

Comprehensive Annual Financial Report

City of Plainview, Texas

**For the Fiscal Year Ended
September 30, 2019**



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Financial Statements
September 30, 2019
City of Plainview, Texas



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Introductory Section

March 10, 2020

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, 2019, is hereby submitted. This report consists of management's representations concerning the finances of the City of Plainview. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Plainview has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Plainview's financial statements in conformity with generally accepted accounting principles. Because the cost of internal controls should not outweigh their benefits, the City of Plainview's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Plainview's financial statements have been audited by Eide Bailly LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Plainview for the fiscal year ended September 30, 2019, 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, 2019, are fairly presented in conformity with generally accepted accounting principles in the United States of America. The independent auditor's report is presented as the first component of the financial section of this report.

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

Profile of the Government

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

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

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

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

City Services

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

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

Financial Information

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

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

Budgetary control has been established at the individual fund level. Financial reports are produced displaying budget and actual expenditures by line item, and are distributed monthly to

City departmental and divisional management and to others upon request. Summary financial reports for the operating funds are also displayed on the website.

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

Cash management. The City of Plainview awards its depository contract through official bidding procedures for a three-year period with a provision for two one-year continuations under the same contract. The current contract is with Centennial Bank commencing October 1, 2016 through September 30, 2019 with the option for two one-year renewals. The first one-year renewal has been obtained that goes through September 30, 2020.

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 \$36.4 million in investments with an average maturity of 218 days and an average yield of 2.5%.

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

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

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

Employee health plan. The City of Plainview provides health insurance for employees, their dependents and retirees and their dependents who are not eligible for Medicare or Medicaid. On January 1, 2015 the city switched from being self-insured to a fully insured health plan.

On October 1, 2017 the City adopted GASB Statement 75, Accounting and Financial Reporting for Postemployment Benefits other than Pensions (OPEB). This requires the City to report the cost and obligations associated with providing retirees access to the City's health insurance plan. The OPEB liability measured at December 31, 2018 was \$1,135,516.

Additional information on the City's health coverage can be found in Notes 10 and 11 of the financial statements.

Pension benefits. The City participates in two retirement plans. Firefighters are provided benefits through the City's single employer defined benefit pension plan and all other employees are provided benefits through a non-institutional, joint contributory, hybrid defined benefit plan in the state-wide Texas Municipal Retirement System (TMRS).

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

The Firefighters Retirement System is administered by a board of trustees. The actuarial valuation for the System was completed as of December 31, 2017. The funded ratio of actuarial accrued liability of this plan was 37.7%. As a matter of policy the City contributed 15% of firefighter salaries toward pension financing, while firefighters individually contributed 14%. Effective January 1, 2017 the firefighters contribute 15%. In an effort to strengthen the Firefighter Pension Plan the City has instituted a series of increases to the employer's contributions. October 1, 2010 the city increased the employer portion to 16.61%; October 1, 2011 to 18.26%; October 1, 2012 to 19.84%; October 1, 2013 to 21.45%; October 1, 2014 to 23.07%; and October 1, 2015 to 24.68%. The fiduciary net position as a percentage of total pension liability was 32.4% at December 31, 2018.

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, 2018 and reported the fiduciary net position as a percentage of total pension liability was 89.71% at December 31, 2018. The City's contribution rate at year end was 13.07% of payroll and the employees individually contribute 7%.

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

Long-term financial planning.

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

Economic Condition and Outlook

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

Local economy

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

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

Sales Tax. Sales Tax receipts through February 2020 are .62% more than for the same five-month period last year.

Employment. The unemployment rate has decreased from 4.4% in December 2018 to 4.0% in December 2019.

Healthcare. Covenant Hospital Plainview, as part of the Covenant Health System and Providence - St. Joseph Health System, serves as a small regional hub for medical care. The hospital is undergoing a \$40.0 million renovation and expansion project. The surgical wing expansion was completed in 2016. The new radiology department features include state of the art equipment with everything from nuclear medicine and cardiovascular tests to basic radiology services, ultrasound, echocardiography, vascular and mammograms was completed in 2019. The basement and third floor are currently being renovated.

Plainview Independent School District. Voters passed a bond proposition totaling \$76.62 million that includes new construction and renovation projects. The bond will provide for early childhood and pre-kindergarten programming at every elementary campus. All campuses will have secure entryways.

Higher Education. Wayland Baptist University (WBU), a four-year Christian university, has system wide enrollment of over 5,100 students; this includes the main campus and 16 satellite campuses located all over the United State. The main campus located in Plainview serves approximately 1,300 students. In addition, WBU is home to the Llano Estacado Museum and Jimmy Dean Museum.

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

Construction Activity. Building Valuations totaled \$19.74 million in 2018 compared to \$20.68 million in 2019.

Economic Development

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

Business Park. The City and Hale County partnered together to develop the Plainview-Hale County Business Park. In 2016, the City and County received \$1.0 million Public Works Construction grant from the U.S. Department of Commerce, Economic Development Administration to assist with the development of the business park. Construction was completed in March 2020. Phase 1 includes approximately 150 acres of shovel ready sites for business and industrial development. The first tenant, Western Equipment constructed a \$4.0 million facility and added 20 new jobs to our local economy.

Airport. The Plainview-Hale County Airport is a joint venture between the City and County. The Fixed Based Operator is Rocket Aviation. The Airport has two major runways; Runway 4-22 (6,000 feet long) and Runway 13-31 (4,000 feet long). The Airport completed a Master Plan in September 2014. The City and County are in the process of acquiring the privately owned airport assets (Hangars, Terminal/Office Buildings, etc.) as a part of the Airport Master Plan. The City and County were awarded \$600K from TXDOT Aviation to assist with the purchase of these assets and will close on the property in 2020.

Regional Wind Farm Construction. The City serves as a hub for wind farm construction in the region due to the large rail distribution center operated by BNSF Logistics in Plainview. This distribution center off loads wind turbine components for the planned wind farms. Xcel Energy started construction on a 478 MW wind farm in Hale County. The Xcel Hale Wind Farm has 239 turbines producing enough electricity to power 170,000 homes and created 22 new jobs for Hale County.

