed 15% of firefighter salaries toward pension financing, while firefighters individually contributed 14%. In an effort to strengthen the Firefighter Pension Plan the City has instituted a series of increases to the employer's contributions. October 1, 2010 the city increased the employer portion to 16.61%; October 1, 2011 to 18.26%; October 1, 2012 to 19.84%; October 1, 2013 to 21.45%; October 1, 2014 to 23.07%; and October 1, 2015 to 24.68%. The fiduciary net position as a percentage of total pension liability was 33.94% at September 30, 2016.

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, 2015 and reported the fiduciary net position as a percentage of total pension liability was 87.09% at September 30, 2016. The City's contribution rate at year end was 13.78% of payroll and the employees individually contribute 7%. TMRS restructured the funds and because of the restructuring contributions beginning January 1, 2012 were at the full rate.

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

Long-term financial planning.

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

Economic Condition and Outlook

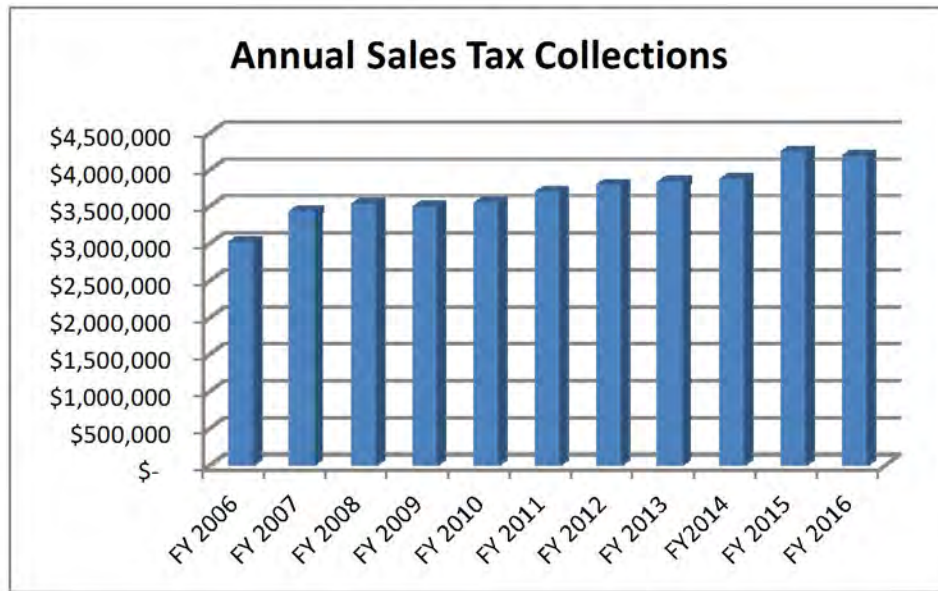
The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the environment within which the City of Plainview operates.

Local economy

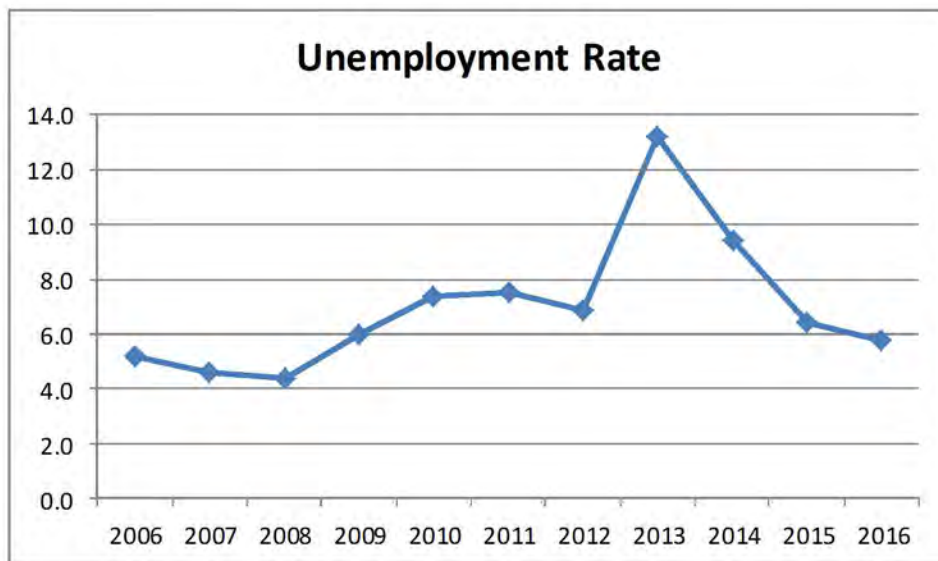
Plainview is located in the South Plains Region that serves as one of the most productive agricultural areas in the United States. The City serves as a small regional hub for employment opportunities, retail trade, healthcare, education and government services.

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

Sales Tax. Sales tax receipts through February 2017 sitting at 6.57% less than for the same five month period last year. In reviewing sales tax receipts history, February 2016 experienced an increase for that same five month period the year before of 9.06%.



Employment. The unemployment rate continues to show improvement in the local economy. The total employment estimate for December 2016 is 11,583. The unemployment rate peaked in June 2013 at 15% and is now sitting at 5.3% as of December 2016.



Healthcare. Healthcare is a major economic driver for the community. The Covenant Hospital Plainview is part of the Covenant Health System and Providence St. Joseph Health System. The hospital is undergoing a \$40.0 million renovation and expansion project. The first phase that

included a surgical wing expansion was completed in 2016. A new private Urgent Care Center and Clinic was opened by a group of physicians.

Higher Education. Wayland Baptist University (WBU), a four-year Christian university, has system wide enrollment of over 5,000 students; this includes the main campus and 16 satellite campuses located all over the United State. The main campus located in Plainview has experienced growth enrollment to 1,300 students. WBU is home to the Llano Estacado Museum and the newly constructed multimillion dollar Jimmy Dean Museum opened in 2016.

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

Construction Activity. Building Valuations totaled \$6.5 million compared to \$20.3 million in 2015. This decrease was due to the slowing of roofing construction activity that was a result of severe weather related events in 2015. There continues to be new commercial construction along Interstate 27 and commercial renovation projects in the community.

Economic Development

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

Business Park. The City and Hale County partnered together to develop the Plainview-Hale County Business Park. In 2016, the City and County received \$1.0 million Public Works Construction grant from the U.S. Department of Commerce, Economic Development Administration to assist with the development of the business park. The project is in the planning and design phase. Construction will begin on Phase 1 in late 2017. Phase 1 will include approximately 100 acres of shovel ready sites for business and industrial development.

Airport. The Plainview-Hale County Airport is a joint venture between the City and County. The Fixed Based Operator is Rocket Aviation. The Airport has two major runways; Runway 4-22 (6,000 feet long) and Runway 13-31 (4,000 feet long). The Airport completed a Master Plan in September 2014. The Airport is in the process of completing a \$4.6 million construction project that includes runway resurfacing, taxiway reconstruction and lighting improvements. The project is funded in cooperation with Texas Department of Transportation Aviation Division and the Federal Aviation Administration.

Regional Wind Farm Construction. The City serves as a hub for wind farm construction in the region due to the large rail distribution center operated by BNSF Logistics in Plainview. This distribution center off loads wind turbine components for the planned wind farms. The City Council and Hale County approved tax abatement agreements with General Electric to encourage continued use of the rail distribution center in Plainview.

Downtown Revitalization. The City through its Main Street Program completed a Downtown Master Plan Design Concept that focuses on the sidewalks and improvements. Implementation of the plan will be completed in phases.

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

Acknowledgements

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

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

Respectfully submitted,



Jeffrey Snyder
City Manager



Sarianne Beversdorf, CPA, CGFO
Director of Finance

CITY OF PLAINVIEW, TEXAS
LISTING OF PRINCIPAL OFFICIALS

<u>ELECTED OFFICIALS</u>	<u>NAME</u>	<u>YEARS SERVICE</u>	<u>OCCUPATION</u>
MAYOR	WENDELL DUNLAP	13	RETIRED/SELF-EMPLOYED
COUNCIL MEMBER DISTRICT 1	DR. CHARLES N. STARNES	7	EDUCATOR
COUNCIL MEMBER DISTRICT 2	LARRY WILLIAMS	3	SELF-EMPLOYED
COUNCIL MEMBER DISTRICT 3	NORMA JUAREZ	3	RECEPTIONIST
COUNCIL MEMBER DISTRICT 4	TERESSA KING	3	PRESIDENT, KING CARPET PLUS, INC. & FURNITURE EXPRESSIONS ROYAL SPLASH LLC MANAGING MEMBER
COUNCIL MEMBER DISTRICT 5	SUSAN BLACKERBY	3	RETIRED/ HALE CO JJAEP
COUNCIL MEMBER DISTRICT 6	JOHN GATICA	1	EDUCATOR
COUNCIL MEMBER DISTRICT 7	OLIVER ALDAPE	1	FIRE EXTINGUISHER TECHNICIAN

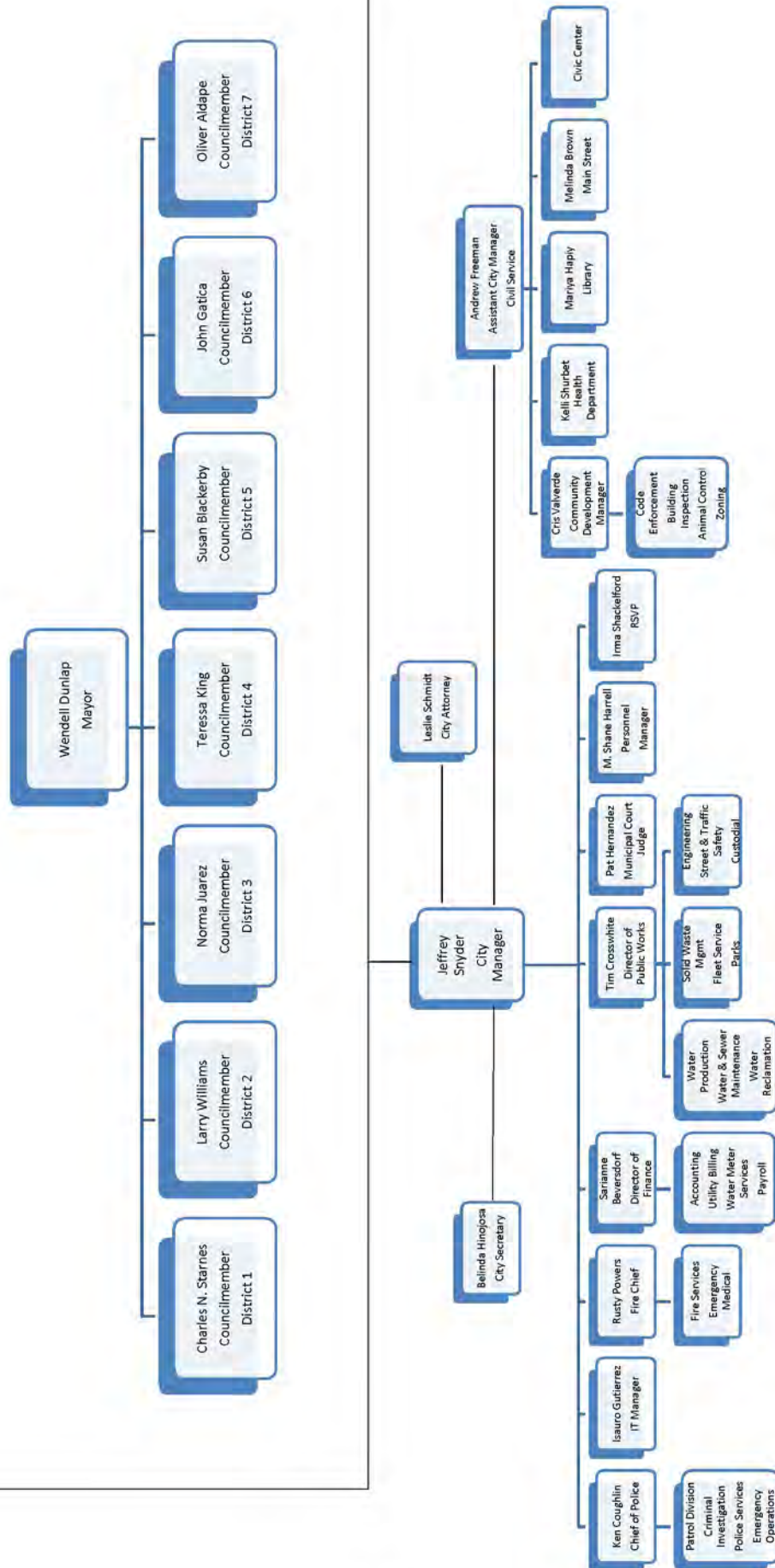
<u>CITY OFFICIALS</u>	<u>NAME</u>	<u># OF YEARS WITH CITY</u>	<u># OF YEARS THIS POSITION</u>
CITY MANAGER	JEFFREY SNYDER	6	7
ASSISTANT CITY MANAGER	ANDREW FREEMAN	3	3
DIRECTOR OF FINANCE	SARIANNE BEVERSDORF	7	16
DIRECTOR PUBLIC WORKS	TIM CROSSWHITE	5	1
FIRE CHIEF	RUSTY POWERS	27	8
CHIEF OF POLICE	KEN COUGHLIN	3	8
MUNICIPAL COURT JUDGE	PAT HERNANDEZ	32	19
CITY ATTORNEY	LESLIE SCHMIDT	11	17
CITY SECRETARY	BELINDA HINOJOSA	16	16
IT MANAGER	ISAURO GUTIERREZ	3	3

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

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Plainview, Texas (the City), as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of funding progress (OPEB Plan), and pension plan schedules on pages 3 through 13 and 57 through 69 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 9, 2017, 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.

Dennis Kinard & Co., PC
Certified Public Accountants

Plainview, Texas
March 9, 2017

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, 2016. Please read it in conjunction with the City's financial statements and disclosure, which follow this section.

FINANCIAL HIGHLIGHTS

Entity Wide

- The City's combined total assets were \$95,764,044 at September 30, 2016 and \$95,871,702 at September 30, 2015, decreasing .1%.
- Total liabilities were \$38,540,686 at September 30, 2016, an increase of 7.8% from September 30, 2015.
- The total assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows at the close of the fiscal year by \$61,940,202, an increase of .2%. Of this amount, \$24,921,082 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 130,091.

Governmental Funds

- Total current assets were \$18,521,252 at September 30, 2016 and \$18,195,260 at September 30, 2015, increasing 1.8%.
- All combined governmental funds reported an ending fund balance of \$16,898,497 or a .2% decrease from the previous year.
- For the year ended September 30, 2016, total expenditures exceeded total revenues by \$41,945.

Proprietary Funds

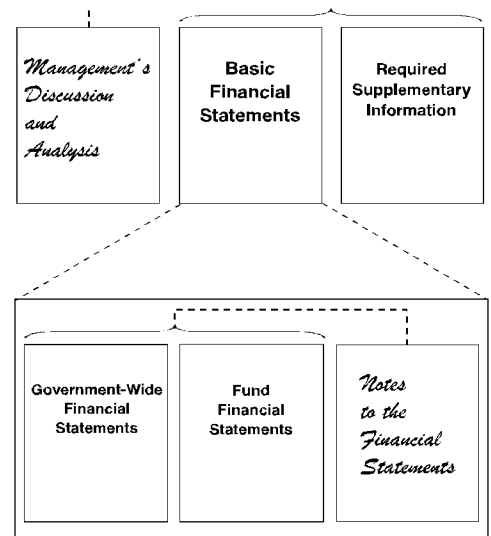
- Net position for combined enterprise funds grew by 1.5% to \$38,983,955. Of this amount, \$13,633,528 is unrestricted and available to be used to meet the ongoing obligations to citizens and creditors.
- The change in net position or net income generated from operations of the combined enterprise funds during the year ended September 30, 2016 is reported at \$591,368.
- A net increase in cash and cash equivalents of \$4,187,015 is reported for the combined enterprise funds.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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



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

Summary ↔ **Detail**

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

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

Government-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 \$61,940,202 at September 30, 2016, \$130,091 more than the prior year. (See Table A-1).

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

	Governmental Activities		Business -type Activities		Total		Total Percent
	2016	2015	2016	2015	2016	2015	Change
Current assets							
Cash and cash equivalents	\$ 15,262	\$ 8,803	\$ 10,519	\$ 6,212	\$ 25,781	\$ 15,015	71.7%
Investments	6,870	12,699	4,351	8,027	11,221	20,726	-45.9%
Receivables	1,236	1,285	1,277	1,870	2,513	3,155	-20.3%
Other assets	170	10	-	-	170	10	
Due from other governments	118	324	-	-	118	324	-63.6%
Internal balances	447	476	(447)	(476)	-	-	0.0%
Inventories	130	90	114	137	244	227	7.5%
Total current assets	24,233	23,687	15,814	15,770	40,047	39,457	1.5%
Noncurrent assets	1,942	1,901	13,330	13,600	15,272	15,501	-1.5%
Capital assets	32,989	32,258	56,313	55,562	89,302	87,820	1.7%
Less accumulated depreciation	(22,234)	(21,493)	(26,624)	(25,411)	(48,858)	(46,904)	4.2%
Total assets	36,930	36,353	58,833	59,521	95,763	95,874	-0.1%
Deferred outflows of resources	3,952	1,301	1,187	618	5,139	1,919	100.0%
Total outflows of resources	3,952	1,301	1,187	618	5,139	1,919	100.0%
Accounts payable and accrued liabilities	1,413	1,060	373	303	1,786	1,363	31.0%
Deposits and escrow held	-	-	504	486	504	486	3.7%
Compensated absences	1,004	987	93	92	1,097	1,079	1.7%
Pension and OPEB obligations	14,769	11,545	1,561	959	16,330	12,504	30.6%
Water contract obligations	-	-	6,500	6,985	6,500	6,985	-6.9%
Landfill closure/postclosure	-	-	1,437	1,392	1,437	1,392	3.2%
Bonds payable	-	-	10,886	11,930	10,886	11,930	-8.8%
Total liabilities	17,186	13,592	21,354	22,147	38,540	35,739	7.8%
Deferred inflows of resources	293	168	129	75	422	243	0.0%
	293	168	129	75	422	243	0.0%
Net position							
Invested in capital assets,							
net of related debt	10,755	10,765	24,616	23,865	35,371	34,630	2.1%
Restricted	913	964	734	732	1,647	1,696	-2.9%
Unrestricted	11,735	12,165	13,187	13,320	24,922	25,485	-2.2%
Total net position	\$ 23,403	\$ 23,894	\$ 38,537	\$ 37,917	\$ 61,940	\$ 61,811	0.2%

As noted earlier, net position may serve, over time, as a useful indicator of a government's financial position. A large portion of the City's net position (57 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, 2016 were \$24,013,524. A significant portion, 45.6 percent, of the City's revenue comes from taxes (See Figure A-3) while 42.9 percent comes from charges for utility services. The total cost of all programs and services was \$23,883,433.

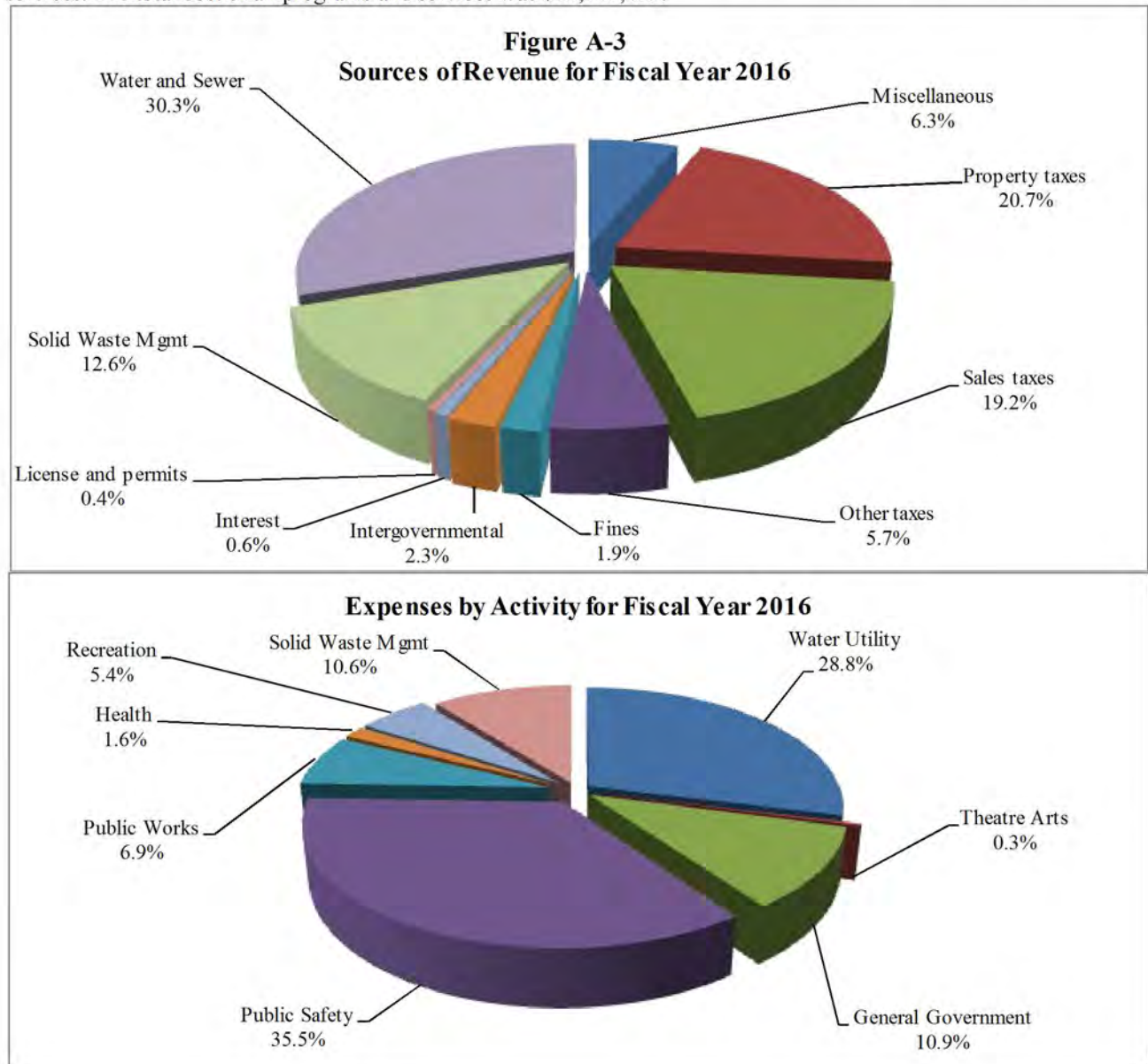


Table A-2
Changes in City's Net Position
(In thousands dollars)

	Governmental Activities		Business-type Activities		Total		Total Percent
	2016	2015	2016	2015	2016	2015	Change
Program revenues:							
Charges for services	\$ 1,388	\$ 1,188	\$ 10,321	\$ 10,424	\$ 11,709	\$ 11,612	0.8%
Grants and contributions							
Operating	553	530	-	13	553	543	1.8%
Capital	17	2,091	-	233	17	2,324	100.0%
General revenues:							
Property taxes	4,967	4,646	-	-	4,967	4,646	6.9%
Other taxes	5,995	6,176	-	-	5,995	6,176	-2.9%
Other	379	184	393	127	772	311	148.2%
Total revenues	13,299	14,815	10,714	10,797	24,013	25,612	-6.2%
Expenses:							
General government	2,603	2,257	-	-	2,603	2,257	15.3%
Public safety	8,470	8,168	-	-	8,470	8,168	3.7%
Public works	1,641	1,009	-	-	1,641	1,009	62.6%
Recreation and culture	1,286	1,220	-	-	1,286	1,220	5.4%
Health	391	414	-	-	391	414	-5.6%
Solid waste management	-	-	2,523	2,507	2,523	2,507	0.6%
Water and sewer	-	-	6,902	6,363	6,902	6,363	8.5%
Theatre arts	-	-	68	37	68	37	83.8%
Total expenses	14,391	13,068	9,493	8,907	23,884	21,975	8.7%
Transfers	601	521	(601)	(521)	-	-	0.0%
Change in net position	(491)	2,268	620	1,369	129	3,637	-96.5%
Net position - beginning	23,894	21,626	37,917	36,548	61,811	58,174	6.3%
Net position - ending	\$ 23,403	\$ 23,894	\$ 38,537	\$ 37,917	\$ 61,940	\$ 61,811	0.2%

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

Governmental Activities

As shown in Table A-2, governmental activities increased net position by \$130 thousand. Table A-3 presents the cost of each of the City's largest functions, as well as each function's net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost reflects what was funded by local tax dollars.