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

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

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

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

In addition, the City will complete an assessment on the Water Treatment Plant and a new long range Water Supply Plan in 2020 to identify future upgrades to the Water System.

2018 General Obligation Bond Program. In November 2017, voters authorized \$25.0 million in General Obligations Bonds for various capital improvement projects. This includes the reconstruction of 24th Street, construction of a new Fire Station No. 2, renovation of a facility to serve as the new City Hall, renovation of the current City Hall facility to serve as the new Police Department, improvements to the baseball-softball fields, construction of a new aquatic complex and sidewalks improvements in the Downtown area. Construction has started on the new Aquatics Complex with an anticipated completion date in the Spring of 2020.

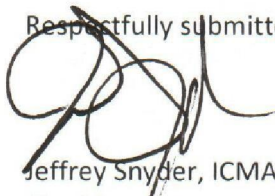
The 24th Street Reconstruction Project, Downtown Streetscape Project and the new City Hall Project are in design and will be bid in 2020.

Acknowledgements

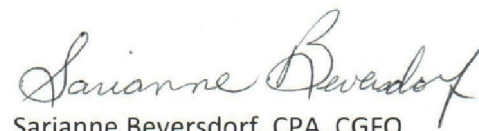
The preparation of this report and the maintenance of the records upon which it is based could not have been accomplished without the efficient and dedicated services of the entire Finance Department. We would like to express our appreciation to staff members Tammy Adams and Vannesa Rincon for their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

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

Respectfully submitted,



Jeffrey Snyder, ICMA-CM
City Manager



Sarianne Beversdorf, CPA, CGFO
Director of Finance

CITY OF PLAINVIEW, TEXAS
LISTING OF PRINCIPAL OFFICIALS

<u>ELECTED OFFICIALS</u>	<u>NAME</u>	<u>YEARS SERVICE</u>	<u>OCCUPATION</u>
MAYOR	WENDELL DUNLAP	16	RETIRED/SELF-EMPLOYED
COUNCIL MEMBER DISTRICT 1	NELDA A VAN HOOSE	2	RETIRED EDUCATOR
COUNCIL MEMBER DISTRICT 2	LARRY WILLIAMS	6	SELF-EMPLOYED
COUNCIL MEMBER DISTRICT 3	NORMA JUAREZ	6	INSURANCE SPECIALIST
COUNCIL MEMBER DISTRICT 4	TERESSA KING	6	PRESIDENT, KING CARPET PLUS, INC. & FURNITURE EXPRESSIONS ROYAL SPLASH LLC MANAGING MEMBER
COUNCIL MEMBER DISTRICT 5	SUSAN BLACKERBY	6	RETIRED
COUNCIL MEMBER DISTRICT 6	EVAN WEISS	1	MINISTER
COUNCIL MEMBER DISTRICT 7	ERIC HASTEY	1	SELF-EMPLOYED CRANE SERVICES

<u>CITY OFFICIALS</u>	<u>NAME</u>	<u># OF YEARS WITH CITY</u>	<u># OF YEARS THIS POSITION</u>
CITY MANAGER	JEFFREY SNYDER	9	10
ASSISTANT CITY MANAGER	JEFF JOHNSTON	2	2
DIRECTOR OF FINANCE	SARIANNE BEVERSDORF	10	19
DIRECTOR PUBLIC WORKS	TIM CROSSWHITE	8	4
FIRE CHIEF	TIM GIBSON	1	1
CHIEF OF POLICE	KEN COUGHLIN	6	11
MUNICIPAL COURT JUDGE	PAT HERNANDEZ	35	22
CITY SECRETARY	BELINDA HINOJOSA	19	19
DIRECTOR OF INFORMATION TECHNOLOGY	ISAURO GUTIERREZ	6	6
MAIN STREET MANAGER	MELINDA BROWN	5	5
DIRECTOR OF HUMAN RESOURCES	RACHAEL FOSTER	2	2

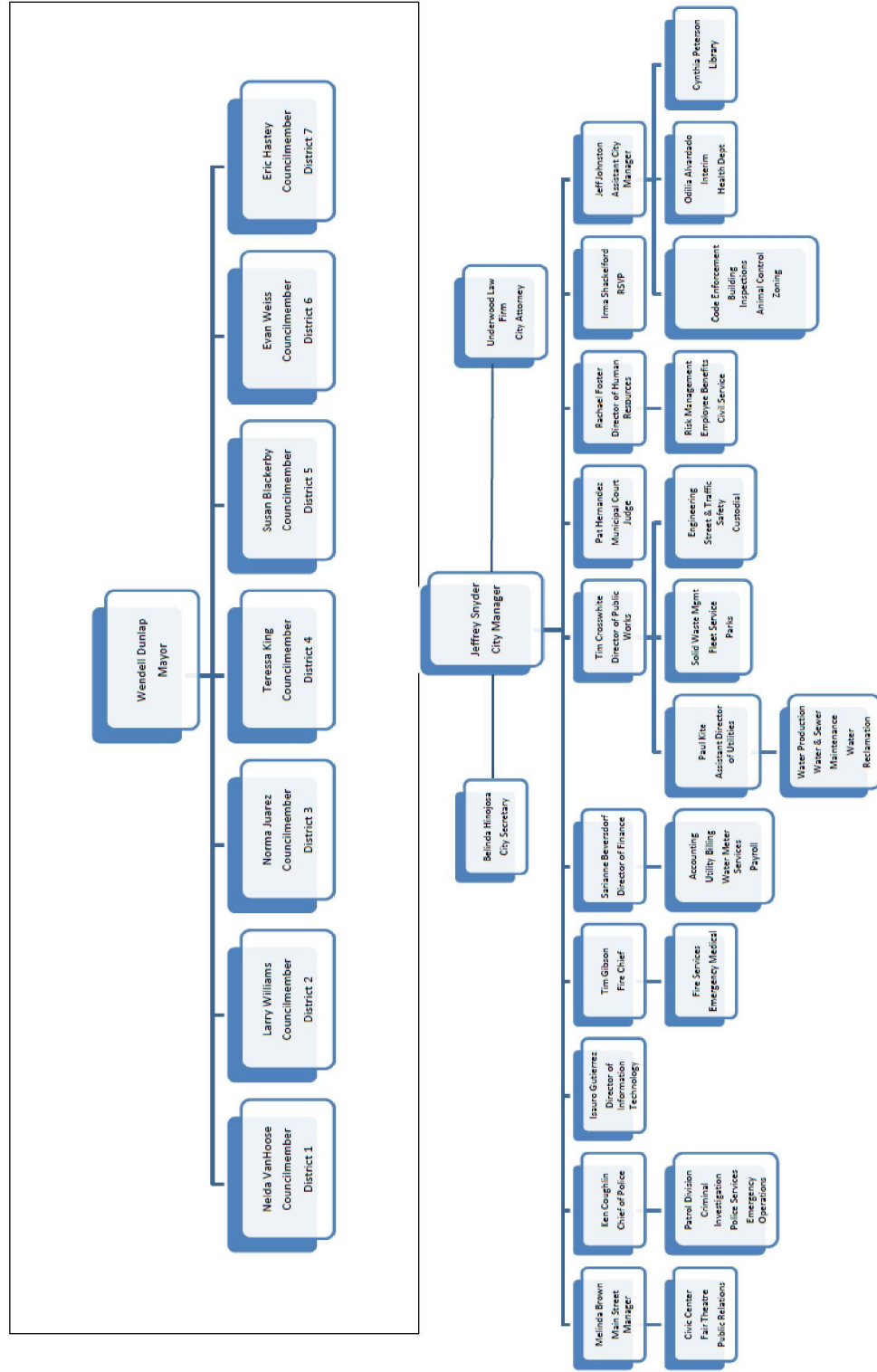
FINANCIAL CONSULTANT - SPECIALIZED PUBLIC FINANCE - AUSTIN, TEXAS

BOND COUNSEL - UNDERWOOD LAW FIRM - AMARILLO, TEXAS

INDEPENDENT AUDITORS - EIDE BAILLY, LLP PLAINVIEW, TEXAS

CITY ATTORNEY - UNDERWOOD LAW FIRM - AMARILLO, TEXAS

City of Plainview Organizational Chart





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Financial Section



Independent Auditor's Report

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 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, 2019, 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 of Plainview, Texas as of September 30, 2019 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, pension plan schedules and OPEB plan schedule on pages 4-16 and 59-69 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 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 the 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 taken as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated March 17, 2020 on our consideration of City of Plainview, Texas's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

Plainview, Texas
March 17, 2020

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, 2019. 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 \$128,077,184 at September 30, 2019 and \$123,679,410 at September 30, 2018, increasing 3.6%.
- Total liabilities were \$59,755,788 at September 30, 2019 and \$59,024,480 at September 30, 2018, increasing 1.2%.
- 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 \$71,198,566, an increase of 9.9%. Of this amount, \$28,212,447 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 \$6,411,875.

Governmental Funds

- Total current assets were \$43,235,049 at September 30, 2019 and \$44,638,289 at September 30, 2018, decreasing 3.1%.
- All combined governmental funds reported an ending fund balance of \$41,397,217 or a 1.2% decrease from the previous year.
- For the year ended September 30, 2019, total expenditures exceeded total revenues and other financing sources (uses) by \$490,296.

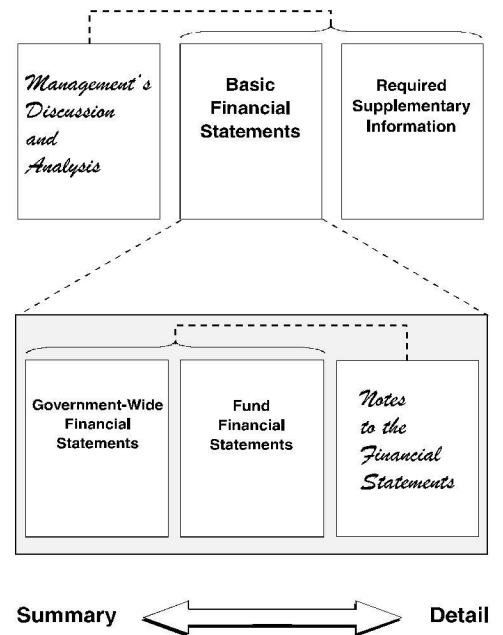
Proprietary Funds

- Net position for combined enterprise funds grew by 3.0% to \$43,826,641. Of this amount, \$16,061,460 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, 2019 is reported at \$1,273,493.
- A net increase in cash and cash equivalents of \$4,115,343 is reported for the combined enterprise funds.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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



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

Figure A-1 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

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

and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Government-wide Statements

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

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

- Over time, increases or decreases in the City's net position may be an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the City, one needs to consider additional nonfinancial factors such as changes in the City's tax base.

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

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

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 \$71,198,567 at September 30, 2019, \$6,411,876 more than the prior year. (See Table A-1).

(See Table A-1 Next Page)

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

	Governmental Activities		Business -type Activities		Total		Total Percent
	2019	2018	2019	2018	2019	2018	Change
Current assets							
Cash and cash equivalents	\$ 24,010	\$ 8,049	\$ 4,612	\$ 693	\$ 28,622	\$ 8,742	227.4%
Investments	23,345	39,557	12,789	16,049	36,134	55,606	-35.0%
Receivables	1,946	1,710	1,377	1,367	3,323	3,077	8.0%
Grant receivable	26	448	10	-	36	448	-92.0%
Other assets	6	4	-	-	6	4	50.0%
Due from other governments	40	30	-	-	40	30	33.3%
Internal balances	(174)	(146)	174	146	-	-	0.0%
Inventories	140	153	141	111	281	264	6.4%
Total current assets	49,339	49,805	19,103	18,366	68,442	68,171	0.4%
Noncurrent assets	3,905	3,608	11,082	11,203	14,987	14,811	1.2%
Capital assets, net	15,073	10,437	29,578	30,262	44,651	40,699	9.7%
Total assets	68,317	63,850	59,763	59,831	128,080	123,681	3.6%
Deferred Outflows of Resources	3,010	1,307	1,014	571	4,024	1,878	114.3%
Accounts payable and accrued liabilities	1,895	2,827	349	334	2,244	3,161	-29.0%
Deposits and escrow held	-	-	570	551	570	551	3.4%
Compensated absences	956	923	97	93	1,053	1,016	3.6%
Pension and OPEB obligations	15,445	12,677	1,363	489	16,808	13,166	27.7%
Water contract obligations	-	-	4,847	5,340	4,847	5,340	-9.2%
Landfill closure/postclosure	-	-	1,627	1,553	1,627	1,553	4.8%
Bonds payable	24,986	25,474	7,624	8,766	32,610	34,240	-4.8%
Total liabilities	43,282	41,901	16,477	17,126	59,759	59,027	1.2%
Deferred Inflows of Resources	847	1,169	300	577	1,147	1,746	-34.3%
Net Position							
Net investment in capital assets	13,918	10,196	27,023	26,244	40,941	36,440	12.4%
Restricted	1,303	1,223	742	739	2,045	1,962	4.2%
Unrestricted	11,977	10,668	16,235	15,716	28,212	26,384	6.9%
Total net position	\$ 27,198	\$ 22,087	\$ 44,000	\$ 42,699	\$ 71,198	\$ 64,786	9.9%