- Property tax rate increased from .6038 to .6288 per \$100 valuation. There was a small increase in valuations and favorable collections with an increase of property tax revenues of \$321 thousand, or 6.9%.
- The franchise tax on utilities decreased \$125 thousand, or 8.8%, hotel occupancy tax increased \$15 thousand, or 3.9%, and general sales tax decreased \$56 thousand, or 1.3%.
- The cost of all *governmental* activities this year was \$14,391 thousand compared to the previous year of \$13,068 thousand, a 10.1% increase.
- The amount that our taxpayers paid for these services was \$10,962 thousand.
- Some of the cost was paid by those who directly benefited from the programs, \$1,388 thousand, or by grants and contributions, \$571 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
	2016	2015		2016	2015	
General government	\$ 2,603	\$ 2,257	15.3%	\$ 1,713	\$ 1,391	23.1%
Public safety	8,470	8,168	3.7%	7,766	7,693	0.9%
Public works	1,641	1,009	62.6%	1,624	(1,082)	-250.1%
Recreation and culture	1,286	1,220	5.4%	1,234	1,168	5.7%
Health	391	414	-5.6%	95	88	8.0%
Total governmental activities	<u>\$ 14,391</u>	<u>\$ 13,068</u>	10.1%	<u>\$ 12,432</u>	<u>\$ 9,258</u>	34.3%

Business-type Activities

As shown in Table A-2, business-type activities increased net position by \$620 thousand.

- Charges for services generated revenues of \$10,321 thousand for the period ended September 30, 2016 compared to \$10,424 thousand for the previous period.
- Expenses totaled \$9,493 thousand for 2016 and \$8,907 thousand for 2015, a 6.6% increase. This year there was an increase in expenses on repairs for the CRMWA.
- Transfers from business-type activities to support general government activities were \$601 thousand for the period, a 15.4% increase from the previous period.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

Governmental Funds

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

- As of the end of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$16,898,497, a decrease of \$41,945. The decrease is mainly due to an increase in expenses and transfers.
- Total assets of the General Fund increased 1.8 %. This increase is mainly attributable to the increase in cash, cash equivalents and investments from \$ 15,632,420 at the end of the prior period to \$16,259,146 at the end of fiscal year 2016.
- Total liabilities increased 33.6% from \$913,889 in 2015 to \$1,220,628 in 2016. The change was mainly due to the increase in accounts payable of \$248,834 from the work on the streets.
- Of the combined ending fund balance, approximately \$12.87 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 \$7,313,833. Of this amount, \$2,337,852 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 2016, approximately \$13.6 million was unrestricted. Factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

The primary purpose of the General Fund is to account for general revenues such as property taxes, sales taxes and other taxes and expenditures related to essential city functions and programs. The General Fund is comprised of multiple departments that carry out many of the City's essential functions from street repair and maintenance, traffic, fire and police protection, health services and code compliance, and other administrative functions to name a few. The following is a brief review of the budgetary changes from the original to the final amended budget (See Exhibit B-1 of the Financial Statements).

- Significant budget amendments during the year included the following additional appropriations for interfund transfers:
 - \$140,000 to Travis Trussell Duck Pond Fund
 - \$75,000 to Capital Improvement Fund
 - \$625,000 to Street Improvement
 - \$78,000 to Internal Service Fund
- During the year, actual receipts exceeded budgeted revenues and expenditures were less than budgetary estimates, thus allowing the City Council to approve the aforementioned interfund transfers.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets for its governmental and business type activities as of September 30, 2016 amounts to \$40,443,503 (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
	2016	2015	2016	2015	2016	2015	
Land	\$ 647	\$ 772	\$ 552	\$ 529	\$ 1,199	\$ 1,301	-7.8%
Buildings	4,288	4,048	2,696	2,696	6,984	6,744	3.6%
System improvements	-	-	45,734	45,441	45,734	45,441	0.6%
Infrastructure	18,171	18,033	-	-	18,171	18,033	0.8%
Machinery and equipment	9,424	9,381	7,233	6,881	16,657	16,262	2.4%
Construction in progress	458	23	98	14	556	37	1402.7%
Totals at historical cost	32,988	32,257	56,313	55,561	89,301	87,818	1.7%
Accumulated depreciation	(22,234)	(21,493)	(26,624)	(25,411)	(48,858)	(46,905)	4.2%
Net capital assets	<u>\$ 10,754</u>	<u>\$ 10,764</u>	<u>\$ 29,689</u>	<u>\$ 30,150</u>	<u>\$ 40,443</u>	<u>\$ 40,913</u>	-1.2%

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

Long Term Debt

At year end the City had \$10,886 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 \$6,499,573. More detail on the City's long-term obligations may be found in the notes to the financial statements (Note 8).

Bond Ratings

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

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

	Governmental Activities		Business-type Activities		Total		Total Percent Change
	2016	2015	2016	2015	2016	2015	
Bond and certificates of obligation	\$ -	\$ -	\$ 10,886	\$ 11,930	\$ 10,886	\$ 11,930	-8.8%
Water Supply Contract obligation	-	-	6,500	6,985	6,500	6,985	-6.9%
Total outstanding debt	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,386</u>	<u>\$ 18,915</u>	<u>\$ 17,386</u>	<u>\$ 18,915</u>	-8.1%

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

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

- The total employment estimate for December 2016 is 11,583. The unemployment rate peaked in June 2013 at 15% and is now sitting at 5.3% as of December 2016.
- Sales Tax Collections totaled \$4,180,786 in FYE 2016.
- Hotel Occupancy Tax Collections totaled \$406,734 in FYE 2016
- Construction Activity. The Covenant Hospital Plainview is part of the Covenant Health System and Providence St. Joseph Health System. The hospital is undergoing a \$40.0 million renovation and expansion project. The first phase that included a surgical wing expansion was completed in 2016. A new private Urgent Care Center and Clinic was opened by a group of physicians. In 2016, three new auto dealerships were opened along the I-27 corridor. A new Long-term Memory Care Senior Living Facility is planned for construction. This includes an additional 3 phase complex with retired living, assisted living and nursing home care. Wayland Baptist University completed construction on a new \$5.0 million Jimmy Dean Museum.

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

The following factors were considered when preparing the FYE 2017 Budget:

- The Property Tax Rate included in this budget is \$0.6288 per \$100 valuation, which is the same rate used last year. The proposed property tax rate will be used to move the General Fund to a more balanced position and will support increased personnel costs to provide basic services to the City. It is important to note the City will be receiving a one-time payment of \$188,640 in property taxes from the wind turbine components stored at the rail distribution center. In addition, the City has experienced an increase in Sales Tax Collections from the regional wind farm construction. These additional one-time monies are being used for the Street Seal Coat Program and will not be included to support ongoing operations.
- The General Fund expenditure budget for the upcoming year increased by 4.42%. There was an 8.77% increase in the assessed property valuations of which 3.83% is due to a one time increase from the wind turbine components stored at the rail distribution center. The main increase in expenditures was for the City's Street Seal Coat program. There is no budgeted reduction of services. Many of the costs such as health insurance, materials and supplies have increased. The city is striving to stabilize employee healthcare costs as the City continues to make structural changes to the health insurance program.

- Compensation Costs in the budget did not include cost of living adjustments in employee compensation but a compensation and classification study was completed and adopted in January 2017. This will have an estimated budget impact of \$337,560.
- In the Solid Waste Management Fund, the 2016-2017 operating budget was increased by 1.69% from the year before. Included in the budget are funds to replace several large pieces of equipment. The fees charged for landfill gate fees have increased from \$41 a ton to \$43 a ton. No increase in the collection and disposal fees was proposed for the Solid Waste Management Fund.
- In the Utility (Water & Sewer) Fund, the 2016-2017 operating budget increased slightly by 1.58% but still faces the challenges of increased costs for infrastructure maintenance and CRMWA repairs. The main increases in expenditures are for major one-time equipment purchases. No increase in the base Water Rates was included. The City did incorporate a 5% increase in the tiered water conservation rate structure this year. No increases were included for base sewer rates.

The following major projects are incorporated into the FYE 2017 Budget:

- In 2010, the City Council authorized the issuance of Certificates of Obligation to construct two new water towers, relocate and upgrade water and sewer lines in Highway 70 in conjunction with the rebuilding of this highway by the Texas Department of Transportation, rebuilding two major sewer lift stations, and installing an emergency power backup generator at the City's wastewater treatment plant. The City will complete the construction of the Milwee Lift Station and Sanitary Sewer Line project in 2017; this is the last project planned with the 2010 Certificates of Obligation. The total estimated cost for the Milwee Project is \$1,569,472.
- The City and Hale County partnered together to develop the Plainview-Hale County Business Park. In 2016, the City and County received a \$1.0 million Public Works Construction grant from the U.S. Department of Commerce, Economic Development Administration to assist with the development of the business park. The project is in the planning and design phase. Construction will begin on Phase 1 in late 2017. Phase 1 will include approximately 100 acres of shovel ready sites for business and industrial development.
- The Plainview-Hale County Airport is in the process of completing a \$4.6 million construction project that includes runway resurfacing, taxiway reconstruction and lighting improvements. The project is funded in cooperation with Texas Department of Transportation Aviation Division and the Federal Aviation Administration.
- The City was awarded a Texas Parks and Wildlife Recreational Grant to rehabilitate and upgrade the Travis Trussell Duck Pond. This will include a lighted walking trail, wildlife viewing areas and off-street parking. The total estimated cost for the project is \$501,898.
- The City will be completing a major street reconstruction project for 13th and 15th Street, Kermit Street and Landfill Road (County Road Y). The total estimated cost for the project is \$820,664.
- The City included \$500,000 for the Annual Street Seal Coat Project.
- The City formed a Citizen Advisory Committee that will prioritize major capital improvements needed over the next 5 year time frame and will consider finance options to pay for the proposed projects. This process will be completed in the summer of 2017.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City's Financial Services Department, Attn: Sarianne Beversdorf, CPA, Director of Finance, 121 West 7th, Plainview, Texas 79072, call (806) 296-1130, or e-mail sbeversdorf@plainviewtx.org.



PLAINVIEW, TX
explore the opportunities

**Basic Financial
Statements**

CITY OF PLAINVIEW, TEXAS

Statement of Net Position

September 30, 2016

Exhibit A-1

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 15,262,142	\$ 10,519,274	\$ 25,781,416
Investments	6,869,469	4,351,485	11,220,954
Receivables, net	1,236,330	1,276,961	2,513,291
Due from other governments	118,453	-	118,453
Internal balances	447,229	(447,229)	-
Inventories, at cost	130,448	113,643	244,091
Other assets	169,934	-	169,934
Investment in joint venture	1,072,098	-	1,072,098
Restricted assets:			
Cash and cash equivalents	870,330	3,373,532	4,243,862
Capital assets:			
Nondepreciable	1,105,063	650,192	1,755,255
Depreciable, net	9,649,604	29,038,644	38,688,248
Unamortized water contract costs and other assets	-	9,956,442	9,956,442
Total Assets	36,931,100	58,832,944	95,764,044
DEFERRED OUTFLOWS OF RESOURCES			
Pension	3,952,006	937,958	4,889,964
Deferred charge for debt refunding	-	249,405	249,405
Total Outflows of Resources	3,952,006	1,187,363	5,139,369
LIABILITIES			
Accounts payable	1,413,764	344,871	1,758,635
Accrued interest payable	-	28,888	28,888
Payable from restricted assets	-	503,640	503,640
Noncurrent liabilities:			
Due within one year	5,099	1,522,253	1,527,352
Due in more than one year	15,767,602	18,954,569	34,722,171
Total Liabilities	17,186,465	21,354,221	38,540,686
DEFERRED INFLOWS OF RESOURCES			
Pension	293,165	129,360	422,525
Total Inflows of Resources	293,165	129,360	422,525
NET POSITION			
Net investment in capital assets	10,754,667	24,616,459	35,371,126
Restricted for:			
Debt service	-	733,968	733,968
Tourism	725,437	-	725,437
PEG fund	82,502	-	82,502
Law enforcement	42,262	-	42,262
Municipal Court	63,825	-	63,825
Unrestricted	11,734,783	13,186,299	24,921,082
Total Net Position	\$ 23,403,476	\$ 38,536,726	\$ 61,940,202

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

CITY OF PLAINVIEW, TEXAS

Statement of Activities

Year Ended September 30, 2016

		Program Revenues		
		Charges for	Operating	Capital
	Expenses	Services	Grants and	Grants and
			Contributions	Contributions
Primary Government				
Governmental Activities:				
General government - administration	\$ 1,956,032	\$ 122,070	\$ 268,867	516
General government - other	646,590	420,620	77,997	-
Public safety	8,470,261	674,344	29,527	-
Public works	1,640,759	-	-	16,798
Health	390,773	118,595	176,888	-
Recreation and culture	1,286,453	52,313	-	-
Total Governmental Activities	<u>14,390,868</u>	<u>1,387,942</u>	<u>553,279</u>	<u>17,314</u>
Business-Type Activities:				
Solid waste management	2,522,679	3,037,505	-	-
Water and sewer	6,901,668	7,271,527	-	-
Theatre arts	68,218	11,937	-	-
Total Business-Type Activities	<u>9,492,565</u>	<u>10,320,969</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>\$ 23,883,433</u>	<u>\$ 11,708,911</u>	<u>\$ 553,279</u>	<u>\$ 17,314</u>

General Revenues and Transfers

Taxes

Property, levied for general purposes

Sales

Selective sales and use

Franchise

Penalty and interest

Miscellaneous

Investment income

Gain on sale of capital assets

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning

Net Position - Ending

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

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (1,564,579)		\$ (1,564,579)
(147,973)		(147,973)
(7,766,390)		(7,766,390)
(1,623,961)		(1,623,961)
(95,290)		(95,290)
(1,234,140)		(1,234,140)
<u>(12,432,333)</u>		<u>(12,432,333)</u>
	\$ 514,826	514,826
	369,859	369,859
	<u>(56,281)</u>	<u>(56,281)</u>
	<u>828,404</u>	<u>828,404</u>
	828,404	(11,603,929)
4,966,991	-	4,966,991
4,180,786	-	4,180,786
439,039	-	439,039
1,300,049	-	1,300,049
75,004	-	75,004
293,360	253,710	547,070
85,669	65,402	151,071
-	74,010	74,010
601,320	<u>(601,320)</u>	<u>-</u>
<u>11,942,218</u>	<u>(208,198)</u>	<u>11,734,020</u>
(490,115)	620,206	130,091
<u>23,893,591</u>	<u>37,916,520</u>	<u>61,810,111</u>
<u>\$ 23,403,476</u>	<u>\$ 38,536,726</u>	<u>\$ 61,940,202</u>

CITY OF PLAINVIEW, TEXAS
Balance Sheet - Governmental Funds
September 30, 2016

Exhibit A-3

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 12,060,705	\$ 140,000	\$ 12,200,705
Investments	4,058,441	-	4,058,441
Accounts receivable (net)	250,408	-	250,408
Taxes receivable (net)	926,572	46,983	973,555
Due from other funds	-	445	445
Due from other governments	67,189	51,264	118,453
Inventories	48,915	-	48,915
Restricted cash and cash equivalents	-	870,330	870,330
Total Assets	<u>\$ 17,412,230</u>	<u>\$ 1,109,022</u>	<u>\$ 18,521,252</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE			
Liabilities			
Accounts payable	\$ 868,388	\$ 51,575	\$ 919,963
Wages payable	291,700	3,421	295,121
Due to other funds	445	-	445
Compensated absences payable	5,099	-	5,099
Total Liabilities	<u>1,165,632</u>	<u>54,996</u>	<u>1,220,628</u>
Deferred Inflows of Resources			
Unavailable revenue			
Property taxes	207,591	-	207,591
Fines and fees	107,036	-	107,036
Emergency Medical Services	87,500	-	87,500
Total Deferred Inflows of Resources	<u>402,127</u>	<u>-</u>	<u>402,127</u>
Fund Balance			
Nonspendable	48,915	-	48,915
Restricted	-	914,026	914,026
Assigned	2,927,235	140,000	3,067,235
Unassigned	12,868,321	-	12,868,321
Total Fund Balance	<u>15,844,471</u>	<u>1,054,026</u>	<u>16,898,497</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 17,412,230</u>	<u>\$ 1,109,022</u>	<u>\$ 18,521,252</u>

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

CITY OF PLAINVIEW, TEXAS
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
September 30, 2016

Exhibit A-4

Total Fund Balances - Governmental Funds	\$ 16,898,497
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Amounts reported for *governmental activities* in the statement of net position are different because:

The City uses internal service funds to charge the costs of certain activities, such as insurance, equipment replacement, and vehicle maintenance, to appropriate functions in other funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	7,761,062
--	-----------

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds. At the end of the year, the original cost of these assets was \$26,118,431 and accumulated depreciation was \$17,701,614.	8,416,815
--	-----------

The City's investment in joint venture is not reported in the governmental funds but is included in the statement of net position.	1,072,098
--	-----------

Other adjustments are necessary to convert the modified accrual basis of accounting to the accrual basis of accounting. Net property taxes receivable of \$207,591, net fines receivable of \$107,036 and net emergency medical services receivable of \$87,500 were unavailable to pay for current period expenditures and are deferred in the governmental funds but included in the statement of net position.	402,127
---	---------

Included in the items related to debt is the recognition of the City's net pension liability in the amount of \$13,761,898, a deferred outflow of resources of \$3,899,045, and a deferred inflow of resources of \$285,861. The net effect is to decrease net position.	(10,148,714)
--	--------------

Long-term liabilities for compensated absences are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds but are included in the statement of net position.	<u>(998,409)</u>
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Net Position of Governmental Activities	<u><u>\$ 23,403,476</u></u>
--	-----------------------------

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, 2016

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES			
Taxes:			
Property taxes	\$ 4,954,092	\$ -	\$ 4,954,092
Sales and use taxes	4,180,786	-	4,180,786
Selective sales and use taxes	32,305	406,734	439,039
Franchise tax	1,300,049	-	1,300,049
Penalty and interest on taxes	75,004	-	75,004
Licenses and permits	101,180	-	101,180
Intergovernmental revenue and grants	191,133	355,091	546,224
Charges for services	835,382	-	835,382
Fines, forfeitures and fees	332,266	114,815	447,081
Investment earnings	82,126	3,543	85,669
Rents and royalties	500	-	500
Contributions and donations	2,406	7,055	9,461
Other revenue	135,152	8,282	143,434
Total Revenues	<u>12,222,381</u>	<u>895,520</u>	<u>13,117,901</u>
EXPENDITURES			
Current			
General government - administration	1,376,924	497,394	1,874,318
General government - other	545,766	80,704	626,470
Public safety	7,586,831	51,829	7,638,660
Public works	1,039,615	-	1,039,615
Health	379,824	-	379,824
Recreation and culture	1,111,519	-	1,111,519
Capital outlay	728,236	261,285	989,521
Total Expenditures	<u>12,768,715</u>	<u>891,212</u>	<u>13,659,927</u>
Excess (Deficiency) of Revenue over Expenditures	<u>(546,334)</u>	<u>4,308</u>	<u>(542,026)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	636,552	144,146	780,698
Transfers out	(222,100)	(58,517)	(280,617)
Total Other Financing Sources (Uses)	<u>414,452</u>	<u>85,629</u>	<u>500,081</u>
Net Change in Fund Balance	<u>(131,882)</u>	<u>89,937</u>	<u>(41,945)</u>
Fund Balance - October 1	<u>15,976,353</u>	<u>964,089</u>	<u>16,940,442</u>
Fund Balance - September 30	<u>\$ 15,844,471</u>	<u>\$ 1,054,026</u>	<u>\$ 16,898,497</u>

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

CITY OF PLAINVIEW, TEXAS
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures,
and Changes in Fund Balance to the Statement of Activities
Year Ended September 30, 2016

Exhibit A-6

Total Net Change in Fund Balance - Governmental Funds	\$	(41,945)
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Amounts reported for *governmental activities* in the statement of activities are different because:

The City uses internal service funds to charge the costs of certain activities to individual funds. Net change in net position of the internal service funds is reported with governmental activities.		(8,196)
--	--	---------

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.		989,521
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Assets donated to governmental funds by private parties are not recorded in the governmental fund financial statements whereas in the government-wide financial statements are recorded as capital contributions.		14,908
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Assets were disposed of that were not fully depreciated. The loss is reported on the government-wide financial statements.		(215,845)
--	--	-----------

Depreciation is not recognized as an expenditure in governmental funds since it does not require the use of current financial resources.		(712,147)
--	--	-----------

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.		90,280
--	--	--------

Long-term liabilities for compensated absences are accrued in the government-wide financial statements, but are not reported in the fund financial statements.		(16,281)
--	--	----------

Certain expenditures for the pension that are recorded to the fund financial statements must be recorded as deferred outflows of resources. Contributions made after the measurement date caused the changes in net position to increase in the amount of \$859,885. The City's unrecognized deferred inflows and outflows as of the measurement date must be amortized and the City's pension expense must be recognized. These cause the change in net position to decrease in the amount of \$1,511,493. The net effect is a decrease in net position.		(651,608)
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Revenues from property taxes are deferred in the fund financial statements until they are considered available to fund current expenditures, but such revenues are recognized in the government-wide statements. This adjustment includes a net increase in property tax revenues of \$12,899, a net increase in fine revenues of \$3,799 and a net increase in emergency medical services of \$44,500 which is an increase to net position.		61,198
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Change in Net Position of Governmental Activities	\$	(490,115)
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The accompanying notes are an integral part of these financial statements.

CITY OF PLAINVIEW, TEXAS
Statement of Net Position - Proprietary Funds
September 30, 2016

	Business-type Activities	
	Solid Waste Management Fund	Water and Sewer Fund
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 5,036,252	\$ 5,358,243
Investments	2,042,350	2,309,135
Accounts receivable, net	362,404	914,432
Other assets	-	-
Inventories, at cost	-	113,507
Total Current Assets	<u>7,441,006</u>	<u>8,695,317</u>
Noncurrent Assets:		
Restricted Assets		
Cash and cash equivalents	-	3,373,532
Capital Assets		
Nondepreciable	400,000	245,192
Depreciable, net	4,215,056	24,798,353
Unamortized water supply contract costs	-	9,956,442
Total Noncurrent Assets	<u>4,615,056</u>	<u>38,373,519</u>
Total Assets	<u>12,056,062</u>	<u>47,068,836</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension	345,080	590,097
Deferred charge for debt refunding	-	249,405
Total Outflows of Resources	<u>345,080</u>	<u>839,502</u>
LIABILITIES		
Current Liabilities:		
Accounts payable	40,472	208,547
Wages payable	34,012	58,604
Accrued interest payable	-	28,888
Current portion of long-term liabilities		
Accrued compensated absences	2,405	4,044
Bonds and certificates of obligation	-	1,015,000
Water contract obligation	-	500,804
Total Current Liabilities	<u>76,889</u>	<u>1,815,887</u>

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

Nonmajor Enterprise Fund	Total Enterprise Funds	Governmental Activities	
		Total Internal Service Funds	
\$ 124,779	\$ 10,519,274	\$ 3,061,437	
-	4,351,485	2,811,028	
125	1,276,961	12,367	
-	-	169,934	
136	113,643	81,533	
125,040	16,261,363	6,136,299	
-	3,373,532	-	
5,000	650,192	-	
25,235	29,038,644	2,337,852	
-	9,956,442	-	
30,235	43,018,810	2,337,852	
155,275	59,280,173	8,474,151	
2,781	937,958	52,961	
-	249,405	-	
2,781	1,187,363	52,961	
2,932	251,951	186,819	
304	92,920	11,861	
-	28,888	-	
-	6,449	-	
-	1,015,000	-	
-	500,804	-	
3,236	1,896,012	198,680	

CITY OF PLAINVIEW, TEXAS
Statement of Net Position - Proprietary Funds - continued
September 30, 2016

	<u>Business-type Activities - Enterprise Funds</u>	
	<u>Solid Waste Management Fund</u>	<u>Water and Sewer Fund</u>
Long-Term Liabilities (net of current portion):		
Accrued landfill closure / postclosure costs	1,437,050	-
Payable from restricted assets:		
Deposits and escrow	-	503,640
Noncurrent portion of long-term liabilities		
Accrued compensated absences	31,276	55,411
Net pension liability	574,438	982,308
Net other postemployment benefits obligation	-	-
Bonds and certificates of obligation	-	9,405,000
Unamortized premiums and deferred losses on bonds	-	465,687
Water contract obligations	-	5,998,769
Total Noncurrent Liabilities	<u>2,042,764</u>	<u>17,410,815</u>
Total Liabilities	<u>2,119,653</u>	<u>19,226,702</u>
Deferred Inflows of Resources		
Pensions	47,592	81,384
Total Deferred Inflows of Resources	<u>47,592</u>	<u>81,384</u>
NET POSITION		
Net investment in capital assets	4,615,056	19,971,168
Restricted for debt service	-	733,968
Unrestricted	<u>5,618,841</u>	<u>7,895,116</u>
Total Net Position	<u>\$ 10,233,897</u>	<u>\$ 28,600,252</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds		
Net position of business type activities		

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

Nonmajor Enterprise Fund	Total Enterprise Funds	Governmental Activities Total Internal Service Funds
-	1,437,050	-
-	503,640	-
-	86,687	-
4,630	1,561,376	88,162
-	-	919,133
-	9,405,000	-
-	465,687	-
-	5,998,769	-
4,630	19,458,209	1,007,295
7,866	21,354,221	1,205,975
384	129,360	7,304
384	129,360	7,304
30,235	24,616,459	2,337,852
-	733,968	-
119,571	13,633,528	4,975,981
\$ 149,806	\$ 38,983,955	\$ 7,313,833
	(447,229)	
	\$ 38,536,726	

CITY OF PLAINVIEW, TEXAS
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds
Year Ended September 30, 2016

	Business-type Activities	
	Solid Waste Management Fund	Water and Sewer Fund
OPERATING REVENUE		
Charges for services	\$ 3,037,505	\$ 7,271,527
Other revenue	48,560	205,150
Total Operating Revenues	<u>3,086,065</u>	<u>7,476,677</u>
OPERATING EXPENSES		
Personnel services - salaries and wages	682,451	1,196,463
Personnel services - employee benefits	383,764	621,018
Purchased professional & technical services	269,980	678,051
Purchased property services	235,829	609,738
Other operating expenses	160,691	1,388,577
Supplies	233,691	536,063
Depreciation and amortization	577,195	1,219,827
Total Operating Expenses	<u>2,543,601</u>	<u>6,249,737</u>
Operating Income (Loss)	<u>542,464</u>	<u>1,226,940</u>
NONOPERATING REVENUES (EXPENSES)		
Gain (loss) on sale of property	71,510	2,500
Investment earnings	23,973	40,842
Bond premium accretion	-	48,884
Interest expense	-	(682,115)
Refunding loss amortization	-	(27,763)
Total Nonoperating Revenues (Expenses)	<u>95,483</u>	<u>(617,652)</u>
Income Before Contributions and Transfers	<u>637,947</u>	<u>609,288</u>
CONTRIBUTIONS AND TRANSFERS		
Capital contributions	-	-
Transfers in	486	694
Transfers out	(209,388)	(424,112)
Total Contributions and Transfers	<u>(208,902)</u>	<u>(423,418)</u>
Change in Net Position	429,045	185,870
Net Position - Beginning of Year	<u>9,804,852</u>	<u>28,414,382</u>
Net Position - End of Year	<u>\$ 10,233,897</u>	<u>\$ 28,600,252</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds		
Change in net position of business type activities		

The accompanying notes are an integral part of these financial statements

Nonmajor Enterprise Fund	Total Enterprise Funds	Governmental Activities	
		Total Internal Service Funds	
\$ 11,937	\$ 10,320,969	\$ 3,061,027	
-	253,710	353	
11,937	10,574,679	3,061,380	
6,193	1,885,107	120,761	
833	1,005,615	96,938	
-	948,031	48,037	
33,586	879,153	127,139	
9,165	1,558,433	2,279,504	
14,219	783,973	41,783	
3,075	1,800,097	571,586	
67,071	8,860,409	3,285,748	
(55,134)	1,714,270	(224,368)	
-	74,010	126,739	
587	65,402	17,032	
-	48,884	-	
-	(682,115)	-	
-	(27,763)	-	
587	(521,582)	143,771	
(54,547)	1,192,688	(80,597)	
-	-	-	
31,000	32,180	105,586	
-	(633,500)	(4,347)	
31,000	(601,320)	101,239	
(23,547)	591,368	20,642	
173,353	38,392,587	7,293,191	
\$ 149,806	\$ 38,983,955	\$ 7,313,833	
	28,838		
	\$ 620,206		

CITY OF PLAINVIEW, TEXAS
Statement of Cash Flows - Proprietary Funds
Year Ended September 30, 2016

	Business-type Activities	
	Solid Waste Management Fund	Water and Sewer Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from user charges	\$ 3,165,145	\$ 7,736,040
Cash from operating transactions - other funds	-	-
Cash payments to employees for services	(1,040,178)	(1,764,103)
Cash payments for goods and services	(853,754)	(3,134,619)
Other operating cash receipts	48,560	205,150
Net Cash Provided (Used) by Operating Activities	1,319,773	3,042,468
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Increase (decrease) in deposits and escrow held	-	17,875
Transfers to other funds	(209,388)	(424,112)
Transfers from other funds	486	694
Net Cash (Used) Provided by Noncapital Financing Activities	(208,902)	(405,543)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of capital assets	(711,041)	(487,520)
Principal paid on long-term debt	-	(1,479,945)
Interest paid on long-term debt	-	(684,478)
Proceeds from issuance of long term debt	-	-
Payments to bond refunding escrow agent	-	-
Bond issuance costs	-	-
Intergovernmental grants	-	-
Proceeds from the sale of capital assets	80,210	2,500
Net Cash Used by Capital and Related Financing Activities	(630,831)	(2,649,443)
CASH FLOWS FROM INVESTING ACTIVITIES		
Redemption (purchase) of investments	1,478,419	2,197,152
Interest on investments	23,973	41,501
Net Cash Provided by Investing Activities	1,502,392	2,238,653
Net (Decrease) Increase in Cash and Restricted Cash	1,982,432	2,226,135
Cash and Cash Equivalents - October 1	3,053,820	6,505,640
Cash and Cash Equivalents - September 30	<u>\$ 5,036,252</u>	<u>\$ 8,731,775</u>

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

Nonmajor Enterprise Fund	Total Enterprise Funds	Governmental Activities	
		Total Internal Service Funds	
\$ 11,812	\$ 10,912,997	\$ -	
-	-	3,061,768	
(8,450)	(2,812,731)	(168,303)	
(56,501)	(4,044,874)	(2,650,511)	
-	253,710	353	
(53,139)	4,309,102	243,307	
-	17,875	-	
-	(633,500)	(4,347)	
31,000	32,180	105,586	
31,000	(583,445)	101,239	
-	(1,198,561)	(529,675)	
-	(1,479,945)	-	
-	(684,478)	-	
-	-	-	
-	-	-	
-	-	-	
-	-	-	
-	82,710	171,145	
-	(3,280,274)	(358,530)	
-	3,675,571	(7,505)	
587	66,061	17,032	
587	3,741,632	9,527	
(21,552)	4,187,015	(4,457)	
146,331	9,705,791	3,065,894	
\$ 124,779	\$ 13,892,806	\$ 3,061,437	

CITY OF PLAINVIEW, TEXAS
Statement of Cash Flows - Proprietary Funds - continued
Year Ended September 30, 2016

	<u>Business-type Activities - Enterprise Funds</u>	
	<u>Solid Waste Management Fund</u>	<u>Water and Sewer Fund</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income (loss)	\$ 542,464	\$ 1,226,940
Adjustments to reconcile operating income to net cash		
Provided (used) by operating activities		
Depreciation and amortization	577,195	1,219,827
Landfill closure/postclosure	44,799	-
(Increase) decrease in operating assets and liabilities:		
Accounts receivable (net)	127,640	464,513
Prepaid expense	-	-
Inventories	-	23,764
Accounts payable	1,638	54,046
Wages payable	7,154	9,908
Net other postemployment benefits obligations	-	-
Net pension liability	217,504	385,690
Deferred Outflows - pensions	(218,326)	(378,226)
Deferred Inflows - pensions	19,595	34,590
Accrued compensated absences	110	1,416
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,319,773</u>	<u>\$ 3,042,468</u>
RECONCILIATION OF TOTAL CASH AND CASH EQUIVALENTS		
Cash and cash equivalents - Statement of Net Position	\$ 5,036,252	\$ 5,358,243
Restricted Cash - Statement of Net Position	<u>-</u>	<u>3,373,532</u>
Total cash and cash equivalents	<u>\$ 5,036,252</u>	<u>\$ 8,731,775</u>
NONCASH CAPITAL & RELATED FINANCING ACTIVITY		
Capital assets contributed from private parties	<u>\$ -</u>	<u>\$ -</u>
	<u>\$ -</u>	<u>\$ -</u>

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

Nonmajor Enterprise Fund	Total Enterprise Funds	Governmental Activities	
		Total	Internal Service Funds
\$ (55,134)	\$ 1,714,270	\$ (224,368)	
3,075	1,800,097	571,586	
-	44,799	-	
(125)	592,028	741	
-	-	(160,217)	
11	23,775	(39,127)	
458	56,142	40,949	
124	17,186	7,599	
-	-	4,347	
(599)	602,595	87,183	
(924)	(597,476)	(52,613)	
(25)	54,160	7,227	
-	1,526	-	
<u>\$ (53,139)</u>	<u>\$ 4,309,102</u>	<u>\$ 243,307</u>	
\$ 124,779	\$ 10,519,274	\$ 3,061,437	
-	3,373,532	-	
<u>\$ 124,779</u>	<u>\$ 13,892,806</u>	<u>\$ 3,061,437</u>	
\$ -	\$ -	\$ -	
\$ -	\$ -	\$ -	



PLAINVIEW, TX
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CITY OF PLAINVIEW, TEXAS
Notes to the Financial Statements
For the Year Ended September 30, 2016

Note 1: Summary of Significant Accounting Policies

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

Reporting Entity

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

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

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

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

Basis of Presentation

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

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

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

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

CITY OF PLAINVIEW, TEXAS
Notes to the Financial Statements
For the Year Ended September 30, 2016

Note 1: Summary of Significant Accounting Policies – continued

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

The City reports the following major governmental fund:

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

The City reports the following major enterprise funds:

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

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

In addition, the City reports the following fund type:

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

Measurement Focus, Basis of Accounting

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

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

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

CITY OF PLAINVIEW, TEXAS
Notes to the Financial Statements
For the Year Ended September 30, 2016

Note 1: Summary of Significant Accounting Policies – continued

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

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

Fair Value Measurements

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

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

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

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

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

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

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

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

Implementation of GASB Statement No. 72 did not have a significant impact on the City's financial statements for the year ended September 30, 2016. The City has no recurring fair value measurements as of September 30, 2016 as the City's investments are not measured at fair value but rather are measured at net asset value per share for the public funds investment pools and amortized value for certificates of deposits.

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.

CITY OF PLAINVIEW, TEXAS
Notes to the Financial Statements
For the Year Ended September 30, 2016

Note 1: Summary of Significant Accounting Policies – continued

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

<u>Asset Class</u>	<u>Years</u>
Infrastructure	20
Buildings	40
Building Improvements	20
System and Improvements	33-60
Vehicles	5-7
Office Equipment	10
Computer Equipment	3-5

Receivable and Payable Balances - The City believes that sufficient detail of payable balances is provided in the financial statements to avoid the obscuring of significant components by aggregation. Therefore, no disclosure is provided which disaggregates those balances. Details of receivable balances are presented in Note 3.

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

Deferred outflows/inflows of resources are separate elements of the financial statements. The City has deferred inflows of resources, which arises under the modified accrual basis of accounting, unavailable revenue from property taxes and for its deferred inflow related to pensions as described in Note 9. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The City only has one deferred inflow of resources, for its deferred inflow related to pensions as described in Note 9.

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

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

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

CITY OF PLAINVIEW, TEXAS
Notes to the Financial Statements
For the Year Ended September 30, 2016

Note 1: Summary of Significant Accounting Policies – continued

Fund balance - Details of constraints on fund balances of governmental funds at September 30, 2016 are as follows:

	General Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable:			
Inventories	\$ 48,915	\$	\$ 48,915
Restricted to:			
Tourism		725,437	725,437
PEG fund		82,502	82,502
Law Enforcement		42,262	42,262
Municipal Court		63,825	63,825
Assigned to:			
Travis Trussell Duck Pond		140,000	140,000
Capital Improvement	915,087		915,087
Street Improvement	422,063		422,063
Economic Development	1,590,085		1,590,085
Unassigned	12,868,321		12,868,321
	<u>\$ 15,844,471</u>	<u>\$ 1,054,026</u>	<u>\$ 16,898,497</u>

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

Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact. All amounts reported as Nonspendable at September 30, 2016 are nonspendable in form. The City has not reported any amounts that are legally or contractually required to be maintained intact.

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

Committed – includes amounts that can be used only for the specific purposes as established by the City Council's resolution. The City Council is the City's highest level of decision-making authority; and the formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is a resolution approved by the City's Council at the City Council's board meeting. As of September 30, 2016, the City had no committed funds.

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

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

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

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

CITY OF PLAINVIEW, TEXAS
Notes to the Financial Statements
For the Year Ended September 30, 2016

Note 1: Summary of Significant Accounting Policies – continued

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

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

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

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

Note 2: Deposits and Investments

Custodial Credit Risk for Deposits: State law requires governmental entities to contract with financial institutions in which funds will be deposited to secure those deposits with insurance or pledged securities with a fair value equaling or exceeding the amount on deposit at the end of each business day. The pledged securities must be in the name of the governmental entity and held by the entity or its agent. Since the City complied with this law for the year ended September 30, 2016, it had no custodial credit risk for deposits.

Compliance with the Public Funds Investment Act: The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports, and establishment of appropriate policies. Among other things, it requires a governmental entity to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit.

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

CITY OF PLAINVIEW, TEXAS
Notes to the Financial Statements
For the Year Ended September 30, 2016

Note 2: Deposits and Investments – continued

As of September 30, 2016, 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	\$ 100,651	0.90%	AAAm	\$ 100,651
Certificate of Deposits	11,120,303	99.10%	N/A	11,120,303
Total Portfolio	<u>\$ 11,220,954</u>	<u>100.00%</u>		<u>\$ 11,220,954</u>

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

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

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

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

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

CITY OF PLAINVIEW, TEXAS
Notes to the Financial Statements
For the Year Ended September 30, 2016

Note 3: Receivables

The receivables detailed below are reported net of allowances for doubtful accounts in the fund financial statements as of September 30, 2016:

	General Fund	Nonmajor Governmental Funds	Solid Waste Management Fund	Water and Sewer Fund	Nonmajor Enterprise Funds	Internal Service Funds	Total
Receivables:							
Taxes	\$ 1,021,802	\$ 46,983	\$ -	\$ -	\$ -	\$ -	\$ 1,068,785
Accounts	262,953	90,423	363,927	918,788	125	12,367	1,648,583
Fines	713,572	-	-	-	-	-	713,572
Due from other governments	67,189	51,264	-	-	-	-	118,453
Gross receivables	2,065,516	188,670	363,927	918,788	125	12,367	3,549,393
Less: allowance for uncollectibles	(821,347)	(90,423)	(1,523)	(4,356)	-	-	(917,649)
Net total receivables	<u>\$ 1,244,169</u>	<u>\$ 98,247</u>	<u>\$ 362,404</u>	<u>\$ 914,432</u>	<u>\$ 125</u>	<u>\$ 12,367</u>	<u>\$ 2,631,744</u>

Note 4: Interfund Balances and Activity

Transfers To and From Other Funds

Transfer From	Transfer To	Amount	Purpose
General fund	Nonmajor governmental fund	140,000	Travis Trussell Duck Pond
General fund	Nonmajor governmental fund	4,100	Home program
General fund	Internal service fund	78,000	Equipment replacement
Water and sewer fund	General fund	30,000	Economic development
Water and sewer fund	General fund	368,112	Transfer in lieu of franchise fees
Water and sewer fund	General fund	26,000	Equipment replacement
Solid waste mgmt. fund	General fund	25,000	Economic development
Solid waste mgmt. fund	General fund	158,388	Transfer in lieu of franchise fees
Solid waste mgmt. fund	General fund	26,000	Equipment replacement
Nonmajor governmental fund	Nonmajor busn. type activities	31,000	Theatre arts
Nonmajor governmental fund	Internal service fund	27,517	Equipment replacement
Internal service fund	General fund	3,052	Health insurance
Internal service fund	Nonmajor governmental fund	23	Health insurance
Internal service fund	Solid waste mgmt. fund	486	Health insurance
Internal service fund	Water and sewer fund	694	Health insurance
Internal service fund	Internal service fund	69	Health insurance
Internal service fund	Nonmajor governmental fund	23	Health insurance
		<u>\$ 918,464</u>	

CITY OF PLAINVIEW, TEXAS
Notes to the Financial Statements
For the Year Ended September 30, 2016

Note 5: Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents consisted of the following at September 30, 2016:

Nonmajor governmental funds	
Special revenue funds cash	\$ 870,330
	<u>870,330</u>
Water and Sewer Fund	
Debt Service	\$ 762,856
Customer Deposits / Escrow	503,640
Capital Projects (Unspent Bond Proceeds)	<u>2,107,036</u>
	<u>\$ 3,373,532</u>

Note 6: Capital Assets

Capital asset activity for the period ended September 30, 2016 was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
<i>Governmental Activities</i>				
Capital assets not being depreciated				
Land	\$ 771,553	\$ 86,722	\$ (210,852)	\$ 647,423
Construction in progress	22,797	457,640	(22,797)	457,640
Total capital assets not being depreciated	<u>794,350</u>	<u>544,362</u>	<u>(233,649)</u>	<u>1,105,063</u>
Capital assets being depreciated				
Building and improvements	4,049,361	256,478	(17,389)	4,288,450
Machinery and equipment	9,381,255	626,575	(583,535)	9,424,295
Infrastructure	18,032,706	137,929	-	18,170,635
Total capital assets being depreciated	<u>31,463,322</u>	<u>1,020,982</u>	<u>(600,924)</u>	<u>31,883,380</u>
Less accumulated depreciation for:				
Building and improvements	(2,369,139)	(110,503)	4,419	(2,475,223)
Machinery and equipment	(6,427,667)	(722,313)	538,663	(6,611,317)
Infrastructure	(12,696,319)	(450,917)	-	(13,147,236)
Total accumulated depreciation	<u>(21,493,125)</u>	<u>(1,283,733)</u>	<u>543,082</u>	<u>(22,233,776)</u>
Capital assets being depreciated, net	<u>9,970,197</u>	<u>(262,751)</u>	<u>(57,842)</u>	<u>9,649,604</u>
Governmental activities capital assets, net	<u>\$ 10,764,547</u>	<u>\$ 281,611</u>	<u>\$ (291,491)</u>	<u>\$ 10,754,667</u>

CITY OF PLAINVIEW, TEXAS
Notes to the Financial Statements
For the Year Ended September 30, 2016

Note 6: Capital Assets – continued

	Beginning Balance	Additions	Retirements	Ending Balance
<i>Business-Type Activities</i>				
Capital assets not being depreciated				
Land	\$ 529,367	\$ 22,992	\$ -	\$ 552,359
Construction in progress	14,346	97,833	(14,346)	97,833
Total capital assets not being depreciated	543,713	120,825	(14,346)	650,192
Capital assets being depreciated				
Building and improvements	2,696,221	-	-	2,696,221
Machinery and equipment	6,881,001	798,714	(447,278)	7,232,437
Improvements and system	45,440,605	293,366	-	45,733,971
Total capital assets being depreciated	55,017,827	1,092,080	(447,278)	55,662,629
Less accumulated depreciation for:				
Building and improvements	(2,124,341)	(29,623)	-	(2,153,964)
Machinery and equipment	(4,332,086)	(519,522)	438,578	(4,413,030)
Improvements and system	(18,955,060)	(1,101,931)	-	(20,056,991)
Total accumulated depreciation	(25,411,487)	(1,651,076)	438,578	(26,623,985)
Capital assets being depreciated, net	29,606,340	(558,996)	(8,700)	29,038,644
Business-type activities capital assets, net	<u>\$ 30,150,053</u>	<u>\$ (438,171)</u>	<u>\$ (23,046)</u>	<u>\$ 29,688,836</u>

Depreciation was charged to functions as follows:

Governmental Activities

General government - administration	\$ 36,532
General government - other	6,174
Public safety	168,804
Public works	344,552
Health	693
Recreation and culture	155,392
Depreciation for capital assets of internal service	
funds is allocated to various functions based on usage of the assets	571,586
	<u>\$ 1,283,733</u>

Business-type Activities

Solid Waste Management Fund	\$ 577,195
Water and Sewer Fund	1,070,806
Theatre Arts	3,075
	<u>\$ 1,651,076</u>

The estimated cost to complete the construction in progress as of September 30, 2016 was \$1,133,509.