As noted earlier, net position may serve, over time, as a useful indicator of a government's financial position. A large portion of the City's net position (58 percent) reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

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

Changes in net position.

The City's total revenues for the year ended September 30, 2019 were \$31,515,180. A significant portion, 42.4%, of the City's revenue comes from taxes (See Figure A-3) while 34.8% comes from charges for utility services. The total cost of all programs and services was \$25,103,306.

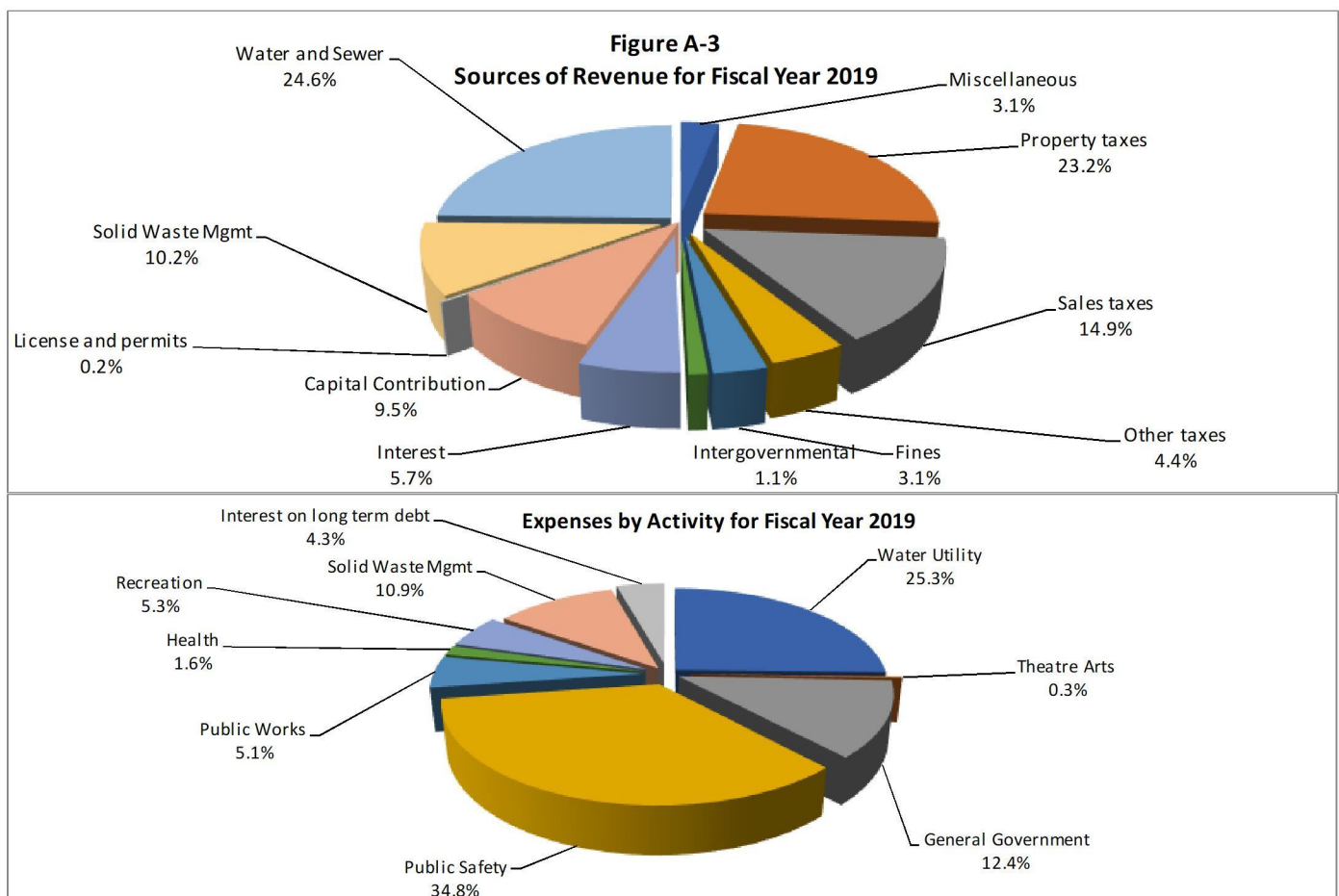


Table A-2
Changes in City's Net Position
(In thousands dollars)

	Governmental Activities		Business-type Activities		Total		Total Percent
	2019	2018	2019	2018	2019	2018	Change
Program revenues							
Charges for services	\$ 1,020	\$ 1,315	\$11,013	\$ 11,118	\$ 12,033	\$ 12,433	-3.2%
Grants and contributions							
Operating	277	271	60	-	337	271	24.4%
Capital	10	1,233	-	-	10	1,233	-99.2%
General revenues							
Property taxes	7,314	5,330	-	-	7,314	5,330	37.2%
Other taxes	6,044	5,868	-	-	6,044	5,868	3.0%
Capital contribution	3,000	-	-	-	3,000	-	
Other	2,185	2,101	592	554	2,777	2,655	4.6%
Total revenues	19,850	16,118	11,665	11,672	31,515	27,790	13.4%
Expenses							
General government	3,104	4,148	-	-	3,104	4,148	-25.2%
Public safety	8,726	7,597	-	-	8,726	7,597	14.9%
Public works	1,287	1,739	-	-	1,287	1,739	-26.0%
Recreation and culture	1,323	1,240	-	-	1,323	1,240	6.7%
Health	402	303	-	-	402	303	32.7%
Interest on long-term debt	1,087	-	-	-	1,087	-	NA
Solid waste management	-	-	2,740	2,422	2,740	2,422	13.1%
Water and sewer	-	-	6,365	6,032	6,365	6,032	5.5%
Theatre arts	-	-	70	54	70	54	29.6%
Total expenses	15,929	15,027	9,175	8,508	25,104	23,535	6.7%
Transfers	1,189	(1,361)	(1,189)	(632)	-	(1,993)	-100.0%
Change in Net Position	5,110	(270)	1,301	2,532	6,411	2,262	183.4%
Net Position, Beginning	22,088	22,510	42,699	40,167	64,787	62,677	3.4%
Prior Period Adjustment	-	(152)	-	-	-	(152)	-100.0%
Net Position, Ending	\$ 27,198	\$ 22,088	\$44,000	\$ 42,699	\$ 71,198	\$ 64,787	9.9%

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 \$5.1 million. Table A-3 presents the cost of each of the City's largest functions, as well as each function's net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost reflects what was funded by local tax dollars.

- Property tax rate stayed the same at .8318 per \$100 valuation, of which, .2006 was for debt service. There was an increase in property taxes of \$2 million or 37.2%.
- Capital contributions increased due to a \$3 million contribution of the old Centennial Bank building to be renovated with bond funds for the new City Hall.
- The cost of all governmental activities this year was \$15.9 million compared to the previous year of \$15 million, a 6% increase.
- The amount that our taxpayers paid for these services was \$11.2 million.
- Some of the cost was paid by those who directly benefited from the programs, \$1.0 million, or by grants and contributions, \$3.3 million.

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

	Total Cost of Services		Percent Change	Net Cost of Services		Percent Change
	2019	2018		2019	2018	
General government	\$ 3,104	\$ 4,148	-25.2%	\$ 2,701	\$ 2,799	-3.5%
Public safety	8,726	7,597	14.9%	8,171	6,853	19.2%
Public works	1,287	1,739	-26.0%	1,287	1,647	-21.9%
Recreation and culture	1,323	1,240	6.7%	1,286	911	41.2%
Health	402	303	32.7%	91	(1)	-9200.0%
Interest on long-term debt	1,087	-	NA	1,087	-	NA
Total governmental activities	<u>\$ 15,929</u>	<u>\$ 15,027</u>	6.0%	<u>\$ 14,623</u>	<u>\$ 12,209</u>	19.8%

Business-type Activities

As shown in Table A-2, business-type activities increased net position by \$1.3 million.

- Charges for services generated revenues of \$11.0 million for the period ended September 30, 2019 compared to \$11.1 million for the previous period.
- Expenses totaled \$9.2 million for 2019 and \$8.5 million for 2018, a 7.8% increase.
- Transfers from business-type activities to support general government activities were \$1.2 million for the period, an 88.1% 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 \$41,397,217, a decrease of \$490,296. The decrease is mainly due to capital expenditures from bond proceeds.

Total assets of the Governmental Funds decreased 3.1%. This decrease is mainly attributable to the decrease in cash, cash equivalents, investments and restricted cash of \$42,378,548 at the end of the prior period to \$41,160,844 at the end of fiscal year 2019. This decrease is mainly due to the expenditure of bond proceeds.

Total liabilities of the Governmental Funds decreased 37.5% from \$2,303,671 in 2018 to \$1,439,764 in 2019. The change was mainly due to the decrease in accounts payable of \$740,498 from the completion of grant projects and payment of grant funds to the Plainview-Hale County Business Park.

Of the combined ending fund balance, approximately \$13.6 million constitutes unassigned fund balance which is available for spending at the government's discretion.

Proprietary Funds

The City's proprietary fund 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 \$8,025,546. Of this amount, \$2,438,980 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 2019, approximately \$16.1 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:
 - \$500,000 to Capital Improvement Fund
 - \$356,500 to Economic Development Fund
 - \$253,000 to Equipment Replacement Fund
 - \$100,000 to Street Improvement 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, 2019 amounts to \$44,650,244 (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
	2019	2018	2019	2018	2019	2018	
Land	\$ 670	\$ 609	\$ 552	\$ 552	\$ 1,222	\$ 1,161	5.3%
Buildings	6,999	4,284	2,735	2,712	9,734	6,996	39.1%
System improvements	-	-	48,597	47,767	48,597	47,767	1.7%
Infrastructure	19,716	19,256	-	-	19,716	19,256	2.4%
Machinery and equipment	10,331	9,805	8,130	7,995	18,461	17,800	3.7%
Construction in progress	2,148	495	60	144	2,208	639	245.5%
Totals at historical cost	39,864	34,449	60,074	59,170	99,938	93,619	6.7%
Accumulated depreciation	(24,791)	(24,013)	(30,496)	(28,907)	(55,287)	(52,920)	4.5%
Net capital assets	<u>\$ 15,073</u>	<u>\$ 10,436</u>	<u>\$ 29,578</u>	<u>\$ 30,263</u>	<u>\$ 44,651</u>	<u>\$ 40,699</u>	9.7%

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 \$31,565,000 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 \$4,846,623. More detail on the City's long-term obligations may be found in the notes to the financial statements (Note 8).

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

	Governmental Activities		Business-type Activities		Total		Total Percent Change
	2019	2018	2019	2018	2019	2018	
Bond and certificates of obligation	\$ 24,986	\$ 25,474	\$ 7,624	\$ 8,766	\$ 32,610	\$ 34,240	-4.8%
Water Supply Contract obligation	-	-	4,847	5,340	4,847	5,340	-9.2%
Total outstanding debt	<u>\$ 24,986</u>	<u>\$ 25,474</u>	<u>\$ 12,471</u>	<u>\$ 14,106</u>	<u>\$ 37,457</u>	<u>\$ 39,580</u>	-5.4%

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 unemployment rate was 4.4% in December 2018 compared to 4.0% in December 2019.
- Sales Tax Collections totaled \$4,052,315 in FY 2018 compared to \$4,270,560 in FY 2019.
- Hotel Occupancy Tax Collections totaled \$346,078 in FY 2018 compared to \$352,323 in FY 2019.
- Building Valuations totaled \$19.75 million in FY 2018 compared to \$20.68 million in FY 2019.