CITY OF PLAINVIEW, TEXAS
Notes to the Financial Statements
For the Year Ended September 30, 2016

Note 7: Other Assets

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

	Water and Sewer Fund
Water Supply Contract Costs	\$ 12,665,987
(Less) Accumulated Amortization	(2,709,545)
Water Supply Contract Costs, net	<u>\$ 9,956,442</u>

Note 8: Long-Term Obligations

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the period ended September 30, 2016 are as follows:

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Governmental Activities					
Compensated Absences	\$ 986,546	\$ 16,962	\$ -	\$ 1,003,508	\$ 5,099
Net Pension Liability	10,630,635	3,219,425	-	13,850,060	-
Net OPEB Obligation	914,786	66,337	(61,990)	919,133	-
Total Governmental Activities	<u>\$ 12,531,967</u>	<u>\$ 3,302,724</u>	<u>\$ (61,990)</u>	<u>\$ 15,772,701</u>	<u>\$ 5,099</u>
Business-Type Activities					
Certificates of Obligation and bonds	\$ 11,415,000	\$ -	\$ (995,000)	\$ 10,420,000	\$ 1,015,000
Bond premium, net	514,573	-	(48,886)	465,687	-
Subtotal	11,929,573	-	(1,043,886)	10,885,687	1,015,000
Water contract obligations	6,984,518	-	(484,945)	6,499,573	500,804
Accrued landfill closure / postclosure costs	1,392,251	44,799	-	1,437,050	-
Compensated Absences	91,610	1,526	-	93,136	6,449
Net Pension Liability	958,781	602,595	-	1,561,376	-
Total Business-Type Activities	<u>\$ 21,356,733</u>	<u>\$ 648,920</u>	<u>\$ (1,528,831)</u>	<u>\$ 20,476,822</u>	<u>\$ 1,522,253</u>

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

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

CITY OF PLAINVIEW, TEXAS
Notes to the Financial Statements
For the Year Ended September 30, 2016

Note 8: Long-Term Obligations – continued

Debt service requirements for long-term debt as of September 30, 2016 are as follows:

Year Ended September 30,	Bonds Payable and Water Contract Obligations		
	Principal	Interest	Total
2017	\$ 1,515,804	\$ 637,912	\$ 2,153,716
2018	1,625,160	586,219	2,211,379
2019	1,594,010	525,940	2,119,950
2020	1,646,421	465,606	2,112,027
2021	1,715,620	401,744	2,117,364
2022-2026	5,212,715	1,297,122	6,509,837
2027-2031	3,609,843	321,262	3,931,105
	<u>\$ 16,919,573</u>	<u>\$ 4,235,805</u>	<u>\$ 21,155,378</u>

Long-term debt interest cost incurred for Business-type Activities for the year ended September 30, 2016 was as follows:

Interest charged to expense	\$ 682,115
Interest capitalized	1,171
Total interest incurred	<u>\$ 683,286</u>

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

Refunding Bonds and Tax and Revenue Certificates of Obligation

While the 2009 General Obligation Refunding Bonds and 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, 2016 are as follows:

Description	Purpose	Maturity	Interest Rates	Balance
2009 General Obligation Refunding Bonds	Refunding - waste water treatment plant bonds	3/1/2021	2.0 to 3.625%	\$ 3,320,000
2010 Tax and Revenue Certificates of Obligation	Water and sewer system improvements	3/1/2030	3.0 to 3.8%	7,100,000
				<u>\$ 10,420,000</u>

CITY OF PLAINVIEW, TEXAS
Notes to the Financial Statements
For the Year Ended September 30, 2016

Note 8: Long-Term Obligations – continued

Continuing Disclosure

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

Surface Water Supply Contract Obligations

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

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

Description	Maturity	Interest Rates	Balance
Refunding Series 2010 (CUA)	2/15/2020	3.0% to 3.5%	\$ 119,009
Refunding Series 2010 (BUREC)	10/1/2018	3.0% to 5.0%	168,351
Refunding Series 2012	2/15/2025	4.50%	1,561,520
Series 2009	2/15/2029	4.16%	582,194
Series 2011	2/15/2031	3.0% to 5.0%	2,528,050
Refunding Series 2014	2/15/2027	2.0% to 5.0%	1,057,672
Refunding Series 2014	2/15/2027	2.0% to 5.0%	482,777
			<u>\$ 6,499,573</u>

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

Transactions between CRMWA and the City consisted of payments to CRMWA for the City's share of costs of operations, water pumping and chemical costs, and debt service as follows for the year ended September 30, 2016:

Costs of operations	\$ 651,993
Water pumping and chemical costs	186,673
Debt service	809,757
Total	<u>\$ 1,648,423</u>

The City's costs of its rights to the surface and ground water are recorded in the Water and Sewer Enterprise Fund and are being amortized over 85 years, which is the estimated useful life of the CRMWA facilities and water basis. Such costs that have been capitalized by the City as of September 30, 2016 are as follows:

Capitalized contract costs	\$ 12,665,987
Accumulated amortization	(2,709,545)
Net unamortized costs	<u>\$ 9,956,442</u>

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

CITY OF PLAINVIEW, TEXAS
Notes to the Financial Statements
For the Year Ended September 30, 2016

Note 8: Long-Term Obligations – continued

The financial statements of CRMWA as of September 30, 2016, and for the year then ended, reflect the following:

Assets:	9/30/2016
Current assets	\$ 27,834,723
Noncurrent assets	500,750,869
Deferred Outflows of Resources:	
Deferred charge on refunding	-
Liabilities:	
Current liabilities	15,229,292
Noncurrent liabilities	172,641,310
Net Position:	
Net investment in capital assets	154,074,007
Restricted	171,903,499
Unrestricted	14,737,484
Total Net Position	340,714,990
Operating revenues	20,659,003
Operating expenses	(16,593,924)
Nonoperating revenues and expenses, net	475,375
Increase (decrease) in net position	4,540,454

Note 9: Employee Retirement Benefits

Texas Municipal Retirement System

Plan Description

The City participates as one of 866 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401(a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tmrs.com.

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

Benefits Provided

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

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

CITY OF PLAINVIEW, TEXAS
Notes to the Financial Statements
For the Year Ended September 30, 2016

Note 9: Employee Retirement Benefits – continued

Texas Municipal Retirement System – continued

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

Employees covered by benefit terms: At the December 31, 2015 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	103
Inactive employees entitled to but not yet receiving benefits	45
Active employees	140
Total	<u>288</u>

Contributions

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

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The City did not change its employee contribution rate during the year. The contribution rates for the City were 14.88% and 13.78% in calendar years 2015 and 2016, respectively. The City's contributions to TMRS for the year ended September 30, 2016, were \$964,940, and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2015, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions: The Total Pension Liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.5% per year
Investment Rate of Return	6.75% net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Table, with male rates multiplied by 109% and female rates multiplied by 103%. Based on the size of the city, rates are multiplied by a factor of 100%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Disabled Retiree Mortality Table is used, with slight adjustments.

CITY OF PLAINVIEW, TEXAS
Notes to the Financial Statements
For the Year Ended September 30, 2016

Note 9: Employee Retirement Benefits – continued

Texas Municipal Retirement System – continued

Actuarial assumptions used in the December 31, 2015, valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period December 31, 2010 through December 31, 2014. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2014 valuation. After the Asset Allocation Study analysis and experience investigation study, the Board amended the long-term expected rate of return on pension plan investments from 7% to 6.75%. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without and adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). At its meeting on July 30, 2015, the TRMS Board approved a new portfolio target allocation. The target allocation and best estimates of real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	17.50%	4.55%
International Equity	17.50%	6.10%
Core Fixed Income	10.00%	1.00%
Non-Core Fixed Income	20.00%	3.65%
Real Return	10.00%	4.03%
Real Estate	10.00%	5.00%
Absolute Return	10.00%	4.00%
Private Equity	5.00%	8.00%
Total	100.00%	

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

CITY OF PLAINVIEW, TEXAS
Notes to the Financial Statements
For the Year Ended September 30, 2016

Note 9: Employee Retirement Benefits – continued

Texas Municipal Retirement System – continued

Changes in the Net Pension Liability:

	Increase (Decrease)		
	Plan		
	Total Pension Liability	Fiduciary Net Position	Net Pension Liability/(Asset)
	(a)	(b)	(a) - (b)
Balance at 12/31/2014	\$ 37,838,482	\$ 34,740,867	\$ 3,097,615
Changes for the year:			
Service Cost	967,833	-	967,833
Interest	2,620,150	-	2,620,150
Difference between expected and actual experience	(374,526)	-	(374,526)
Changes of assumptions	246,279	-	246,279
Contributions - employer	-	999,335	(999,335)
Contributions - employee	-	439,639	(439,639)
Net investment income	-	51,262	(51,262)
Benefit payments, including refunds of employee contributions	(1,783,357)	(1,783,357)	-
Administrative expense	-	(31,224)	31,224
Other changes	-	(1,541)	1,541
Net changes	1,676,379	(325,886)	2,002,265
Balance at 12/31/2015	<u>\$ 39,514,861</u>	<u>\$ 34,414,981</u>	<u>\$ 5,099,880</u>

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

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's net pension liability (asset)	\$ 10,422,507	\$ 5,099,880	\$ 711,806

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

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

For the year ended September 30, 2016, the City recognized pension expense of \$1,183,174.

CITY OF PLAINVIEW, TEXAS
Notes to the Financial Statements
For the Year Ended September 30, 2016

Note 9: Employee Retirement Benefits – continued

Texas Municipal Retirement System – continued

At September 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ -	\$ 422,525
Changes in actual assumptions	179,174	-
Difference between projected and actual investment earnings	2,161,441	-
Contributions subsequent to the measurement date	723,011	-
Total	<u>\$ 3,063,626</u>	<u>\$ 422,525</u>

\$723,011 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2017. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31:

2017	\$ 433,927
2018	469,682
2019	538,361
2020	476,120
2021	-
Thereafter	-
	<u>\$ 1,918,090</u>

Firemen's Relief and Retirement Fund:

Plan Description

The Board of Trustees of the Firemen's Relief and Retirement Fund of Plainview, Texas (the Plan) is the administrator of a single-employer defined benefit pension plan. The Board of Trustees consists of three firemen elected by the members, two citizens elected by the board, and the City Mayor and Finance Director serving as ex-officio members. Substantially all firefighters in the Plainview Fire Department are covered by the Plan. The plan is not subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA) and was amended effective October 1, 2009. The table below summarizes the membership of the Plan included in the actuarial valuation as of December 31, 2015, which is the date of the latest actuarial valuation.

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

CITY OF PLAINVIEW, TEXAS
Notes to the Financial Statements
For the Year Ended September 30, 2016

Note 9: Employee Retirement Benefits – continued

Firemen's Relief and Retirement Fund - continued

The Plan provides service retirement, death, disability, and withdrawal benefits. These benefits fully vest after 20 years of credited service with partial vesting available with 10 years of service. Members hired before October 1, 1994 may retire at age 50 with 20 years of service. Members hired on or after October 1, 1994 may retire at age 53 with 20 years of service. As of the December 31, 2015 actuarial valuation date, the Plan provided a monthly normal service retirement benefit, payable in a joint and two-thirds to spouse form of annuity, equal to 63.75% of "highest 60-month average salary", plus a "longevity" benefit equal to \$78 per month for each whole year of service in excess of 20 years, subject to a 15 year maximum. There is no provision for automatic postretirement benefit increases. The Plan has the authority to provide, and has in the past provided for, ad hoc postretirement benefit increases. The benefit provisions of this plan are authorized by the Texas Local Fire Fighter's Retirement Act (TLFFRA). TLFFRA provides the authority and procedure to amend benefit provisions.

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

Actuarial assumptions were as follows:

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

Changes in Net Pension Liability

At September 30, 2016, the City reported a Net Pension Liability amount of \$10,311,556. The Net Pension Liability was measured as of December 31, 2015, and the Total Pension Liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of December 31, 2015. Under this method, the City's fiscal year end September 30, 2016 reporting period uses the Fund's December 31, 2014 Total Pension Liability valuation results rolled forward to December 31, 2015, but the Plan's Fiduciary Net Position is reported at fair value.

CITY OF PLAINVIEW, TEXAS
Notes to the Financial Statements
For the Year Ended September 30, 2016

Note 9: Employee Retirement Benefits – continued

Firemen's Relief and Retirement Fund – continued

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
	(a)	(b)	(a) - (b)
Balance at 9/30/2015	\$ 13,968,643	\$ 5,476,842	\$ 8,491,801
Changes for the year:			
Service Cost	247,001	-	247,001
Interest	1,032,210	-	1,032,210
Changes of benefit terms	-	-	-
Difference between expected and actual experience	229,642	-	229,642
Changes of assumptions	824,918	-	824,918
Contributions - employer	-	496,188	(496,188)
Contributions - employee	-	285,079	(285,079)
Net investment income	-	(260,075)	260,075
Benefit payments, including refunds of employee contributions	(693,960)	(693,960)	-
Administrative expense	-	(7,176)	7,176
Net changes	1,639,811	(179,944)	1,819,755
Balance at 9/30/2016	<u>\$ 15,608,454</u>	<u>\$ 5,296,898</u>	<u>\$ 10,311,556</u>

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

	1% Decrease in Discount Rate (6.75%)	Discount Rate (7.75%)	1% Increase in Discount Rate (8.75%)
Firefighters' Fund Net Pension Liability	\$ 12,084,255	\$ 10,311,556	\$ 8,839,630

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

Pension Expense Components	FYE 9/30/2016
Service Cost	\$ 247,001
Interest on TPL	1,032,210
Differences between expected and actual experience	63,789
Changes in Assumptions	229,144
Employee Contributions	(285,079)
Projected Earnings on Pension Plan Investments	(427,560)
Differences between projected and actual earnings on plan investments	185,485
Pension Plan Administrative Expenses	7,176
Total Pension Expense	<u>\$ 1,052,166</u>

CITY OF PLAINVIEW, TEXAS
Notes to the Financial Statements
For the Year Ended September 30, 2016

Note 9: Employee Retirement Benefits – continued

Firemen's Relief and Retirement Fund – continued

For the year ended September 30, 2016, the City recognized a pension expense of \$1,052,166. At September 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 165,853	\$ -
Changes in actual assumptions	595,774	-
Difference between projected and actual investment earnings	693,982	-
Contributions subsequent to the measurement date	370,729	-
Total	<u>\$ 1,826,338</u>	<u>\$ -</u>

\$370,729 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2017.

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

<u>Year Ended December 31:</u>	
2017	\$ 478,418
2018	478,418
2019	361,247
2020	137,526
2021	-
Thereafter	-
	<u>\$ 1,455,609</u>

Other Retirement and Miscellaneous Benefits

The City makes available to all of its full-time employees a custom benefit plan (cafeteria plan) under Internal Revenue Code Section 125 and a deferred compensation plan under Internal Revenue Code Section 457. The City does not contribute to these plans. All contributions are made by employees who elect to participate in the plans. The City remits employee contributions to the plan trustees on a regular basis. The City does not administer the Section 457 plan, nor does it provide investment advice to the plan. Accordingly, the Section 457 plan is not a part of the City's reporting entity.

Note 10: Health Care Coverage

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

CITY OF PLAINVIEW, TEXAS
Notes to the Financial Statements
For the Year Ended September 30, 2016

Note 11: Other Postemployment Benefits

Plan Participants:

Full-time employees, their spouse, and dependents, and retirees, their spouse, and dependents are eligible to participate in the City's single-employer health care plan. Eligible retirees choosing to participate in the plan pay premiums to the plan. Retiree coverage terminates at the end of the month that the retiree becomes eligible for Medicare or Medicaid.

Normal Retirement Benefit Eligibility are as follows:

Firefighters:

Hires before October 1, 1994 – age 50 with 20 years of service

Hires at and after October 1, 1994 – age 53 with 20 years of service

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:

PPO \$500 Buy Up

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

\$10, \$35, \$70 Co-pay Drug Program

\$2,600 HSA Base

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

Deductible/20% Drug Program

Duty and Non-Duty Death in Service Retirement Benefits:

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

Non-Duty Disabled Retirement Benefits:

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

Duty Disabled Retirement Benefits:

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

Benefits for Spouses of Retired Employees:

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

Retiree Opt-Out:

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

CITY OF PLAINVIEW, TEXAS
Notes to the Financial Statements
For the Year Ended September 30, 2016

Note 11: Other Postemployment Benefits – continued

Schedule of Monthly Premiums as of 1/1/16:

Category	Monthly Premium		Paid By:
	Buy Up	HSA Base	
Retiree (under 65)	\$ 719	562	Retiree
Spouse	1,510	1,179	Retiree
+ Children	1,366	1,067	Retiree
Full Family	2,085	1,628	Retiree
Active Employee	719	562	97% by City/100% by City
Spouse	1,510	1,179	24% by Employee/22% by Employee
+ Children	1,366	1,067	22% by Employee/20% by Employee
Full Family	2,085	1,628	29% by Employee/28% by Employee
Cobra	733	573	Former Employee

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

Funding Policy and Annual OPEB Cost:

The City's annual other post employment benefits (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameter of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The City currently funds the plan on a pay-as-you-go basis. The City had its first OPEB actuarial valuation performed for the fiscal year beginning October 1, 2008 as required by GASB. The City's annual OPEB cost for the year ended September 30, 2016 is as follows:

Annual required contribution (ARC)	\$ 96,229
Interest on OPEB obligation	36,591
Adjustment to ARC	(66,483)
Annual OPEB cost at end of year	66,337
Net employer contributions	(61,990)
Increase in net OPEB obligation	4,347
Net OPEB obligation at beginning of year	914,786
Net OPEB obligation at end of year	<u>\$ 919,133</u>

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, 2016 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
9/30/2014	\$ 93,619	\$ 188,506	49.7%	\$ 779,936	\$ 188,506	49.7%
9/30/2015	59,557	194,407	30.6%	914,786	194,407	30.6%
9/30/2016	61,990	66,337	93.4%	919,133	66,337	93.4%

CITY OF PLAINVIEW, TEXAS
Notes to the Financial Statements
For the Year Ended September 30, 2016

Note 11: Other Postemployment Benefits – continued

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

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

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

Actuarial methods and assumptions:

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

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

Actuarial assumptions were as follows:

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

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

Note 12: Risk Management

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

CITY OF PLAINVIEW, TEXAS
Notes to the Financial Statements
For the Year Ended September 30, 2016

Note 12: Risk Management – continued

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

There were no significant reductions in commercial insurance coverage in the past fiscal year and settled claims resulting from these risks have not exceeded coverage in any of the past three fiscal years. The City is generally self-insured for physical damage to vehicles.

Note 13: Contingencies and Litigation

Contingencies:

The City participates in grant programs which are governed by various regulations and rules of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the City has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable may be impaired. In the opinion of the City, there are no significant contingent liabilities relating to the compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying basic financial statements for such contingencies.

Litigation and Claims:

Certain claims have been made against the City. The City intends to vigorously defend such claims or any suit. In the opinion of management, the ultimate resolution of these matters will not have a material adverse effect on the financial condition of the City.

Note 14: Closure and Postclosure Care Cost

State and federal laws and regulations require the City to place a final cover on its City of Plainview Municipal Solid Waste Landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the City reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$1,437,050 reported as landfill closure and postclosure care liability as of September 30, 2016, represents the cumulative amount reported to date based on the use of 22.34 percent of the estimated capacity of the landfill. The City will recognize the remaining estimated cost of closure and postclosure of \$4,995,582 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2016. The City expects to close the landfill in the year 2095. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

It is the policy of the City to satisfy the EPA financial assurance requirements using the financial test method. Additionally, the Solid Waste Management Fund has cash and investments equal to the recorded liability for landfill closure and postclosure costs, which amounted to \$1,437,050 as of September 30, 2016.

Note 15: Investment in Joint Venture

Plainview/Hale County Airport

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

CITY OF PLAINVIEW, TEXAS
Notes to the Financial Statements
For the Year Ended September 30, 2016

Note 15: Investment in Joint Venture – continued

Year Ending Date	12/31/2015
Total current assets	\$ 133,504
Total property and equipment	1,800,280
Total current liabilities	440
Net position invested in capital assets	1,800,280
Unrestricted net position	133,064
Total net position	1,933,344
Total operating revenues	571,829
Total operating expenses	602,120
Net increase (decrease) in net position	(30,291)
City's 50% share of increase (decrease) in net position	(15,146)

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, 2016 included those related to routine water, sewer and solid waste utility services. The City's interest in the joint venture is accounted for using the equity method.