The City continues to take a conservative approach to the budget as the economic outlook improves and resources continue to be allocated for future development. The Strategic Plan, Economic Development Plan and the long-range Comprehensive Plan continue to guide the investments made by the City to encourage new growth, development and diversification in the local economy.

The following factors were considered when preparing the FYE 2020 Budget:

- The Property Tax Rate included in this budget is \$0.6312 per \$100 valuation for maintenance and operations and \$0.2106 per \$100 valuation for debt service for a total of \$0.8418 per \$100 valuation. The rate for maintenance and operations remained the same as last year. The City increased the debt service portion this year to service the debt shortage for FYE 2019. The effective tax rate this year was \$ 0.8300.
- The General Fund expenditure budget for the upcoming year increased by 1.78%. The main increases included adjustments to employee compensation and benefits, funding for a new spay and neuter program for animal control and funding for the management of the new aquatics center. There is no budgeted reduction for services.
- Health Insurance Premium cost increase.
- In the Solid Waste Management Fund, the 2019-2020 operating budget increased by 1.37% from the previous year. This included funding to replace several pieces of equipment including a refuse truck with a different packer body style as part of a plan to reduce the number of trips to the landfill. No increase in the collection and disposal fees was proposed for the Solid Waste Management Fund.
- In the Utility (Water & Sewer) Fund, the 2019-2020 operating budget increased by 1.88%. The main increase included adjustments for employee compensation and benefits. There was no adjustment in the base water and sewer rates. The City did increase the tiered water conservation rate structure and sewer usage rates by three percent (3%) this year as a part of a water conservation strategy.

The following major projects are incorporated into the FY 2020 Budget:

- The City and Hale County partnered together to develop the Plainview-Hale County Business Park. In 2016, the City and County received a \$1.0 million Public Works Construction grant from the U.S. Department of Commerce, Economic Development Administration to assist with the development of the business park. Construction began on Phase 1 of the project and \$ 839,455 of the grant funds have been received. Construction will be completed in March 2020.
- In November 2017, voters authorized \$25.0 million in General Obligations Bonds for various capital improvement projects. This includes the reconstruction of 24th Street, construction of a new Fire Station No. 2, renovation of a facility to serve as the new City Hall, renovation of the current City Hall facility to serve as the new Police Department, improvements to the baseball-softball fields, construction of a new aquatic complex and sidewalks improvements in the Downtown area. Construction has started on the new Aquatics Complex with an anticipated completion date in the Spring of 2020. The 24th Street Reconstruction Project, Downtown Streetscape Project and the new City Hall Project are in design and will be bid in 2020.
- The Plainview-Hale County Airport completed a Master Plan in September 2014. The City and County are in the process of acquiring the privately owned airport assets (Hangars, Terminal/Office Buildings, etc.) as a part of the Airport Master Plan. The City and County were awarded \$600K from TXDOT Aviation to assist with the purchase of these assets and will close on the property in 2020.
- Funds for future renovation project to Kidsville in Regional Park and other park improvements in cooperation with the Parks Advisory Board.
- Cart path improvements at the Plainview Municipal Golf Course in cooperation with the Men's Golf Association.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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

**Basic Financial
Statements**

City of Plainview, Texas
Statement of Net Position (Exhibit A-1)
September 30, 2019

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 24,009,740	\$ 4,611,613	\$ 28,621,353
Investments	23,344,620	12,789,320	36,133,940
Receivables, net	1,945,747	1,375,980	3,321,727
Due from other governments	40,011	-	40,011
Grant receivable	26,208	10,250	36,458
Internal balances	(173,912)	173,912	-
Inventories, at cost	139,788	141,259	281,047
Other assets	5,605	-	5,605
Investment in joint venture	3,304,881	-	3,304,881
Restricted assets			
Cash and cash equivalents	600,134	1,668,646	2,268,780
Capital assets			
Nondepreciable	2,818,316	611,944	3,430,260
Depreciable, net	12,254,345	28,965,639	41,219,984
Unamortized water contract costs and other assets	-	9,413,138	9,413,138
Total assets	68,315,483	59,761,701	128,077,184
Deferred outflows of resources			
Pension	2,915,604	848,052	3,763,656
OPEB	94,568	-	94,568
Deferred charge for debt refunding	-	166,115	166,115
Total outflows of resources	3,010,172	1,014,167	4,024,339
Liabilities			
Accounts and wages payable	1,628,093	328,579	1,956,672
Accrued interest payable	265,683	20,593	286,276
Payable from restricted assets	-	569,552	569,552
Noncurrent liabilities			
Due within one year	850,753	1,660,372	2,511,125
Due in more than one year	40,536,242	13,895,921	54,432,163
Total liabilities	43,280,771	16,475,017	59,755,788
Deferred inflows of resources			
Pension and OPEB	846,871	300,298	1,147,169
Total inflows of resources	846,871	300,298	1,147,169
Net position			
Net investment in capital assets	13,917,508	27,022,918	40,940,426
Restricted for			
Debt service	-	742,263	742,263
Public works	154,025	-	154,025
Tourism	840,275	-	840,275
PEG fund	203,890	-	203,890
Law enforcement	1,559	-	1,559
Municipal court	103,681	-	103,681
Unrestricted	11,977,075	16,235,372	28,212,447
Total net position	\$ 27,198,013	\$ 44,000,553	\$ 71,198,566

Primary Government	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General government - administration	\$ 2,345,752	\$ 89,711	\$ 4,047	\$ -
General government - other	757,990	222,086	87,032	-
Public safety	8,726,259	550,735	4,988	-
Public works	1,287,308	-	-	-
Health	401,879	130,079	181,276	-
Recreation and culture	1,322,898	27,473	-	9,799
Interest on long-term debt	1,087,353	-	-	-
Total governmental activities	15,929,439	1,020,084	277,343	9,799
Business-Type Activities				
Solid waste management	2,739,319	3,229,749	26,900	-
Water and sewer	6,364,527	7,768,103	33,076	-
Theatre arts	70,021	14,808	-	-
Total business-type activities	9,173,867	11,012,660	59,976	-
Total primary government	\$ 25,103,306	\$ 12,032,744	\$ 337,319	\$ 9,799
General revenues and transfers				
Taxes				
Property				
Sales				
Selective sales and use				
Franchise				
Penalty and interest				
Contribution not restricted for specific programs				
Miscellaneous				
Investment income				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position, beginning				
Net position, ending				