City of Plainview/Hale County Business Park

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

Year Ending Date	9/30/2016
Total current assets	\$ 58,576
Total property and equipment	210,851
Total current liabilities	58,576
Net position invested in capital assets	210,851
Unrestricted net position	-
Total net position	210,851
Total operating revenues	269,427
Total operating expenses	58,576
Net increase (decrease) in net position	210,851
City's 50% share of increase (decrease) in net position	105,426

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

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

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

**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, 2016

	Budgeted Amounts		Actual
	Original	Final	GAAP Basis
REVENUES			
Taxes			
Property taxes	\$ 4,864,860	\$ 4,864,860	\$ 4,954,092
General sales and use tax	3,700,000	3,700,000	4,180,786
Selective sales and use tax	30,000	30,000	32,305
Franchise tax	1,380,000	1,380,000	1,300,049
Penalty and interest on taxes	71,000	71,000	75,004
Licenses and permits	53,200	53,200	101,180
Intergovernmental revenue and grants	203,450	206,795	191,133
Charges for services	705,910	705,910	835,382
Fines and forfeitures	341,760	341,760	332,266
Investment earnings	30,000	30,000	54,606
Rents and royalties	500	500	500
Contributions and donations	-	-	516
Other revenue	842,010	961,975	134,678
Total Revenues	12,222,690	12,346,000	12,192,497

EXPENDITURES

Current

General government - administration

City council	62,795	62,795	(14,764)
City manager	291,350	291,350	99,787
Nondepartmental	441,180	606,280	462,574
Legal	258,720	285,022	154,564
Finance	74,040	74,040	(57,767)
Human resources	74,085	74,085	89,248
Administrative Services	254,725	255,525	259,087
Property tax appraisal / collection	118,000	118,000	114,502
Total general government - admin	1,574,895	1,767,097	1,107,231

General government - other

Municipal court	156,490	156,490	156,716
Community development	168,460	168,460	128,301
Code compliance	252,930	254,260	229,937
Main Street	102,330	109,430	30,072
Airport	3,000	3,000	740
Total general government - other	683,210	691,640	545,766

Health

City-county health department	146,795	151,085	127,738
Health TDH - ORAS	84,535	84,535	77,206
Health TDH-IMM	166,350	166,350	174,880
Total Health	397,680	401,970	379,824

Adjustments to Budget Basis	Actual Budget Basis	Variance with Final Budget
\$	\$ 4,954,092	\$ 89,232
	4,180,786	480,786
	32,305	2,305
	1,300,049	(79,951)
	75,004	4,004
	101,180	47,980
	191,133	(15,662)
	835,382	129,472
	332,266	(9,494)
	54,606	24,606
	500	-
	516	516
834,870	969,548	7,573
834,870	13,027,367	681,367
56,340	41,576	21,219
184,020	283,807	7,543
	462,574	143,706
131,095	285,659	(637)
128,780	71,013	3,027
	89,248	(15,163)
	259,087	(3,562)
	114,502	3,498
500,235	1,607,466	159,631
	156,716	(226)
	128,301	40,159
	229,937	24,323
78,290	108,362	1,068
	740	2,260
78,290	624,056	67,584
	127,738	23,347
	77,206	7,329
	174,880	(8,530)
-	379,824	22,146

CITY OF PLAINVIEW, TEXAS
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget to Actual - General Fund
Year Ended September 30, 2016

	Budgeted Amounts		Actual
	Original	Final	GAAP Basis
EXPENDITURES - continued			
Current - continued			
Public safety			
Police	3,690,145	3,774,995	3,539,975
Fire	3,530,210	3,620,980	3,525,562
Traffic control	193,725	199,240	145,540
Emergency operations center	21,980	26,042	24,196
Street lighting	194,500	200,700	200,369
Animal control	158,135	161,685	151,189
Total public safety	7,788,695	7,983,642	7,586,831
Public works			
Public works - general	165,140	165,140	(136,122)
Street cleaning	223,810	223,810	210,146
Streets - other	707,940	928,890	868,782
Building operations	98,940	106,940	96,809
Total public works	1,195,830	1,424,780	1,039,615
Recreation and culture			
Parks	777,475	799,430	667,599
Swimming pool	24,500	28,000	27,702
Library	441,870	450,205	416,218
Total Parks and Recreation	1,243,845	1,277,635	1,111,519
Capital outlay	5,000	85,500	132,668
Total Expenditures	12,889,155	13,632,264	11,903,454
Excess of Revenues Over (Under) Expenditures	(666,465)	(1,286,264)	289,043
Other Financing Sources (Uses)			
Transfers in	503,045	555,045	581,552
Transfers out	(30,000)	(951,654)	(952,100)
Total Other Financing Sources (Uses)	473,045	(396,609)	(370,548)
Change in Fund Balance	(193,420)	(1,682,873)	(81,505)
Fund Balance - October 1	12,998,741	12,998,741	12,998,741
Fund Balance - September 30	<u>\$ 12,805,321</u>	<u>\$ 11,315,868</u>	<u>\$ 12,917,236</u>

Adjustments to Budget Basis	Actual Budget Basis	Variance with Final Budget
	3,539,975	235,020
	3,525,562	95,418
	145,540	53,700
	24,196	1,846
	200,369	331
	151,189	10,496
-	7,586,831	396,811
256,345	120,223	44,917
	210,146	13,664
	868,782	60,108
	96,809	10,131
256,345	1,295,960	128,820
	667,599	131,831
	27,702	298
	416,218	33,987
-	1,111,519	166,116
	132,668	(47,168)
834,870	12,738,324	893,940
-	289,043	1,575,307
	581,552	26,507
	(952,100)	(446)
-	(370,548)	26,061
-	(81,505)	1,601,368
-	12,998,741	-
\$ -	\$ 12,917,236	\$ 1,601,368

CITY OF PLAINVIEW, TEXAS
Required Supplementary Information
Schedule of Funding Progress - OPEB Plan
Year Ended September 30, 2016

Exhibit B-2

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
CITY OF PLAINVIEW RETIREE HEALTH CARE OPEB PLAN:						
12/31/09	\$ -	\$ 3,036,824	\$ 3,036,824	0.0%	N/A	N/A
12/31/11	-	3,965,033	3,965,033	0.0%	N/A	N/A
12/31/13	-	2,102,393	2,102,393	0.0%	N/A	N/A
12/31/15	-	907,296	907,296	0.0%	N/A	N/A

CITY OF PLAINVIEW, TEXAS

Exhibit B-3

Schedule of Changes in Net Position Liability and Related Ratios
Texas Municipal Retirement System
Year Ended September 30, 2016

	Year Ended December 31, 2015	Year Ended December 31, 2014
Total Pension Liability		
Service cost	\$ 967,833	\$ 836,912
Interest on total pension liability	2,620,150	2,535,501
Changes of benefit terms	-	-
Differences between expected and actual experience	(374,526)	(335,859)
Change of assumptions	246,279	-
Benefit payments/refunds of contributions	(1,783,357)	(2,002,126)
Net change in total pension liability	1,676,379	1,034,428
Total pension liability, beginning	37,838,482	36,804,054
Total pension liability, ending (a)	\$ 39,514,861	\$ 37,838,482
Fiduciary Net Position		
Contributions - Employer	\$ 999,335	\$ 982,725
Contributions - Employee	439,639	394,106
Net investment income	51,262	1,914,838
Benefit payments/refunds of contributions	(1,783,357)	(2,002,126)
Administrative expenses	(31,224)	(19,992)
Other	(1,541)	(1,644)
Net change in fiduciary net position	(325,886)	1,267,907
Fiduciary net position, beginning	34,740,867	33,472,960
Fiduciary net position, ending (b)	\$ 34,414,981	\$ 34,740,867
Net pension liability / (asset), ending = (a) - (b)	5,099,880	3,097,615
Fiduciary net position as a percentage of total pension liability	87.09%	91.81%
Pensionable covered payroll	\$ 6,280,553	\$ 5,630,088
Net pension liability as a percentage of covered payroll	81.20%	55.02%

CITY OF PLAINVIEW, TEXAS

Exhibit B-4

Schedule of Changes in Net Position Liability and Related Ratios
Firemen's Relief and Retirement Fund Pension Plan
Year Ended September 30, 2016

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

CITY OF PLAINVIEW, TEXAS
Schedule of Employer Contributions
Texas Municipal Retirement System
For Fiscal Year 2016

Exhibit B-5

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

CITY OF PLAINVIEW, TEXAS
Schedule of Employer Contributions
Firemen's Relief and Retirement Fund Pension Plan
For Fiscal Year 2016

Exhibit B-6

<u>Year Ending December 31,</u>		<u>Actuarially Determined Contribution</u>		<u>Actual Employer Contribution</u>		<u>Contribution Deficiency (Excess)</u>		<u>Pensionable Covered Payroll</u>		<u>Actual Contribution as a Percentage of Covered Payroll</u>
2013	\$	621,787	\$	653,563	\$	(31,776)	\$	1,836,743	\$	35.6%
2014		702,748		702,748		-		1,870,971		37.6%
2015		781,267		781,267		-		2,036,279		38.4%

CITY OF PLAINVIEW, TEXAS
Notes to Required Supplementary Information
For the Year Ended September 30, 2016

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	\$	(81,505)
Investment earnings		27,520
Other revenue		474
General government - administration		(269,693)
Intergovernmental grants		1,890
Capital outlay		(595,568)
Net transfers		785,000
Change in Fund Balance Exhibit A-5	<u>\$</u>	<u>(131,882)</u>

Note B: Budgetary Process

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

1. Prior to the beginning of the fiscal year, the City prepares a budget for the next succeeding fiscal year. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the City Council is then called for the purpose of adopting the proposed budget. At least ten days' public notice of the meeting must have been given.
3. Prior to the start of the fiscal year, the budget is legally enacted through passage of a resolution by the City Council.
4. Once a budget is approved, it can be amended only by approval of a majority of the members of the City Council.
5. As required by law, such amendments are made before the fact, are reflected in the official minutes of the City Council and are not made after fiscal year end.
6. During the year, the budget was amended as necessary. The following budget amendments were significant for the General Fund: the budget was amended to provide for a \$209,050 of street seal coating and repair expense, a transfer of \$140,000 to the Travis Trussel Duck Pond Fund, a transfer of \$625,000 to the Street Improvement Fund, and \$105,425 for the sale of city property,.
7. All budget appropriations lapse at year end.

CITY OF PLAINVIEW, TEXAS
Notes to Required Supplementary Information
For the Year Ended September 30, 2016

Note C: Net Pension Liability – Texas Municipal Retirement System

Assumptions

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

Valuation date	Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.
Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	30 years
Asset valuation method	10-year smoothed market; 15% soft corridor
Inflation	2.5%
Salary increases	3.50% to 12.00%, including inflation
Investment rate of return	6.75%
Retirement age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the 2010 – 2014.
Mortality	RP-2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.

Changes of Benefit Terms

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

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

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

Changes of Assumptions

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

CITY OF PLAINVIEW, TEXAS
Notes to Required Supplementary Information
For the Year Ended September 30, 2016

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

Assumptions

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

Valuation date	December 31, 2015
Actuarially determined contribution rates	Calculated in the year contributions are reported based on 40 year (open)period amortization
Actuarial cost method	Entry age
Amortization method	Open period level percent of pay
Remaining amortization period	31.6 years
Asset valuation method	Actuarial value of assets
Salary increases	5.00%
Investment rate of return	7.75%, net of plan expenses

There were no changes or methods or plan provisions since the prior valuation. The mortality assumption is based on the RP 2014 mortality with Blue Collar adjustment with mortality improvements projected using Scale MP-2015.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed 2.5%). Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocations as of December 31, 2015 (see the discussion of the pension plan's investment policy) are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Equity	6.50%
Fixed Income	4.00%
Cash	0.00%

Discount rate: The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that the City contribution would equal the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension investments was applied to all period of benefit payments to determine the total pension liability.

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

CITY OF PLAINVIEW, TEXAS
Notes to Required Supplementary Information
For the Year Ended September 30, 2016

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

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
City's net pension liability	\$ 12,084,255	\$ 10,311,556	\$ 8,839,630

Schedule of Investment Returns
Fiscal Year Ending December 31

	2013	2014	2015
Annual money-weighted rate of return, net of investment expense	16.51%	3.30%	-4.71%

**Combining Statements &
Budget Comparisons**

COMBINING STATEMENTS AND BUDGETARY COMPARISONS

CITY OF PLAINVIEW, TEXAS

Combining Balance Sheet

General Funds

September 30, 2016

	General Fund	Capital Improvement Fund	Street Improvement Fund
ASSETS			
Cash and cash equivalents	\$ 9,126,152	\$ 430,680	\$ 884,469
Investments	3,551,087	507,354	-
Accounts receivable (net)	250,408	-	-
Taxes receivable (net)	926,572	-	-
Due from other governments	67,189	-	-
Inventories	48,915	-	-
Total Assets	\$ 13,970,323	\$ 938,034	\$ 884,469
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 353,716	\$ 22,947	\$ 462,406
Wages payable	291,700	-	-
Due to other funds	445	-	-
Compensated absences payable	5,099	-	-
Total Liabilities	650,960	22,947	462,406
Deferred Inflows of Resources			
Unavailable revenue			
Property taxes	207,591	-	-
Fines and fees	107,036	-	-
Emergency Medical Services	87,500	-	-
Total Deferred Inflows of Resources	402,127	-	-
Fund Balances			
Nonspendable	48,915	-	-
Assigned	-	915,087	422,063
Unassigned	12,868,321	-	-
Total Fund Balance	12,917,236	915,087	422,063
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 13,970,323	\$ 938,034	\$ 884,469

Economic Development Fund	Total General Funds
\$ 1,619,404	\$ 12,060,705
-	4,058,441
-	250,408
-	926,572
-	67,189
-	48,915
<u>\$ 1,619,404</u>	<u>\$ 17,412,230</u>
\$ 29,319	\$ 868,388
-	291,700
-	445
-	5,099
<u>29,319</u>	<u>1,165,632</u>
-	207,591
-	107,036
-	87,500
<u>-</u>	<u>402,127</u>
-	48,915
1,590,085	2,927,235
-	12,868,321
<u>1,590,085</u>	<u>15,844,471</u>
<u>\$ 1,619,404</u>	<u>\$ 17,412,230</u>

CITY OF PLAINVIEW, TEXAS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balance - General Funds
Year Ended September 30, 2016

	General Fund	Capital Improvement Fund	Street Improvement Fund
REVENUES			
Taxes:			
Property taxes	\$ 4,954,092	\$ -	\$ -
Sales and use taxes	4,180,786	-	-
Selective sales and use taxes	32,305	-	-
Franchise tax	1,300,049	-	-
Penalty and interest on taxes	75,004	-	-
Licenses and permits	101,180	-	-
Intergovernmental revenue and grants	191,133	-	-
Charges for services	835,382	-	-
Fines and fees	332,266	-	-
Investment earnings	54,606	3,387	17,129
Rents and royalties	500	-	-
Contributions and donations	516	1,890	-
Other revenue	134,678	-	474
Total Revenues	<u>12,192,497</u>	<u>5,277</u>	<u>17,603</u>
EXPENDITURES			
Current			
General government - administration	1,107,231	103,946	-
General government - other	545,766	-	-
Public safety	7,586,831	-	-
Public works	1,039,615	-	-
Health	379,824	-	-
Recreation and culture	1,111,519	-	-
Capital outlay	132,668	88,998	506,570
Total Expenditures	<u>11,903,454</u>	<u>192,944</u>	<u>506,570</u>
Excess (Deficiency) of Revenue over Expenditures	<u>289,043</u>	<u>(187,667)</u>	<u>(488,967)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	581,552	75,000	625,000
Transfers out	(952,100)	-	-
Total Other Financing Sources (Uses)	<u>(370,548)</u>	<u>75,000</u>	<u>625,000</u>
Net Change in Fund Balance	(81,505)	(112,667)	136,033
Fund Balance - October 1	<u>12,998,741</u>	<u>1,027,754</u>	<u>286,030</u>
Fund Balance - September 30	<u><u>\$ 12,917,236</u></u>	<u><u>\$ 915,087</u></u>	<u><u>\$ 422,063</u></u>

Economic Development Fund	Elimination	Total General Funds
\$ -	\$ -	\$ 4,954,092
-	-	4,180,786
-	-	32,305
-	-	1,300,049
-	-	75,004
-	-	101,180
-	-	191,133
-	-	835,382
-	-	332,266
7,004	-	82,126
-	-	500
-	-	2,406
-	-	135,152
<u>7,004</u>	<u>-</u>	<u>12,222,381</u>
165,747	-	1,376,924
-	-	545,766
-	-	7,586,831
-	-	1,039,615
-	-	379,824
-	-	1,111,519
-	-	728,236
<u>165,747</u>	<u>-</u>	<u>12,768,715</u>
<u>(158,743)</u>	<u>-</u>	<u>(546,334)</u>
85,000	(730,000)	636,552
<u>-</u>	<u>730,000</u>	<u>(222,100)</u>
<u>85,000</u>	<u>-</u>	<u>414,452</u>
(73,743)	-	(131,882)
<u>1,663,828</u>	<u>-</u>	<u>15,976,353</u>
<u>\$ 1,590,085</u>	<u>\$ -</u>	<u>\$ 15,844,471</u>

CITY OF PLAINVIEW, TEXAS
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2016

	Hotel - Motel Occupancy Tax Fund	Police Seizure Fund	Federal Shared Forfeited Fund	Police Pending Seizures Fund
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Taxes receivable	37,325	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	23,331	-	-
Restricted cash and cash equivalents	701,635	23,356	1,328	448
Total Assets	<u>\$ 738,960</u>	<u>\$ 46,687</u>	<u>\$ 1,328</u>	<u>\$ 448</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 12,054	\$ 5,753	\$ -	\$ 448
Wages payable	1,469	-	-	-
Total Liabilities	<u>13,523</u>	<u>5,753</u>	<u>-</u>	<u>448</u>
Fund Balances				
Restricted	725,437	40,934	1,328	-
Assigned	-	-	-	-
Total Fund Balances	<u>725,437</u>	<u>40,934</u>	<u>1,328</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 738,960</u>	<u>\$ 46,687</u>	<u>\$ 1,328</u>	<u>\$ 448</u>

RSVP Fund	Municipal Court Security Fee Fund	Municipal Court Technology Fund	PEG Fund	HRA Home RSP 2011 Fund	Travis Trussell Duck Pond Fund	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 140,000	\$ 140,000
-	-	-	9,658	-	-	46,983
-	-	-	-	445	-	445
6,408	-	-	-	21,525	-	51,264
2,854	29,980	39,680	72,844	(1,795)	-	870,330
<u>\$ 9,262</u>	<u>\$ 29,980</u>	<u>\$ 39,680</u>	<u>\$ 82,502</u>	<u>\$ 20,175</u>	<u>\$ 140,000</u>	<u>\$ 1,109,022</u>
\$ 7,310	\$ 2,250	3,585	\$ -	20,175	-	\$ 51,575
1,952	-	-	-	-	-	3,421
<u>9,262</u>	<u>2,250</u>	<u>3,585</u>	<u>-</u>	<u>20,175</u>	<u>-</u>	<u>54,996</u>
-	27,730	36,095	82,502	-	-	914,026
-	-	-	-	-	140,000	140,000
<u>-</u>	<u>27,730</u>	<u>36,095</u>	<u>82,502</u>	<u>-</u>	<u>140,000</u>	<u>1,054,026</u>
<u>\$ 9,262</u>	<u>\$ 29,980</u>	<u>\$ 39,680</u>	<u>\$ 82,502</u>	<u>\$ 20,175</u>	<u>\$ 140,000</u>	<u>\$ 1,109,022</u>

CITY OF PLAINVIEW, TEXAS
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
Year Ended September 30, 2016

	Hotel - Motel Occupancy Tax Fund	Police Seizure Fund	Federal Shared Forfeited Fund	Police Pending Seizures Fund
REVENUE				
Selective sales and use tax	\$ 406,734	\$ -	\$ -	\$ -
Intergovernmental revenue and grants	-	23,331	-	-
Fines, forfeitures and fees	-	60,697	-	-
Investment earnings	3,417	-	-	-
Contributions and donations	-	-	-	-
Other revenue	3,396	-	4,886	-
Total Revenues	<u>413,547</u>	<u>84,028</u>	<u>4,886</u>	<u>-</u>
EXPENDITURES				
Current				
General government - administration	232,476	-	-	-
General government - other	-	-	-	-
Public safety	-	44,312	7,517	-
Capital outlay	233,681	16,752	-	-
Total Expenditures	<u>466,157</u>	<u>61,064</u>	<u>7,517</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(52,610)</u>	<u>22,964</u>	<u>(2,631)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	23	-	-	-
Transfers out	(31,000)	(27,517)	-	-
Total Other Financing Sources (Uses)	<u>(30,977)</u>	<u>(27,517)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>(83,587)</u>	<u>(4,553)</u>	<u>(2,631)</u>	<u>-</u>
Fund Balance - October 1	<u>809,024</u>	<u>45,487</u>	<u>3,959</u>	<u>-</u>
Fund Balance - September 30	<u>\$ 725,437</u>	<u>\$ 40,934</u>	<u>\$ 1,328</u>	<u>\$ -</u>

RSVP Fund	Municipal Court Security Fee Fund	Municipal Court Technology Fund	PEG Fund	HRA Home RSP 2011 Fund	Travis Trussell Duck Pond Fund	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 406,734
70,942	-	-	-	260,818	-	355,091
-	5,045	9,623	39,450	-	-	114,815
-	-	-	126	-	-	3,543
7,055	-	-	-	-	-	7,055
-	-	-	-	-	-	8,282
<u>77,997</u>	<u>5,045</u>	<u>9,623</u>	<u>39,576</u>	<u>260,818</u>	<u>-</u>	<u>895,520</u>
-	-	-	-	264,918	-	497,394
78,020	347	2,337	-	-	-	80,704
-	-	-	-	-	-	51,829
-	-	1,972	8,880	-	-	261,285
<u>78,020</u>	<u>347</u>	<u>4,309</u>	<u>8,880</u>	<u>264,918</u>	<u>-</u>	<u>891,212</u>
<u>(23)</u>	<u>4,698</u>	<u>5,314</u>	<u>30,696</u>	<u>(4,100)</u>	<u>-</u>	<u>4,308</u>
23	-	-	-	4,100	140,000	144,146
-	-	-	-	-	-	(58,517)
<u>23</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,100</u>	<u>140,000</u>	<u>85,629</u>
-	4,698	5,314	30,696	-	140,000	89,937
-	23,032	30,781	51,806	-	-	964,089
<u>\$ -</u>	<u>\$ 27,730</u>	<u>\$ 36,095</u>	<u>\$ 82,502</u>	<u>\$ -</u>	<u>\$ 140,000</u>	<u>\$ 1,054,026</u>

CITY OF PLAINVIEW, TEXAS

Exhibit D-1

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Hotel-Motel Occupancy Tax Fund
Year Ended September 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual GAAP Basis</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUE				
Selective sales and use tax	\$ 275,000	\$ 275,000	\$ 406,734	\$ 131,734
Investment earnings	650	650	3,417	2,767
Other revenue	-	3,395	3,396	1
Total Revenues	<u>275,650</u>	<u>279,045</u>	<u>413,547</u>	<u>134,502</u>
EXPENDITURES				
Current				
General government - administration	244,015	250,010	232,476	17,534
Capital outlay	213,750	258,750	233,681	25,069
Total Expenditures	<u>457,765</u>	<u>508,760</u>	<u>466,157</u>	<u>42,603</u>
Excess (Deficiency) of Revenue over Expenditures	<u>(182,115)</u>	<u>(229,715)</u>	<u>(52,610)</u>	<u>177,105</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	-	-	23	23
Transfers out	<u>(31,000)</u>	<u>(31,000)</u>	<u>(31,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(31,000)</u>	<u>(31,000)</u>	<u>(30,977)</u>	<u>23</u>
Net Change in Fund Balance	(213,115)	(260,715)	(83,587)	177,128
Fund Balance - October 1	<u>809,024</u>	<u>809,024</u>	<u>809,024</u>	<u>-</u>
Fund Balance - September 30	<u><u>\$ 595,909</u></u>	<u><u>\$ 548,309</u></u>	<u><u>\$ 725,437</u></u>	<u><u>\$ 177,128</u></u>

CITY OF PLAINVIEW, TEXAS
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Police Seizure Fund
Year Ended September 30, 2016

Exhibit D-2

	Budgeted Amounts		Actual	Variance
	Original	Final	GAAP Basis	with Final Budget
REVENUE				
Intergovernmental revenue and grants	\$ -	\$ 23,330	\$ 23,331	\$ 1
Fines, forfeitures and fees	4,000	60,695	60,697	2
Total Revenues	4,000	84,025	84,028	3
EXPENDITURES				
Current				
Public safety	2,600	20,441	44,312	(23,871)
Capital outlay	20,000	77,481	16,752	60,729
Total Expenditures	22,600	97,922	61,064	36,858
Excess (Deficiency) of Revenue over Expenditures	(18,600)	(13,897)	22,964	36,861
OTHER FINANCING SOURCES (USES)				
Transfer out	-	-	(27,517)	(27,517)
Total Other Financing Sources (Uses)	-	-	(27,517)	(27,517)
Net Change in Fund Balance	(18,600)	(13,897)	(4,553)	9,344
Fund Balance - October 1	45,487	45,487	45,487	-
Fund Balance - September 30	\$ 26,887	\$ 31,590	\$ 40,934	\$ 9,344

CITY OF PLAINVIEW, TEXAS

Exhibit D-3

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Federal Shared Forfeited Fund
Year Ended September 30, 2016

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget
	Original	Final		
REVENUE				
Other revenue	\$ -	\$ 4,885	\$ 4,886	\$ 1
Total Revenues	<u>-</u>	<u>4,885</u>	<u>4,886</u>	<u>1</u>
EXPENDITURES				
Current				
Public safety	-	8,425	7,517	908
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>8,425</u>	<u>7,517</u>	<u>908</u>
Excess (Deficiency) of Revenue over Expenditures	-	(3,540)	(2,631)	909
Fund Balance - October 1	<u>3,959</u>	<u>3,959</u>	<u>3,959</u>	<u>-</u>
Fund Balance - September 30	<u><u>\$ 3,959</u></u>	<u><u>\$ 419</u></u>	<u><u>\$ 1,328</u></u>	<u><u>\$ 909</u></u>

CITY OF PLAINVIEW, TEXAS

Exhibit D-4

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - RSVP Fund
Year Ended September 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>GAAP</u>	<u>with Final</u>
			<u>Basis</u>	<u>Budget</u>
REVENUE				
Intergovernmental revenue and grants	\$ 66,815	\$ 66,815	\$ 70,942	\$ 4,127
Contributions and donations	23,675	23,675	7,055	(16,620)
Total Revenues	<u>90,490</u>	<u>90,490</u>	<u>77,997</u>	<u>(12,493)</u>
EXPENDITURES				
Current				
General government - other	<u>90,490</u>	<u>90,490</u>	<u>78,020</u>	<u>12,470</u>
Total Expenditures	<u>90,490</u>	<u>90,490</u>	<u>78,020</u>	<u>12,470</u>
Excess (Deficiency) of Revenue over Expenditures	<u>-</u>	<u>-</u>	<u>(23)</u>	<u>(23)</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	<u>-</u>	<u>-</u>	<u>23</u>	<u>23</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>23</u>	<u>23</u>
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - October 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - September 30	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

CITY OF PLAINVIEW, TEXAS

Exhibit D-5

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Municipal Court Security Fee Fund
Year Ended September 30, 2016

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget
	Original	Final		
REVENUE				
Fines, forfeitures and fees	\$ 7,000	\$ 7,000	\$ 5,045	\$ (1,955)
Total Revenues	<u>7,000</u>	<u>7,000</u>	<u>5,045</u>	<u>(1,955)</u>
EXPENDITURES				
Current				
General government - other	10,000	10,000	347	9,653
Total Expenditures	<u>10,000</u>	<u>10,000</u>	<u>347</u>	<u>9,653</u>
Excess (Deficiency) of Revenue over Expenditures	(3,000)	(3,000)	4,698	7,698
Fund Balance - October 1	<u>23,032</u>	<u>23,032</u>	<u>23,032</u>	<u>-</u>
Fund Balance - September 30	<u><u>\$ 20,032</u></u>	<u><u>\$ 20,032</u></u>	<u><u>\$ 27,730</u></u>	<u><u>\$ 7,698</u></u>

CITY OF PLAINVIEW, TEXAS

Exhibit D-6

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Municipal Court Technology Fund
Year Ended September 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>GAAP</u>	<u>with Final</u>
			<u>Basis</u>	<u>Budget</u>
REVENUE				
Fines, forfeitures and fees	\$ 8,500	\$ 8,500	\$ 9,623	\$ 1,123
Total Revenues	<u>8,500</u>	<u>8,500</u>	<u>9,623</u>	<u>1,123</u>
EXPENDITURES				
Current				
General government - other	1,000	1,000	2,337	(1,337)
Capital outlay	<u>7,500</u>	<u>7,500</u>	<u>1,972</u>	<u>5,528</u>
Total Expenditures	<u>8,500</u>	<u>8,500</u>	<u>4,309</u>	<u>4,191</u>
Excess (Deficiency) of Revenue over Expenditures	-	-	5,314	5,314
Fund Balance - October 1	<u>30,781</u>	<u>30,781</u>	<u>30,781</u>	<u>-</u>
Fund Balance - September 30	<u><u>\$ 30,781</u></u>	<u><u>\$ 30,781</u></u>	<u><u>\$ 36,095</u></u>	<u><u>\$ 5,314</u></u>

CITY OF PLAINVIEW, TEXAS

Exhibit D-7

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - PEG Fund

Year Ended September 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual GAAP Basis</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUE				
Fines, forfeitures and fees	\$ 38,000	\$ 38,000	\$ 39,450	\$ 1,450
Investment earnings	30	30	126	96
Total Revenues	<u>38,030</u>	<u>38,030</u>	<u>39,576</u>	<u>1,546</u>
EXPENDITURES				
Current				
General government - administration	3,600	3,600	-	3,600
Capital Outlay	70,000	70,000	8,880	61,120
Total Expenditures	<u>73,600</u>	<u>73,600</u>	<u>8,880</u>	<u>64,720</u>
Excess (Deficiency) of Revenue over Expenditures	(35,570)	(35,570)	30,696	66,266
Fund Balance - October 1	<u>51,806</u>	<u>51,806</u>	<u>51,806</u>	<u>-</u>
Fund Balance - September 30	<u><u>\$ 16,236</u></u>	<u><u>\$ 16,236</u></u>	<u><u>\$ 82,502</u></u>	<u><u>\$ 66,266</u></u>

CITY OF PLAINVIEW, TEXAS

Exhibit D-8

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - HRA - HOME RSP 2011

Year Ended September 30, 2016

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget
	Original	Final		
REVENUE				
Intergovernmental revenue and grants	\$ 457,985	\$ 457,985	\$ 260,818	\$ (197,167)
Total Revenues	<u>457,985</u>	<u>457,985</u>	<u>260,818</u>	<u>(197,167)</u>
EXPENDITURES				
General government - administration	457,985	457,985	264,918	193,067
Total Expenditures	<u>457,985</u>	<u>457,985</u>	<u>264,918</u>	<u>193,067</u>
Excess (Deficiency) of Revenue over Expenditures	-	-	(4,100)	(4,100)
OTHER FINANCING SOURCES (USES)				
Transfer In	-	3,654	4,100	446
Total Other Financing Sources (Uses)	<u>-</u>	<u>3,654</u>	<u>4,100</u>	<u>446</u>
Fund Balance - October 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - September 30	<u><u>\$ -</u></u>	<u><u>\$ 3,654</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,654</u></u>

CITY OF PLAINVIEW, TEXAS

Exhibit D-9

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Travis Trussell Duck Pond
Year Ended September 30, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final	GAAP	with Final
			Basis	Budget
REVENUE				
Total Revenues	-	-	-	-
EXPENDITURES				
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenue over Expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfer in	\$ -	\$ 140,000	\$ 140,000	-
Total Other Financing Sources (Uses)	-	140,000	140,000	-
Net Change in Fund Balance	-	140,000	140,000	-
Fund Balance - October 1	-	-	-	-
Fund Balance - September 30	\$ -	\$ 140,000	\$ 140,000	\$ -

CITY OF PLAINVIEW, TEXAS
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Capital Improvement Fund
Year Ended September 30, 2016

Exhibit D-10

	Budgeted Amounts		Actual	Variance
	Original	Final	GAAP Basis	with Final Budget
REVENUE				
Intergovernmental revenue and grants	\$ -	\$ 1,890	\$ 1,890	\$ -
Investment earnings	2,000	2,000	3,387	1,387
Total Revenues	2,000	3,890	5,277	1,387
EXPENDITURES				
Current				
General government - administration	145,000	147,200	103,946	43,254
Capital outlay	770,000	770,000	88,998	681,002
Total Expenditures	915,000	917,200	192,944	724,256
Excess (Deficiency) of Revenue over Expenditures	(913,000)	(913,310)	(187,667)	725,643
OTHER FINANCING SOURCES (USES)				
Transfer in	-	75,000	75,000	-
Total Other Financing Sources (Uses)	-	75,000	75,000	-
Net Change in Fund Balance	(913,000)	(838,310)	(112,667)	725,643
Fund Balance - October 1	1,027,754	1,027,754	1,027,754	-
Fund Balance - September 30	\$ 114,754	\$ 189,444	\$ 915,087	\$ 725,643

CITY OF PLAINVIEW, TEXAS
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Street Improvement Fund
Year Ended September 30, 2016

Exhibit D-11

	Budgeted Amounts		Actual	Variance
	Original	Final	GAAP Basis	with Final Budget
REVENUE				
Investment earnings	\$ 500	\$ 500	\$ 17,129	\$ 16,629
Other revenue	-	-	474	474
Total Revenues	<u>500</u>	<u>500</u>	<u>17,603</u>	<u>17,103</u>
EXPENDITURES				
Current				
Capital outlay	<u>275,000</u>	<u>880,785</u>	<u>506,570</u>	<u>374,215</u>
Total Expenditures	<u>275,000</u>	<u>880,785</u>	<u>506,570</u>	<u>374,215</u>
Excess (Deficiency) of Revenue over Expenditures	(274,500)	(880,285)	(488,967)	391,318
OTHER FINANCING SOURCES (USES)				
Transfer in	-	625,000	625,000	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>625,000</u>	<u>625,000</u>	<u>-</u>
Net Change in Fund Balance	(274,500)	(255,285)	136,033	391,318
Fund Balance - October 1	<u>286,030</u>	<u>286,030</u>	<u>286,030</u>	<u>-</u>
Fund Balance - September 30	<u>\$ 11,530</u>	<u>\$ 30,745</u>	<u>\$ 422,063</u>	<u>\$ 391,318</u>

CITY OF PLAINVIEW, TEXAS
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Economic Development Fund
Year Ended September 30, 2016

Exhibit D-12

	Budgeted Amounts		Actual	Variance
	Original	Final	GAAP Basis	with Final Budget
REVENUE				
Investment earnings	\$ 1,500	\$ 1,500	\$ 7,004	\$ 5,504
Total Revenues	<u>1,500</u>	<u>1,500</u>	<u>7,004</u>	<u>5,504</u>
EXPENDITURES				
Current				
General government - administration	<u>1,630,000</u>	<u>1,630,000</u>	<u>165,747</u>	<u>1,464,253</u>
Total Expenditures	<u>1,630,000</u>	<u>1,630,000</u>	<u>165,747</u>	<u>1,464,253</u>
Excess (Deficiency) of Revenue over Expenditures	(1,628,500)	(1,628,500)	(158,743)	1,469,757
OTHER FINANCING SOURCES (USES)				
Transfer in	<u>85,000</u>	<u>85,000</u>	<u>85,000</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>85,000</u>	<u>85,000</u>	<u>85,000</u>	<u>-</u>
Net Change in Fund Balance	(1,543,500)	(1,543,500)	(73,743)	1,469,757
Fund Balance - October 1	<u>1,663,828</u>	<u>1,663,828</u>	<u>1,663,828</u>	<u>-</u>
Fund Balance - September 30	<u>\$ 120,328</u>	<u>\$ 120,328</u>	<u>\$ 1,590,085</u>	<u>\$ 1,469,757</u>

CITY OF PLAINVIEW, TEXAS
Combining Statement of Net Position
Internal Service Funds
September 30, 2016

	Unemployment Compensation Fund	Equipment Replacement Fund	Property Insurance Fund
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 106,061	\$ 722,631	\$ 1,183,278
Investments	-	1,217,651	811,767
Accounts receivable, net	-	-	-
Other assets	-	-	-
Inventories	-	-	-
Total current assets	<u>106,061</u>	<u>1,940,282</u>	<u>1,995,045</u>
Noncurrent Assets:			
Capital assets:			
Depreciable, net	-	2,324,279	-
Total noncurrent assets	<u>-</u>	<u>2,324,279</u>	<u>-</u>
Total Assets	<u>106,061</u>	<u>4,264,561</u>	<u>1,995,045</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pensions	-	-	-
Total Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	1,770	13,287	-
Wages payable	-	-	-
Total current liabilities	<u>1,770</u>	<u>13,287</u>	<u>-</u>
Noncurrent Liabilities:			
Noncurrent portion of long-term liabilities			
Net pension liability	-	-	-
Net other postemployment benefits obligation	-	-	-
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>1,770</u>	<u>13,287</u>	<u>-</u>
Deferred Inflows of Resources			
Pensions	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION			
Investment in capital assets	-	2,324,279	-
Unrestricted	104,291	1,926,995	1,995,045
Total Net Position	<u>\$ 104,291</u>	<u>\$ 4,251,274</u>	<u>\$ 1,995,045</u>

Health Insurance Fund	Cafeteria Plan Fund	Fleet Services Fund	Total Internal Service Funds
\$ 931,795	\$ 24,848	\$ 92,824	\$ 3,061,437
781,610	-	-	2,811,028
-	-	12,367	12,367
162,748	7,186	-	169,934
-	-	81,533	81,533
1,876,153	32,034	186,724	6,136,299
-	-	13,573	2,337,852
-	-	13,573	2,337,852
1,876,153	32,034	200,297	8,474,151
-	-	52,961	52,961
-	-	52,961	52,961
168,433	-	3,329	186,819
-	-	11,861	11,861
168,433	-	15,190	198,680
-	-	88,162	88,162
919,133	-	-	919,133
919,133	-	88,162	1,007,295
1,087,566	-	103,352	1,205,975
-	-	7,304	7,304
-	-	7,304	7,304
-	-	13,573	2,337,852
788,587	32,034	129,029	4,975,981
\$ 788,587	\$ 32,034	\$ 142,602	\$ 7,313,833

CITY OF PLAINVIEW, TEXAS
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Funds
Year Ended September 30, 2016

	Unemployment Compensation Fund	Equipment Replacement Fund	Property Insurance Fund
OPERATING REVENUES			
Charges for services	\$ 10,087	\$ 580,260	\$ 355,171
Other revenue	-	-	-
Total Operating Revenues	<u>10,087</u>	<u>580,260</u>	<u>355,171</u>
OPERATING EXPENSES			
Personnel services - salaries and wages	-	-	-
Personnel services - employee benefits	-	-	-
Purchased professional & technical services	689	-	-
Purchased property services	-	59,027	-
Other operating expenses	3,305	-	221,706
Supplies	-	-	-
Depreciation and amortization	-	568,998	-
Total Operating Expenses	<u>3,994</u>	<u>628,025</u>	<u>221,706</u>
Operating Income (Loss)	<u>6,093</u>	<u>(47,765)</u>	<u>133,465</u>
NONOPERATING REVENUES (EXPENSES)			
Gain (loss) on disposition of property	-	(43,881)	-
Investment earnings	-	5,858	6,741
Total Nonoperating Revenues (Expenses)	<u>-</u>	<u>(38,023)</u>	<u>6,741</u>
Income (Loss) Before Transfers	6,093	(85,788)	140,206
Transfer in	-	105,517	-
Transfers out	-	-	-
Total Transfers	<u>-</u>	<u>105,517</u>	<u>-</u>
Change in Net Position	6,093	19,729	140,206
Net Position - October 1	<u>98,198</u>	<u>4,231,545</u>	<u>1,854,839</u>
Net Position - September 30	<u><u>\$ 104,291</u></u>	<u><u>\$ 4,251,274</u></u>	<u><u>\$ 1,995,045</u></u>

Health Insurance Fund	Cafeteria Plan Fund	Fleet Services Fund	Total Internal Service Funds
\$ 1,977,218	\$ 27,314	\$ 110,977	\$ 3,061,027
-	-	353	353
<u>1,977,218</u>	<u>27,314</u>	<u>111,330</u>	<u>3,061,380</u>
-	-	120,761	120,761
-	-	96,938	96,938
46,874	474	-	48,037
-	-	68,112	127,139
2,014,818	24,640	15,035	2,279,504
-	-	41,783	41,783
-	-	2,588	571,586
<u>2,061,692</u>	<u>25,114</u>	<u>345,217</u>	<u>3,285,748</u>
<u>(84,474)</u>	<u>2,200</u>	<u>(233,887)</u>	<u>(224,368)</u>
-	-	170,620	126,739
4,420	13	-	17,032
<u>4,420</u>	<u>13</u>	<u>170,620</u>	<u>143,771</u>
(80,054)	2,213	(63,267)	(80,597)
-	-	69	105,586
(4,347)	-	-	(4,347)
<u>(4,347)</u>	<u>-</u>	<u>69</u>	<u>101,239</u>
(84,401)	2,213	(63,198)	20,642
<u>872,988</u>	<u>29,821</u>	<u>205,800</u>	<u>7,293,191</u>
<u>\$ 788,587</u>	<u>\$ 32,034</u>	<u>\$ 142,602</u>	<u>\$ 7,313,833</u>

CITY OF PLAINVIEW, TEXAS
Combining Statement of Cash Flows
Internal Service Funds
Year Ended September 30, 2016

	Unemployment Compensation Fund	Equipment Replacement Fund	Property Insurance Fund
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash from operating transactions - other funds	\$ 10,355	\$ 580,260	\$ 355,171
Cash payments to employees for services	-	-	-
Cash payments for goods and services	(2,224)	(58,303)	(221,706)
Other operating cash receipts	-	-	-
Net Cash Provided (Used) by Operating Activities	<u>8,131</u>	<u>521,957</u>	<u>133,465</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from other funds	-	105,517	-
Transfers to other funds	-	-	-
Net Cash (Used) Provided by Noncapital Financing Activities	<u>-</u>	<u>105,517</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	-	(514,159)	-
Proceeds from the sale of capital assets	-	-	-
Net Cash (Used) by Capital and Related Financing Activities	<u>-</u>	<u>(514,159)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments	-	(3,045)	(2,030)
Interest on investments	-	5,858	6,741
Net Cash Provided by Investing Activities	<u>-</u>	<u>2,813</u>	<u>4,711</u>
Net Increase (Decrease) in Cash and Cash Equivalents	8,131	116,128	138,176
Cash and Cash Equivalents - October 1	<u>97,930</u>	<u>606,503</u>	<u>1,045,102</u>
Cash and Cash Equivalents - September 30	<u><u>\$ 106,061</u></u>	<u><u>\$ 722,631</u></u>	<u><u>\$ 1,183,278</u></u>

Health Insurance Fund	Cafeteria Plan Fund	Fleet Services Fund	Total Internal Service Funds
\$ 1,990,056	\$ 27,314	\$ 98,612	\$ 3,061,768
-	-	(168,303)	(168,303)
(2,181,836)	(23,923)	(162,519)	(2,650,511)
-	-	353	353
<u>(191,780)</u>	<u>3,391</u>	<u>(231,857)</u>	<u>243,307</u>
-	-	69	105,586
<u>(4,347)</u>	<u>-</u>	<u>-</u>	<u>(4,347)</u>
<u>(4,347)</u>	<u>-</u>	<u>69</u>	<u>101,239</u>
-	-	(15,516)	(529,675)
<u>-</u>	<u>-</u>	<u>171,145</u>	<u>171,145</u>
<u>-</u>	<u>-</u>	<u>155,629</u>	<u>(358,530)</u>
(2,430)	-	-	(7,505)
4,420	13	-	17,032
<u>1,990</u>	<u>13</u>	<u>-</u>	<u>9,527</u>
(194,137)	3,404	(76,159)	(4,457)
<u>1,125,932</u>	<u>21,444</u>	<u>168,983</u>	<u>3,065,894</u>
<u>\$ 931,795</u>	<u>\$ 24,848</u>	<u>\$ 92,824</u>	<u>\$ 3,061,437</u>