See Notes to Financial Statements

City of Plainview, Texas
Statement of Activities (Exhibit A-2)
Year Ended September 30, 2019

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (2,251,994)		\$ (2,251,994)
(448,872)		(448,872)
(8,170,536)		(8,170,536)
(1,287,308)		(1,287,308)
(90,524)		(90,524)
(1,285,626)		(1,285,626)
(1,087,353)		(1,087,353)
<u>(14,622,213)</u>		<u>(14,622,213)</u>
	\$ 517,330	517,330
	1,436,652	1,436,652
	<u>(55,213)</u>	<u>(55,213)</u>
	<u>1,898,769</u>	<u>1,898,769</u>
	<u>1,898,769</u>	<u>(12,723,444)</u>
7,313,848	-	7,313,848
4,270,560	-	4,270,560
389,837	-	389,837
1,285,790	-	1,285,790
98,006	-	98,006
3,000,000		3,000,000
862,508	105,261	967,769
1,322,777	486,732	1,809,509
1,189,480	(1,189,480)	-
<u>19,732,806</u>	<u>(597,487)</u>	<u>19,135,319</u>
5,110,593	1,301,282	6,411,875
<u>22,087,420</u>	<u>42,699,271</u>	<u>64,786,691</u>
<u>\$ 27,198,013</u>	<u>\$ 44,000,553</u>	<u>\$ 71,198,566</u>

City of Plainview, Texas
Balance Sheet – Governmental Funds (Exhibit A-3)
September 30, 2019

	General Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 7,935,453	\$ -	\$ 14,046,772	\$ -	\$ 21,982,225
Investments	7,763,405	-	10,132,728	682,352	18,578,485
Interest receivable	2,764	-	3,607	243	6,614
Accounts receivable (net)	905,914	-	-	-	905,914
Taxes receivable (net)	980,034	14,518	-	36,026	1,030,578
Due from other funds	11,434	-	-	-	11,434
Due from other governments	40,011	-	-	-	40,011
Grant receivable	20,674	-	-	5,534	26,208
Inventories	53,446	-	-	-	53,446
Restricted cash and cash equivalents	-	-	-	600,134	600,134
Total assets	\$ 17,713,135	\$ 14,518	\$ 24,183,107	\$ 1,324,289	\$ 43,235,049
Liabilities, deferred inflows of resources and fund balance					
Liabilities					
Accounts payable	\$ 680,806	-	352,182	\$ 15,946	\$ 1,048,934
Wages payable	370,342	-	-	4,733	375,075
Due to other funds	-	11,434	-	-	11,434
Compensated absences payable	4,141	-	-	180	4,321
Total liabilities	1,055,289	11,434	352,182	20,859	1,439,764
Deferred inflows of resources					
Unavailable revenue					
Property taxes	267,556	12,843	-	-	280,399
Fines and fees	93,669	-	-	-	93,669
Emergency medical services	24,000	-	-	-	24,000
Total deferred inflows of resources	385,225	12,843	-	-	398,068
Fund Balance					
Nonspendable	53,446	-	-	-	53,446
Restricted	-	-	23,830,925	1,303,430	25,134,355
Assigned	2,618,575	-	-	-	2,618,575
Unassigned	13,600,600	(9,759)	-	-	13,590,841
Total fund balance	16,272,621	(9,759)	23,830,925	1,303,430	41,397,217
Total liabilities, deferred inflows of resources and fund balance	\$ 17,713,135	\$ 14,518	\$ 24,183,107	\$ 1,324,289	\$ 43,235,049

Total Fund Balances - Governmental Funds	\$ 41,397,217
Amounts reported for <i>governmental activities</i> in the statement of net position are different because:	
The City uses internal service funds to charge the costs of certain activities, such as insurance, equipment replacement, and vehicle maintenance, to appropriate functions in other funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	7,851,633
Capital assets used in governmental activities, net of assets included in internal service funds, are not financial resources and, therefore, are not reported in governmental funds.	12,633,681
The City's investment in joint venture is not reported in the governmental funds but is included in the statement of net position.	3,304,881
Other adjustments are necessary to convert the modified accrual basis of accounting to the accrual basis of accounting. Net property taxes receivable of \$280,399, net fines receivable of \$93,669 and net emergency medical services receivable of \$24,000 were unavailable to pay for current period expenditures and are deferred in the governmental funds but included in the statement of net position.	398,068
Included in the items related to debt is the recognition of the City's net pension liability in the amount of \$14,298,371, a deferred outflow of resources of \$2,908,682, and a deferred inflow of resources of \$795,864. This is net of the portion recorded in the internal service fund. The net effect is to decrease net position.	(12,185,553)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds but are included in the statement of net position. At the end of the year the liability for compensated absences was \$950,153, the bond payable was \$24,300,000, and unamortized bond premium was \$686,078.	(25,936,231)
Accrued interest is not due and payable in the current period and therefore is not reported as a liability in the governmental funds.	(265,683)
Net Position of Governmental Activities	<u>\$ 27,198,013</u>

City of Plainview, Texas

Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds (Exhibit A-5)