CITY OF PLAINVIEW, TEXAS
Combining Statement of Cash Flows
Internal Service Funds
Year Ended September 30, 2016

	Unemployment Compensation Fund	Equipment Replacement Fund	Property Insurance Fund
	<u> </u>	<u> </u>	<u> </u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating income (loss)	\$ 6,093	\$ (47,765)	\$ 133,465
Adjustments to reconcile operating income to net cash Provided (used) by operating activities			
Depreciation and amortization	-	568,998	-
(Increase) decrease in operating assets and liabilities:			
Accounts receivable (net)	268	-	-
Prepaid expense	-	-	-
Inventories	-	-	-
Accounts payable	1,770	724	-
Wages payable	-	-	-
Net other postemployment benefits obligation	-	-	-
Net pension liability	-	-	-
Deferred Outflows - pensions	-	-	-
Deferred Inflows - pensions	-	-	-
Net Cash Provided (Used) by Operating Activities	<u><u>\$ 8,131</u></u>	<u><u>\$ 521,957</u></u>	<u><u>\$ 133,465</u></u>

Health Insurance Fund	Cafeteria Plan Fund	Fleet Services Fund	Total Internal Service Funds
\$ (84,474)	\$ 2,200	\$ (233,887)	\$ (224,368)
-	-	2,588	571,586
12,838	-	(12,365)	741
(161,513)	1,296	-	(160,217)
-	-	(39,127)	(39,127)
37,022	(105)	1,538	40,949
-	-	7,599	7,599
4,347	-	-	4,347
-	-	87,183	87,183
-	-	(52,613)	(52,613)
-	-	7,227	7,227
<u>\$ (191,780)</u>	<u>\$ 3,391</u>	<u>\$ (231,857)</u>	<u>\$ 243,307</u>



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**Capital Assets -
Governmental Funds**

CITY OF PLAINVIEW, TEXAS
Schedule of Capital Assets Used in the Operation
Of Governmental Funds by Sources*
September 30, 2016

Exhibit F-1

Capital Assets Used in the Operation of Governmental Funds:

Land	\$ 647,423
Buildings	3,795,111
Improvements other than buildings	18,170,635
Machinery and equipment	3,047,622
Construction in progress	<u>457,640</u>
 Total	 <u>\$ 26,118,431</u>

Investment in Capital Assets:

Acquired prior to October 1, 1990	\$ 10,329,779
Acquired after September 30, 1990	
General fund	
General revenues	\$ 3,043,979
Capital improvements	4,194,234
Street improvements	7,073,111
Special revenue funds	
Hotel/Motel tax fund	785,347
Police seizure	41,202
PEG Fund	8,879
Homeland security grant	331,928
RSVP fund	4,334
SECO grant	84,346
Justice assistance grant	122,287
Criminal justice division equipment grant	10,186
Municipal court security fund	55,861
Municipal court technology fund	<u>32,957</u>
	<u>15,788,651</u>
 Total	 <u>\$ 26,118,430</u>

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

CITY OF PLAINVIEW, TEXAS
Schedule of Capital Assets Used in the Operation
Of Governmental Funds by Function and Activity*
For the Year Ended September 30, 2016

Exhibit F-2

	<u>Land</u>	<u>Buildings</u>
From General Fund		
General government	\$ 543,001	\$ 592,051
Police		247,676
Fire / EMS		257,252
Traffic and safety		
Animal control		149,754
Civil defense	10,500	168,599
Engineering		
Street		16,223
Recreation	1,125	50,490
Library		326,135
Health		
Capital improvement fund	70,215	1,161,040
Street improvement fund	18,502	-
	<u>643,343</u>	<u>2,969,220</u>
Total General Fund		
From Special Revenue Funds		
Hotel/Motel tax fund	\$ 4,080	\$ 746,058
Police seizure fund		
PEG fund		
Homeland security 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	-	-
	<u>4,080</u>	<u>825,891</u>
Total Special Revenue Funds		
Total	<u>\$ 647,423</u>	<u>\$ 3,795,111</u>

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

Improvements Other Than Buildings	Machinery and Equipment	Construction in Progress	Total
\$ 7,265,414	\$ 195,178	\$ -	\$ 8,595,644
10,500	357,423		615,599
10,423	536,438		804,113
64,810	291,293		356,103
11,739	5,082		166,575
	8,195		187,294
	6,398		6,398
	340,475		356,698
497,145	348,983		897,743
	116,614		442,749
	28,059		28,059
2,780,071	167,208	15,700	4,194,234
7,530,533	1,435	441,940	7,992,410
<u>18,170,635</u>	<u>2,402,781</u>	<u>457,640</u>	<u>24,643,619</u>
\$ -	\$ 35,209	\$ -	\$ 785,347
	41,201		41,201
	8,879		8,879
	331,928		331,928
	4,334		4,334
	10,706		84,346
	122,287		122,287
	10,186		10,186
	49,668		55,861
-	30,443	-	30,443
<u>\$ -</u>	<u>\$ 644,841</u>	<u>\$ -</u>	<u>\$ 1,474,812</u>
<u>\$ 18,170,635</u>	<u>\$ 3,047,622</u>	<u>\$ 457,640</u>	<u>\$ 26,118,431</u>

CITY OF PLAINVIEW, TEXAS
Schedule of Changes in Capital Assets Used in the Operation
Of Governmental Funds by Function and Activity*
For the Year Ended September 30, 2016

Exhibit F-3

	Capital Assets 9/30/15	Additions (Deletions)	Capital Assets 9/30/16
From General Fund			
General government	\$ 8,715,756	\$ (120,111)	\$ 8,595,645
Police	600,746	14,853	615,599
Fire / EMS	793,048	11,065	804,113
Traffic and safety	281,242	74,861	356,103
Animal control	166,575	-	166,575
Civil defense	187,294	-	187,294
Engineering	8,848	(2,450)	6,398
Street	396,463	(39,765)	356,698
Recreation	914,607	(16,864)	897,743
Library	454,830	(12,081)	442,749
Health	28,059	-	28,059
Capital improvements	4,105,237	88,997	4,194,234
Street improvements	7,485,838	506,571	7,992,409
Total General Fund	\$ 24,138,543	\$ 505,076	\$ 24,643,619
From Special Revenue Funds			
Hotel/Motel tax fund	\$ 569,055	\$ 216,292	\$ 785,347
Police seizure fund	24,449	16,752	41,201
PEG Fund	-	8,879	8,879
Homeland security grant	333,527	(1,599)	331,928
RSVP fund	5,784	(1,450)	4,334
SECO grant	84,346	-	84,346
Justice assistance grant	129,116	(6,829)	122,287
Criminal justice division equipment grant	10,186	-	10,186
Municipal court security fund	55,861	-	55,861
Municipal court technology fund	57,136	(26,693)	30,443
Total Special Revenue Funds	\$ 1,269,460	\$ 205,352	\$ 1,474,812
Total	\$ 25,408,003	\$ 710,428	\$ 26,118,431

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

**Debt Service
Requirements**

DEBT SERVICE REQUIREMENTS – SCHEDULES OF MATURITIES

Water and Sewer Utility Fund**Exhibit G-1**

General Obligation Refunding Bonds, Series 2009

Debt Service Requirements

Schedule of Maturities

2017-2021

<u>Fiscal Year</u>	<u>Outstanding Debt Beginning of Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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		<u>\$ 3,320,000</u>	<u>\$ 297,772</u>	<u>\$ 3,617,772</u>
Annual Average Requirements		<u>\$ 664,000</u>	<u>\$ 59,554</u>	<u>\$ 723,554</u>

Proceeds used for construction of a Water Reclamation and Treatment Facility

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

Tax and Waterworks and Sewer System Revenue
 Certificates of Obligation, Series 2010
 Debt Service Requirements
 Schedule of Maturities
 2017-2030

<u>Fiscal Year</u>	<u>Outstanding Debt Beginning of Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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		<u>\$ 7,100,000</u>	<u>\$ 1,865,362</u>	<u>\$ 8,965,362</u>
Annual Average Requirements		<u>\$ 507,143</u>	<u>\$ 133,240</u>	<u>\$ 640,383</u>

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

Water and Sewer Utility Fund
Water Supply Contract Obligation
Contract Revenue Bonds, Series 1999
and Series 2010 Refunding
(CRMWA Prepayment of USBR Debt)
Debt Service Requirements
Schedule of Maturities
2017-2018

Exhibit G-3

<u>Fiscal Year</u>	<u>Outstanding Debt Beginning of Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 168,351	\$ 56,790	\$ 5,608	\$ 62,398
2018	111,561	111,561	3,905	115,466
Total		<u>\$ 168,351</u>	<u>\$ 9,513</u>	<u>\$ 177,864</u>
Annual Average Requirements		<u>\$ 84,176</u>	<u>\$ 4,757</u>	<u>\$ 88,932</u>

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

Water Supply Contract Obligation

Contract Revenue Bonds, Series 2005 refunded Series 2012

(CRMWA Conjunctive Use Groundwater Supply Project)

Debt Service Requirements

Schedule of Maturities

2017-2025

<u>Fiscal Year</u>	<u>Outstanding Debt Beginning of Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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		<u>\$ 1,561,520</u>	<u>\$ 474,143</u>	<u>\$ 2,035,663</u>
Annual Average Requirements		<u>\$ 173,502</u>	<u>\$ 52,683</u>	<u>\$ 226,185</u>

Water and Sewer Utility Fund
 Water Supply Contract Obligation
 Contract Revenue Bonds, Series 1999 Remainder
 and Series 2010 Refunding
 (CRMWA Conjective Use Groundwater Supply Project)
 Debt Service Requirements
 Schedule of Maturities
 2017-2020

Exhibit G-5

<u>Fiscal Year</u>	<u>Outstanding Debt Beginning of Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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		<u>\$ 119,009</u>	<u>\$ 10,679</u>	<u>\$ 129,688</u>
Annual Average Requirements		<u>\$ 29,752</u>	<u>\$ 2,670</u>	<u>\$ 32,422</u>

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

Water Supply Contract Obligation

Subordinate Lien Contract Revenue Bonds, Series 2011

(CRMWA Conjective Use Groundwater Supply Project)

Debt Service Requirements

Schedule of Maturities

2017-2031

<u>Fiscal Year</u>	<u>Outstanding Debt Beginning of Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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		<u>\$ 2,528,050</u>	<u>\$ 1,004,972</u>	<u>\$ 3,533,022</u>
Annual Average Requirements		<u>\$ 168,537</u>	<u>\$ 66,998</u>	<u>\$ 235,535</u>

Water and Sewer Utility Fund
 Water Supply Contract Obligation
 Contract Revenue Bonds, Series 2009
 (CRMWA Conjunctive Use Groundwater Supply Project)
 Debt Service Requirements
 Schedule of Maturities
 2017-2029

Exhibit G-7

Fiscal Year	Outstanding Debt Beginning of Year	Principal	Interest	Total
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		<u>\$ 582,194</u>	<u>\$ 194,558</u>	<u>\$ 776,752</u>
Annual Average Requirements		<u>\$ 44,784</u>	<u>\$ 14,966</u>	<u>\$ 59,750</u>

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

Water Supply Contract Obligation

Subordinate Lien Contract Revenue Refunding Bonds, Series 2014

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

Debt Service Requirements

Schedule of Maturities

2017-2027

<u>Fiscal Year</u>	<u>Outstanding Debt Beginning of Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 1,540,449	\$ 213,822	\$ 75,280	\$ 289,102
2018	1,326,627	223,756	66,331	290,087
2019	1,102,871	235,048	55,144	290,192
2020	867,823	154,922	43,391	198,313
2021	712,901	97,104	35,645	132,749
2022	615,797	101,902	30,790	132,692
2023	513,895	106,916	25,695	132,611
2024	406,979	112,406	20,349	132,755
2025	294,573	118,127	14,729	132,856
2026	176,446	123,849	8,822	132,671
2027	52,597	52,597	2,630	55,227
Total		<u>\$ 1,540,449</u>	<u>\$ 378,806</u>	<u>\$ 1,919,255</u>
Annual Average Requirements		<u>\$ 140,041</u>	<u>\$ 34,437</u>	<u>\$ 174,478</u>



PLAINVIEW, TX
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General Information

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities										
Invested in capital assets, net of related debt	\$ 7,922,852	\$ 9,159,664	\$ 9,088,340	\$ 8,878,102	\$ 8,917,698	\$ 8,858,640	\$ 8,755,160	\$ 8,037,890	\$ 10,764,547	\$ 10,754,667
Restricted	762,030	885,322	858,657	708,954	719,471	809,694	736,423	765,977	964,089	914,026
Unrestricted	14,859,033	16,374,882	17,052,397	18,120,254	19,206,004	19,692,463	20,103,431	21,609,705	12,164,955	11,734,783
Total governmental activities net position	\$ 23,543,915	\$ 26,419,868	\$ 26,999,394	\$ 27,707,310	\$ 28,843,173	\$ 29,360,797	\$ 29,595,014	\$ 30,413,572	\$ 23,893,591	\$ 23,403,476
Business-type activities										
Invested in capital assets, net of related debt	\$ 19,118,182	\$ 19,280,212	\$ 19,352,797	\$ 19,454,647	\$ 19,250,791	\$ 19,844,796	\$ 21,674,455	\$ 22,103,566	\$ 23,864,986	\$ 24,616,459
Restricted	269,494	249,382	261,049	295,291	457,277	725,569	727,406	729,431	731,602	733,968
Unrestricted	8,782,742	9,824,587	10,700,804	11,878,515	13,940,331	15,460,905	14,123,242	14,452,916	13,319,932	13,186,299
Total business-type activities net position	\$ 28,170,418	\$ 29,354,181	\$ 30,314,650	\$ 31,628,453	\$ 33,648,399	\$ 36,031,270	\$ 36,525,103	\$ 37,285,913	\$ 37,916,520	\$ 38,536,726
Primary government										
Invested in capital assets, net of related debt	\$ 27,041,034	\$ 28,439,876	\$ 28,441,137	\$ 28,332,749	\$ 28,168,489	\$ 28,703,436	\$ 30,429,615	\$ 30,141,456	\$ 34,629,533	\$ 35,371,126
Restricted	1,031,524	1,134,704	1,119,706	1,004,245	1,176,748	1,535,263	1,463,829	1,495,408	1,695,691	1,647,994
Unrestricted	23,641,775	26,199,469	27,753,201	29,998,769	33,146,335	35,153,368	34,226,673	36,062,621	25,484,887	24,921,082
Total primary government net position	\$ 51,714,333	\$ 55,774,049	\$ 57,314,044	\$ 59,335,763	\$ 62,491,572	\$ 65,392,067	\$ 66,120,117	\$ 67,699,485	\$ 61,810,111	\$ 61,940,202

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

Expenses	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities										
General government	\$ 1,204,382	\$ 1,364,075	\$ 1,814,265	\$ 1,966,824	\$ 1,762,080	\$ 1,663,084	\$ 2,216,373	\$ 1,741,234	\$ 2,257,021	\$ 2,602,622
Public safety	5,570,288	5,975,267	6,174,194	6,498,010	6,857,257	7,195,991	7,222,195	7,259,542	8,168,151	8,470,261
Public works	1,193,044	1,197,307	1,234,289	1,200,917	965,223	1,417,063	1,139,508	1,050,131	1,008,914	1,640,759
Health	335,592	386,649	422,516	400,138	458,362	415,163	620,373	525,068	413,803	390,773
Recreation and culture	911,388	1,013,098	1,208,656	1,148,095	1,260,092	1,198,777	1,215,322	1,315,218	1,219,629	1,286,453
Total governmental activities expenses	<u>9,214,694</u>	<u>9,936,396</u>	<u>10,853,920</u>	<u>11,213,984</u>	<u>11,303,014</u>	<u>11,890,078</u>	<u>12,413,771</u>	<u>11,891,193</u>	<u>13,067,518</u>	<u>14,390,868</u>
Business-type activities										
Solid waste management	1,957,093	2,201,151	2,325,580	2,520,166	2,573,083	2,416,578	2,556,595	2,417,951	2,506,886	2,522,679
Water and sewer	5,025,576	5,379,624	5,573,408	5,226,035	5,634,722	6,087,341	6,169,041	6,765,124	6,363,440	6,901,668
Theatre arts	38,315	32,388	39,376	37,434	39,255	37,899	33,725	46,169	36,512	68,218
Total business-type activities expenses	<u>7,020,984</u>	<u>7,613,163</u>	<u>7,938,364</u>	<u>7,783,635</u>	<u>8,247,060</u>	<u>8,541,818</u>	<u>8,759,361</u>	<u>9,229,244</u>	<u>8,906,838</u>	<u>9,492,505</u>
Total primary government expenses	<u>\$ 16,235,678</u>	<u>\$ 17,549,559</u>	<u>\$ 18,792,284</u>	<u>\$ 18,997,619</u>	<u>\$ 19,550,074</u>	<u>\$ 20,431,896</u>	<u>\$ 21,173,132</u>	<u>\$ 21,120,437</u>	<u>\$ 21,974,356</u>	<u>\$ 23,883,433</u>
Program revenues										
Governmental activities										
Charges for services										
General government	\$ 184,703	\$ 205,781	\$ 278,204	\$ 260,553	\$ 479,984	\$ 400,227	\$ 410,689	\$ 426,245	\$ 531,021	\$ 542,690
Public safety	560,576	701,235	656,572	660,570	546,086	444,024	527,576	581,150	466,488	674,344
Public works	-	-	-	-	-	-	-	-	-	-
Health	120,623	140,023	148,168	139,729	147,724	141,787	122,711	119,701	139,614	118,595
Recreation and culture	48,969	53,713	54,780	54,859	44,073	45,166	45,071	46,425	51,323	52,313
Operating grants and contributions	277,027	294,822	414,022	499,170	400,536	361,486	284,691	271,801	529,894	553,279
Capital grants and contributions	35,628	-	11,205	146,896	240,810	283,519	35,000	19,591	2,091,336	17,314
Total governmental activities program revenues	<u>1,227,526</u>	<u>1,395,574</u>	<u>1,562,951</u>	<u>1,761,777</u>	<u>1,859,213</u>	<u>1,676,209</u>	<u>1,425,738</u>	<u>1,464,913</u>	<u>3,809,676</u>	<u>1,958,535</u>
Business-type activities										
Charges for services										
Solid waste management	2,591,363	2,731,076	2,904,631	2,999,883	2,905,358	3,101,968	2,975,870	2,949,538	3,195,607	3,037,505
Water and sewer	5,435,089	5,852,233	6,037,512	6,097,265	7,615,276	7,920,904	6,972,714	7,538,997	7,217,371	7,271,527
Theatre arts	21,449	20,158	22,941	22,697	21,163	9,940	7,106	7,781	10,817	11,937
Operating grants and contributions	-	1,000	1,000	-	-	-	-	-	12,599	-
Capital grants and contributions	11,390	-	40,562	58,000	-	128,755	242,851	84,220	233,093	-
Total business-type activities program revenues	<u>8,059,291</u>	<u>8,604,467</u>	<u>9,006,646</u>	<u>9,177,845</u>	<u>10,541,797</u>	<u>11,161,567</u>	<u>10,198,541</u>	<u>10,580,536</u>	<u>10,669,487</u>	<u>10,320,969</u>
Total primary government program revenues	<u>\$ 9,286,817</u>	<u>\$ 10,000,041</u>	<u>\$ 10,569,597</u>	<u>\$ 10,939,622</u>	<u>\$ 12,401,010</u>	<u>\$ 12,837,776</u>	<u>\$ 11,624,279</u>	<u>\$ 12,045,449</u>	<u>\$ 14,479,163</u>	<u>\$ 12,279,504</u>

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Net (expenses) / revenues										
Governmental activities	\$ (7,987,168)	\$ (8,540,822)	\$ (9,290,969)	\$ (9,452,207)	\$ (9,443,801)	\$ (10,213,869)	\$ (10,988,033)	\$ (10,426,280)	\$ (9,257,842)	\$ (12,432,333)
Business-type activities	1,038,307	991,304	1,068,282	1,394,210	2,294,737	2,619,749	1,439,180	1,351,292	1,762,649	828,404
Total primary government net expense	<u>\$ (6,948,861)</u>	<u>\$ (7,549,518)</u>	<u>\$ (8,222,687)</u>	<u>\$ (8,057,997)</u>	<u>\$ (7,149,064)</u>	<u>\$ (7,594,120)</u>	<u>\$ (9,548,853)</u>	<u>\$ (9,074,988)</u>	<u>\$ (7,495,193)</u>	<u>\$ (11,603,929)</u>
General revenues and other changes in net assets										
Governmental activities										
Taxes										
Property taxes	\$ 3,751,688	\$ 3,777,277	\$ 4,072,569	\$ 4,121,886	\$ 4,269,904	\$ 4,286,822	\$ 4,377,687	\$ 4,662,566	\$ 4,645,789	\$ 4,966,991
Sales taxes	3,428,684	3,523,496	3,489,461	3,533,785	3,688,408	3,790,688	3,829,054	3,864,922	4,237,638	4,180,786
Franchise taxes	923,477	1,391,824	1,151,056	1,393,606	1,397,897	1,347,673	1,344,875	1,463,657	1,425,060	1,300,049
Penalty and interest	60,334	61,680	75,689	75,093	75,788	86,664	83,552	91,107	77,588	75,004
Other taxes	292,902	322,021	282,371	296,271	318,044	341,798	349,135	325,207	434,508	439,039
Miscellaneous	30,416	39,827	66,226	107,740	70,018	137,196	328,539	145,607	140,649	293,360
Investment earnings	769,389	567,919	297,333	203,399	144,265	104,558	46,805	37,069	42,615	85,669
Special item	-	1,272,713	-	-	32,687	56,284	-	-	-	-
Transfers	382,803	460,018	435,790	428,343	605,683	579,810	862,603	654,703	521,117	601,320
Total governmental activities	<u>9,639,693</u>	<u>11,416,775</u>	<u>9,870,495</u>	<u>10,160,123</u>	<u>10,602,694</u>	<u>10,731,493</u>	<u>11,222,250</u>	<u>11,244,838</u>	<u>11,524,964</u>	<u>11,942,218</u>
Business-type activities										
Investment earnings	445,198	319,079	178,213	228,396	113,624	87,932	53,593	38,149	41,928	65,402
Miscellaneous	280,206	333,397	149,764	119,542	217,268	136,938	79,585	76,691	48,435	253,710
Special and extraordinary items	-	-	-	-	-	118,062	-	-	-	-
Gain on sale of capital assets	-	-	-	-	-	-	-	(50,619)	36,232	74,010
Transfers	(382,803)	(460,018)	(435,790)	(428,343)	(605,683)	(579,810)	(862,603)	(654,703)	(521,117)	(601,320)
Total business-type activities	<u>342,601</u>	<u>192,458</u>	<u>(107,813)</u>	<u>(80,405)</u>	<u>(274,791)</u>	<u>(236,878)</u>	<u>(729,425)</u>	<u>(590,482)</u>	<u>(394,522)</u>	<u>(208,198)</u>
Total primary government	<u>\$ 9,982,294</u>	<u>\$ 11,609,233</u>	<u>\$ 9,762,682</u>	<u>\$ 10,079,718</u>	<u>\$ 10,327,903</u>	<u>\$ 10,494,615</u>	<u>\$ 10,492,825</u>	<u>\$ 10,654,356</u>	<u>\$ 11,130,442</u>	<u>\$ 11,734,020</u>
Change in net position										
Governmental activities	\$ 1,652,525	\$ 2,875,953	\$ 579,526	\$ 707,916	\$ 1,158,893	\$ 517,624	\$ 234,217	\$ 818,558	\$ 2,267,122	\$ (490,115)
Business-type activities	<u>1,380,908</u>	<u>1,183,762</u>	<u>960,469</u>	<u>1,313,805</u>	<u>2,019,946</u>	<u>2,382,871</u>	<u>709,755</u>	<u>760,810</u>	<u>1,368,127</u>	<u>620,206</u>
Total primary government	<u>\$ 3,033,433</u>	<u>\$ 4,059,715</u>	<u>\$ 1,539,995</u>	<u>\$ 2,021,721</u>	<u>\$ 3,178,839</u>	<u>\$ 2,900,495</u>	<u>\$ 943,972</u>	<u>\$ 1,579,368</u>	<u>\$ 3,635,249</u>	<u>\$ 130,091</u>

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General fund										
Nonspendable	\$ 44,460	\$ 49,183	\$ 43,829	\$ 40,223	\$ 42,453	\$ 42,022	\$ 38,470	\$ 48,866	\$ 48,094	\$ 48,915
Assigned	1,361,073	1,890,009	2,311,844	2,598,099	2,917,945	2,984,676	2,796,741	3,115,950	2,977,612	2,927,235
Unassigned	7,478,159	8,406,128	8,847,506	9,869,544	10,780,206	11,544,224	11,924,496	12,569,280	12,950,647	12,868,321
Total general fund	\$ 8,883,692	\$ 10,345,320	\$ 11,203,179	\$ 12,507,866	\$ 13,740,604	\$ 14,570,922	\$ 14,759,707	\$ 15,734,096	\$ 15,976,353	\$ 15,844,471
All other governmental funds										
Restricted	\$ 249,385	\$ 211,258	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted, reported in										
Special revenue funds:										
Hotel occupancy tax fund	293,598	394,591	410,710	434,157	483,846	568,494	539,048	625,654	809,024	725,437
Revolving loan fund	150,322	197,083	296,929	114,758	115,501	116,351	45,882	-	-	-
Police seizure funds	6,452	4,682	69,145	58,938	34,343	55,385	66,298	65,203	49,446	42,262
RSVP fund	-	-	-	-	-	-	-	-	-	-
Court security fee fund	35,017	39,332	41,849	48,875	33,787	40,304	46,432	15,052	23,032	27,730
Court technology fee fund	20,555	31,467	40,024	52,226	51,994	29,160	37,605	47,737	30,781	36,095
TLSAC library grant fund	6,701	6,909	-	-	-	-	-	-	-	-
Home program grant fund	-	32,621	47,621	-	-	-	-	-	-	-
PEG fund	-	-	3,210	-	-	-	1,158	12,331	51,806	82,502
JAG law enforcement grant funds	-	-	-	-	-	-	-	-	-	-
Assigned for Travis Trussell Duck Pond	-	-	-	-	-	-	-	-	-	140,000
Total all other governmental funds	\$ 762,030	\$ 917,943	\$ 909,488	\$ 708,954	\$ 719,471	\$ 809,694	\$ 736,423	\$ 765,977	\$ 964,089	\$ 1,054,026

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues										
Taxes (see Schedule 5)	\$ 8,440,707	\$ 9,067,033	\$ 9,062,717	\$ 9,417,000	\$ 9,736,285	\$ 9,900,447	\$ 9,992,489	\$ 10,397,981	\$ 10,848,506	\$ 10,948,970
Licenses and permits	50,425	48,800	47,497	53,328	93,757	81,473	65,776	76,469	121,432	101,180
Intergovernmental	268,840	288,410	400,704	618,872	387,245	351,219	273,780	258,428	523,038	546,224
Charges for services	605,751	742,441	636,325	654,049	732,318	627,144	614,684	734,498	646,425	835,382
Fines	258,696	305,692	440,657	402,484	387,513	314,082	341,591	360,889	415,641	447,081
Investment earnings	518,355	388,711	219,224	154,808	108,277	79,479	46,805	37,069	42,615	85,669
Rents and Royalties	360	360	360	360	360	360	360	360	500	500
Contributions and donations	8,186	6,412	20,319	15,234	13,291	10,267	45,911	18,873	37,906	9,461
Other revenues	25,774	40,527	8,134	58,472	70,018	137,196	328,539	187,107	134,149	143,434
Total revenues	10,177,094	10,888,386	10,835,937	11,374,607	11,529,064	11,501,667	11,709,935	12,071,674	12,770,212	13,117,901
Expenditures										
General Government	1,196,732	1,314,345	1,718,989	1,836,624	1,649,313	1,530,785	2,114,446	1,733,808	2,330,382	2,500,788
Public safety	5,478,839	5,828,529	5,953,304	6,062,813	6,389,636	6,696,344	6,893,442	7,095,090	7,431,026	7,638,660
Public works	814,880	830,318	910,141	904,783	662,859	1,142,860	897,896	801,562	684,113	1,039,615
Health	341,897	381,296	406,096	389,144	419,261	405,574	377,067	369,804	401,300	379,824
Recreation and Culture	886,163	955,160	1,036,580	995,397	1,085,960	1,030,000	1,047,655	1,146,519	1,054,980	1,111,519
Capital outlay	225,289	171,215	165,660	291,537	521,325	357,832	86,867	167,276	1,112,492	989,521
Total expenditures	8,943,800	9,480,863	10,190,770	10,480,298	10,728,354	11,163,395	11,417,373	11,314,059	13,014,293	13,659,927
Excess of revenues over (under) expenditures	1,233,294	1,407,523	645,167	894,309	800,710	338,272	292,562	757,615	(244,081)	(542,026)
Other financing sources (uses)										
Sale of property	802	-	100	-	-	-	-	-	-	-
Transfers in	863,804	1,000,018	1,158,347	1,017,904	1,395,280	785,769	563,932	790,857	745,450	780,698
Transfers out	(731,000)	(790,000)	(954,210)	(808,061)	(952,735)	(203,500)	(740,980)	(544,529)	(61,000)	(280,617)
Total other financing sources (uses)	133,606	210,018	204,237	209,843	442,545	582,269	(177,048)	246,328	684,450	500,081
Net change in fund balances	\$ 1,366,900	\$ 1,617,541	\$ 849,404	\$ 1,104,152	\$ 1,243,255	\$ 920,541	\$ 115,514	\$ 1,003,943	\$ 440,369	\$ (41,945)
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
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
2014	4,653,088	3,864,922	1,463,657	296,899	28,308	91,107	10,397,981
2015	4,673,712	4,237,638	1,425,060	391,324	43,184	77,588	10,848,506
2016	4,954,092	4,180,786	1,300,049	406,734	32,305	75,004	10,948,970
Percent Change							
2007-2016	32.6%	21.9%	40.8%	52.9%	19.9%	24.3%	29.7%

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

Fiscal Year	Residential		Commercial		Industrial		Less:		Total Taxable Assessed Value	Total Direct Tax Rate
	Property	Property	Property	Property	Property	Property	Tax-Exempt	Property		
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
2014	575,850,019		209,670,673	96,690,063			128,572,126		753,638,629	0.6185
2015	580,460,871		225,574,773	97,012,823			131,372,562		771,675,905	0.6038
2016	597,215,014		233,512,357	100,895,044			140,666,810		790,955,605	0.6288

Source: Hale County Appraisal District.

Note: Property in Hale County is reassessed once every three years on average.

State statute requires all property to be appraised at 100% of assumed market value. The tax rates are per \$100 of assessed value.

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

	City Direct Rates				Overlapping Rates			
	Operating & Maintenance	General Obligation		Total	Plainview		High Plains	
		Debt	Service	Direct Rate	School District	Water District	Hale County	
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	
2014	0.6185	-	-	0.6185	1.0400	0.00810	0.492100	
2015	0.6038	-	-	0.6038	1.0400	0.00826	0.492100	
2016	0.6288	-	-	0.6288	1.0400	0.00826	0.492100	

Source: Hale County Appraisal District

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

	2016				2007			
	Taxable Assessed		Rank	Percent of Taxable Assessed Value	Taxable Assessed Value		Rank	Percent of Taxable Assessed Value
Wal-Mart - Inventory	\$	82,440,470	1	10.42	\$	102,788,030	1	14.61
Wal-Mart Distribution		14,513,650	2	1.83		16,298,600	2	2.32
Excel Energy		10,432,102	3	1.32		5,937,622	6	0.84
Wal-Mart Stores		7,980,760	4	1.01		8,102,218	4	1.15
Wal-Mart Stores - Inventory		7,814,286	5	0.99		8,567,410	3	1.22
Reagor Dykes Auto Company		6,202,188	6	0.78				
BNSF Railway		6,164,099	7	0.78		3,027,526	10	0.43
Atmos Energy		4,943,180	8	0.62				
Eclectic Properties		3,814,886	9	0.48				
Burns Family Trust		3,733,750	10	0.47				
Southwestern Bell						4,629,727	7	0.66
Achter Daniels Midland						7,349,784	5	1.04
Westview Center						4,080,438	8	0.58
Stonegate Center						3,172,416	9	0.45
Total	\$	148,039,371		18.72	\$	163,953,771		23.30

Source: Hale County Appraisal District

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

Fiscal Year Ended Sept 30	Taxes Levied for the Fiscal Year	Adjustments	Total Adjusted Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections To Date	
				Amount	Percentage of Levy		Amount	Percentage of Adjusted Levy
2007	\$ 3,762,550	\$ (6,337)	\$ 3,756,213	\$ 3,667,112	97.46	\$ 81,479	\$ 3,748,591	99.80
2008	3,784,098	(20,102)	3,763,996	3,691,589	97.56	65,563	3,757,152	99.82
2009	4,124,614	(51,556)	4,073,058	3,969,938	96.25	95,535	4,065,473	99.81
2010	4,127,462	(5,898)	4,121,564	4,022,367	97.45	90,083	4,112,450	99.78
2011	4,271,943	(5,156)	4,266,787	4,162,047	97.43	94,933	4,256,980	99.77
2012	4,328,879	(10,417)	4,318,462	4,217,584	97.43	85,965	4,303,549	99.65
2013	4,380,163	(5,750)	4,374,413	4,274,369	97.58	80,670	4,355,039	99.56
2014	4,661,548	(3,296)	4,658,252	4,546,796	97.54	78,010	4,624,806	99.28
2015	4,659,380	(8,894)	4,650,486	4,560,197	97.87	38,292	4,598,489	98.88
2016	4,973,529	(4,383)	4,969,146	4,870,575	97.93		4,870,575	98.02

Source: Hale County Appraisal District

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

Fiscal Year	Governmental Activities			Business-type Activities					Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Certificates of Obligation Bonds	Certificates of Obligation Bonds	General		Water Authority Indebtedness					
				Obligation Refunding Bonds	Bonds						
2006	\$ -	\$ -	\$ 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	2.07%	988			
2014	-	-	8,120,000	4,505,000	7,654,326	20,279,326	1.88%	914			
2015	-	-	7,495,000	3,920,000	6,984,518	18,399,518	1.71%	829			
2016	-	-	7,100,000	3,320,000	6,499,573	16,919,573	n/a	762			

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.
Water authority indebtedness is the city's proportionate share of revenue bonds issued by the Canadian River Municipal Water Authority.
Personnel income data for fiscal year 2016 is unavailable.
See Schedule of Demographic and Economic Statistics for Population data.

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

Fiscal Year	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Certificates of Obligation Bonds	Total		
2007	\$ -	\$ -	\$ -	-	-
2008	-	-	-	-	-
2009	-	-	-	-	-
2010	-	-	-	-	-
2011	-	-	-	-	-
2012	-	-	-	-	-
2013	-	-	-	-	-
2014	-	-	-	-	-
2015	-	-	-	-	-
2016	-	-	-	-	-

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, 2016

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Debt repaid with property taxes			
Plainview Independent School District	\$ -	68.24 %	\$ -
County of Hale	-	42.53	-
Other debt			
Plainview Independent School District	643,087	68.24	438,843
County of Hale	-	42.53	-
Subtotal overlapping debt			438,843
City direct debt			-
Total direct and overlapping debt			<u>\$ 438,843</u>

Sources: Assessed value data used to estimate applicable percentages provided by the Hale County Appraisal District. Debt outstanding data provided by each governmental unit.

Notes: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Plainview. This process recognizes that, when considering the city's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account.

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

Water and Sewer Revenue Bonds										Solid Waste Management Revenue Bonds									
Fiscal Year	Utility Operating Revenues	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage	
				Principal	Interest					Principal	Interest					Principal	Interest		
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							
2014	7,555,713	5,712,418	1,843,295	950,000	413,149	1.35	3,008,243	1,847,416	1,160,827	240,000	12,775	4.59							
2015	7,231,495	5,227,740	2,003,755	965,000	388,024	1.48	3,229,419	1,889,468	1,339,951	245,000	4,288	5.38							
2016	7,476,677	5,839,667	1,637,010	995,000	360,836	1.21	3,086,065	1,966,406	1,119,659	-	-	-							

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

Operating expenses include the annual payments on the city's proportionate share of Canadian River Municipal Water Authority indebtedness.

Operating expenses include an accrual for future landfill closure and postclosure costs.

Operating expenses do not include bond interest, depreciation or amortization expenses.

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

Calendar Year	City Population	County Population	County			County	
			Personal Income	Per Capita Income	School Enrollment	Unemployment Rate	
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	1,058,817,000	29,190	5,522	11.0%	
2014	22,194	36,273	1,081,292,000	29,810	5,559	6.3%	
2015	22,194	36,273	1,077,771,000	29,720	5,659	5.4%	
2016	22,194	36,273	N/A	N/A	5,586	5.3%	

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

Note: Personal income data for calendar year 2016 is unavailable.

Schedule 15
City of Plainview
Principal Employers *
Last Ten Years

2007	2008	2009	2010
Azteca Milling	Azteca Milling	Azteca Milling	Azteca Milling
Cargill Meat Solutions	Cargill Meat Solutions	Cargill Meat Solutions	Cargill Meat Solutions
Central Plains MHMR Center	Central Plains MHMR Center	Central Plains MHMR Center	Central Plains MHMR Center
City of Plainview	City of Plainview	City of Plainview	City of Plainview
Covenant Hospital	Covenant Hospital	Covenant Hospital	Covenant Hospital
Plainview Independent School District	Plainview Independent School District	Plainview Independent School District	Plainview Independent School District
Texas Department of Criminal Justice	Texas Department of Criminal Justice	Texas Department of Criminal Justice	Texas Department of Criminal Justice
United Supermarkets	United Supermarkets	United Supermarkets	United Supermarkets
Wal-Mart Associates	Wal-Mart Associates	Wal-Mart Associates	Wal-Mart Associates
Wayland Baptist University	Wayland Baptist University	Wayland Baptist University	Wayland Baptist University
2011	2012	2013	2014
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
2015	2016		
Azteca Milling	Azteca Milling		
Central Plains MHMR Center	Central Plains MHMR Center		
City of Plainview	City of Plainview		
Covenant Hospital	Covenant Hospital		
Hale County	Hale County		
Plainview Independent School District	Plainview Independent School District		
Texas Department of Criminal Justice	Texas Department of Criminal Justice		
United Supermarkets	United Supermarkets		
Wal-Mart Associates	Wal-Mart Associates		
Wayland Baptist University	Wayland Baptist University		

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



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

<u>Function/Program</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General Government										
City Manager	2	2	2	2	2	2	2	2	2	2
Legal	2	2	2	2	2	2	2	2	2	2
Finance	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					
Administrative Services										
Municipal Court	3	3	3	3	2	2	2	2	2	2
Community Development	2	2	2	2	2	2	2	2	2	2
Code Compliance	3	3	3	3	3	3	4	4	4	4
Main Street	1	1	1	1	1	1	1	1	1	1
RSVP	2	2	2	2	2	2	2	2	2	2
Public Safety										
Police	45	45	45	45	45	46	46	46	46	46
Fire / EMS	36	36	36	36	36	36	36	36	36	36
Traffic Control	3	3	3	3	3	3	3	3	3	3
Animal Control	2	2	2	2	2	2	2	2	2	2
Public Works										
Public Works	3	3	3	3	3	3	3	2	2	1
Street Cleaning	2	2	2	2	2	2	2	2	2	2
Street Department	7	7	7	7	7	7	5	5	5	5
Custodial Services	2	2	2	2	2	2	2	2	2	2
Health	6	7	7	7	7	7	6	6	6	6
Recreation and Culture										
Parks	12	12	12	12	11	11	11	11	11	11
Library	5	5	5	5	5	5	5	5	5	5

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

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General government										
Building permits issued	140	184	154	266	208	226	228	158	169	180
Building inspections	4,059	2,284	2,057	2,494	1,524	1,058	976	690	1,265	1,521
Public safety										
Police										
Calls for service	14,898	13,997	15,378	14,403	14,313	19,225	20,946	26,103	26,670	27,577
Citations issued	3,052	4,290	3,307	3,377	2,642	2,243	2,310	2,191	2,920	2,630
Arrests	1,570	1,712	1,659	1,593	1,594	1,346	1,309	1,285	1,170	1,020
Fire/EMS										
Total Fire calls	1,400	1,634	1,560	1,656	1,878	1,673	1,888	1,784	352	129
Fire-EMS Assists									1,558	1,681
Total EMS calls	1,841	2,027	1,915	1,949	2,139	2,067	2,367	2,194	2,107	2,482
Inspections	237	96	122	137	45	86	168	119	98	167
Public works										
Street seal coating (lane miles)	25.32	23.08	19.97	21.18	-	23.39	12.12	15.83	-	8.50
Street patch material used (tons)	490.0	487.0	184.6	437.7	335.8	279.3	266.5	179.2	213.0	287.8
Health										
Immunizations	3,379	5,462	6,452	5,018	4,739	2,892	2,296	1,585	1,374	1,605
Inspections	302	288	156	253	231	243	284	290	396	363
Recreation and culture										
Parks										
Shelter house permits	177	216	192	235	303	294	306	227	167	207
Library										
Volumes in collection	50,661	52,109	48,244	53,593	46,473	52,566	53,358	54,788	55,113	56,535
Volumes borrowed	47,925	51,418	55,319	55,019	48,543	47,277	42,339	40,624	40,613	42,855
Visitors	85,545	88,993	92,247	93,761	83,630	76,541	71,643	71,592	71,928	71,135

Solid waste management										
Refuse collected (annual tonnage)	29,218	28,317	31,200	31,200	28,099	27,789	20,535	22,458	24,556	25,607
Recyclables collected (annual tonnage)	1,971	592	1,061	646	841	636	382	652	379	667
Water										
New connections	18	12	13	14	18	25	3	21	22	17
Main line repairs	103	86	124	124	72	112	163	160	171	59
Average daily production (thousands of gallons)	4,297	4,298	4,442	4,406	5,463	5,037	4,089	3,234	2,719	3,016
Peak daily production (thousands of gallons)	8,017	10,659	8,647	8,561	10,048	8,766	6,539	5,949	3,532	6,041
Wastewater										
Average daily sewage treatment (thousands of gallons)	2,200	2,000	1,800	1,928	1,560	1,510	1,566	1,320	1,320	1,256
Theatre										
Events scheduled	97	108	101	102	85	40	37	38	40	58
Attendees	10,554	13,623	10,622	10,665	9,760	5,280	5,611	4,262	5,794	6,378

Sources: Various city departments

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

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	22	22	22	24	24	21	23	23	22	22
Staff and detective units, SWAT Van	12	12	12	13	14	16	14	14	16	16
Fire/EMS										
Stations	3	3	3	3	3	3	3	3	3	3
Ambulances	4	4	4	4	4	4	4	4	4	4
Public works										
Paved streets (miles)	137	137	137	137	137	137	137	137	138	138
Streetlights	1,337	1,356	1,356	1,357	1,358	1,356	1,356	1,356	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	17	18	18	18	18
Recreation and culture										
Parks										
Developed parks acreage	286	286	286	286	286	286	286	286	286	286
Open spaces acreage	243	243	301	301	301	301	301	301	301	301
Playgrounds	14	14	14	14	14	14	14	14	14	14
Baseball/softball diamonds	19	19	19	21	21	21	21	21	21	21
Football/soccer fields	3	3	3	3	3	3	3	3	3	3
Skatepark									1	1
Multi-purpose athletic courts	6	6	6	6	6	6	6	6	6	6
Community centers, pavilions, covered tables	5	5	5	7	7	7	26	26	26	29
Library										
Internet access workstations	11	15	15	15	15	15	15	15	15	15

Solid waste management												
Residential collection trucks	3	3	3	3	3	3	3	3	3	3	3	3
Commercial collection trucks	2	2	2	2	2	2	2	2	2	2	2	2
Recyclables collection trucks	2	2	2	2	2	2	2	2	2	2	2	2
Landfill remaining capacity (thousands of cubic yards)	10,674	10,593	10,495	10,495	10,303	10,216	10,136	10,051	9,975	10,163		
Water												
Water mains (miles)	201	201	201	201	208	197	197	197	197	201		
Fire hydrants	745	745	747	747	736	736	744	744	744	747		
Storage capacity (thousands of gallons)	7,590	7,590	7,590	7,590	7,590	7,590	9,590	8,340	8,200	8,200		
Wastewater												
Collection lines (miles)	140	140	140	140	164	164	164	164	164	164		
Treatment capacity (thousands of gallons per day)	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300		

Sources: Various city departments

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



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**Compliance and Internal
Control**

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

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, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 9, 2017.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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
March 9, 2017