Year Ended September 30, 2019

	General Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Taxes					
Property taxes	\$ 5,526,455	\$ 1,723,316	\$ -	\$ -	\$ 7,249,771
Sales and use taxes	4,270,560	-	-	-	4,270,560
Selective sales and use taxes	37,514	-	-	352,323	389,837
Franchise tax	1,285,790	-	-	-	1,285,790
Penalty and interest on taxes	98,006	-	-	-	98,006
Licenses and permits	69,980	-	-	-	69,980
Intergovernmental revenue and grants	190,311	-	-	76,885	267,196
Charges for services	698,805	-	-	-	698,805
Fines, forfeitures and fees	330,147	-	-	58,265	388,412
Investment earnings	468,172	8,890	658,049	29,231	1,164,342
Rents and royalties	500	-	-	-	500
Contributions and donations	-	-	-	19,947	19,947
Other revenue	49,416	-	-	-	49,416
Total revenues	<u>13,025,656</u>	<u>1,732,206</u>	<u>658,049</u>	<u>536,651</u>	<u>15,952,562</u>
Expenditures					
Current					
General government - administration	1,995,129	-	-	251,185	2,246,314
General government - other	632,219	-	-	71,563	703,782
Public safety	7,788,243	-	-	3,717	7,791,960
Public works	893,605	-	6,949	-	900,554
Health	396,049	-	-	-	396,049
Recreation and culture	1,157,596	-	-	-	1,157,596
Debt Service					
Principal	-	450,000	-	-	450,000
Interest and other fees	-	1,299,404	-	-	1,299,404
Capital outlay	119,749	-	2,052,514	100,325	2,272,588
Total expenditures	<u>12,982,590</u>	<u>1,749,404</u>	<u>2,059,463</u>	<u>426,790</u>	<u>17,218,247</u>
Excess (Deficiency) of revenue over expenditures	43,066	(17,198)	(1,401,414)	109,861	(1,265,685)
Other financing sources (uses)					
Transfers in	1,113,639	-	-	11,923	1,125,562
Transfers out	(314,923)	-	-	(35,250)	(350,173)
Total other financing sources (uses)	<u>798,716</u>	<u>-</u>	<u>-</u>	<u>(23,327)</u>	<u>775,389</u>
Net change in fund balance	841,782	(17,198)	(1,401,414)	86,534	(490,296)
Fund balance, October 1	<u>15,430,839</u>	<u>7,439</u>	<u>25,232,339</u>	<u>1,216,896</u>	<u>41,887,513</u>
Fund balance, September 30	<u>\$ 16,272,621</u>	<u>\$ (9,759)</u>	<u>\$ 23,830,925</u>	<u>\$ 1,303,430</u>	<u>\$ 41,397,217</u>

City of Plainview, Texas

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental
Funds to the Statement of Activities (Exhibit A-6)
Year Ended September 30, 2019

Total Net Change in Fund Balance - Governmental Funds	\$ (490,296)
Amounts reported for <i>governmental activities</i> in the statement of activities are different because:	
The City uses internal service funds to charge the costs of certain activities to individual funds. Net change in net position of the internal service funds is reported with governmental activities.	698,188
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.	2,272,588
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.	3,000,000
Assets were disposed of that were not fully depreciated. The remaining net book value is deducted from proceeds received to calculate the gain reported in the government wide financial statements. This is the remaining net book value.	(217,477)
Depreciation is not recognized as an expenditure in governmental funds since it does not require the use of current financial resources.	(788,262)
The net increase for the year in the investment in joint venture is not reported in the governmental funds but is included in the statement of activities.	788,592
Long-term liabilities for compensated absences are accrued in the government-wide financial statements, but are not reported in the fund financial statements.	(32,012)
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. 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. The net effect is a decrease in net position.	(771,175)
Principal paid on long-term debt is expended in the governmental funds but is a reduction of debt in the government-wide financial statements.	450,000
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 \$64,077, a net decrease in fine revenues of \$5,614 and a net decrease in emergency medical services of \$107,500 which is a decrease to net position.	(49,037)
Accrued interest is not due and payable in the current period and therefore is not reported as a liability in the governmental funds.	212,051
Bond premiums are recorded as expenditures when paid in the fund financial statements but are capitalized and amortized in the government-wide financial statements. This is the current year amortization.	37,433
Change in Net Position of Governmental Activities	<u>\$ 5,110,593</u>

City of Plainview, Texas
Statement of Net Position – Proprietary Funds (Exhibit A-7)
September 30, 2019

	Business-Type Activities				Governmental Activities
	Solid Waste Management Fund	Water and Sewer Fund	Nonmajor Enterprise Fund	Total Enterprise Funds	Total Internal Service Funds
Assets					
Current assets					
Cash and cash equivalents	\$ 1,783,110	\$ 2,728,632	\$ 99,871	\$ 4,611,613	\$ 2,027,515
Investments	7,280,296	5,509,024	-	12,789,320	4,766,135
Interest receivable	2,592	1,923	-	4,515	1,696
Accounts receivable, net	361,383	1,010,082	-	1,371,465	945
Grants receivable	-	10,250	-	10,250	-
Other assets	-	-	-	-	5,605
Inventories, at cost	-	140,903	356	141,259	86,342
Total current assets	9,427,381	9,400,814	100,227	18,928,422	6,888,238
Noncurrent Assets					
Restricted Assets					
Cash and cash equivalents	-	1,668,646	-	1,668,646	-
Capital Assets					
Nondepreciable	400,000	206,944	5,000	611,944	-
Depreciable, net	4,253,120	24,677,326	35,193	28,965,639	2,438,980
Unamortized water supply contract costs	-	9,413,138	-	9,413,138	-
Total noncurrent assets	4,653,120	35,966,054	40,193	40,659,367	2,438,980
Total assets	14,080,501	45,366,868	140,420	59,587,789	9,327,218
Deferred Outflows of Resources					
Pension	312,501	532,447	3,104	848,052	6,922
OPEB	-	-	-	-	94,568
Deferred charge for debt refunding	-	166,115	-	166,115	-
Total deferred outflows of resources	312,501	698,562	3,104	1,014,167	101,490
Liabilities					
Current liabilities					
Accounts payable	62,752	140,000	1,268	204,020	201,685
Wages payable	47,171	76,944	444	124,559	2,399
Accrued interest payable	-	20,593	-	20,593	-
Current portion of long-term liabilities					
Accrued compensated absences	1,943	3,355	-	5,298	-
Bonds and certificates of obligation	-	1,115,000	-	1,115,000	-
Water contract obligation	-	540,074	-	540,074	-
Total current liabilities	111,866	1,895,966	1,712	2,009,544	204,084

City of Plainview, Texas
Statement of Net Position – Proprietary Funds (Exhibit A-7)
September 30, 2019

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Solid Waste Management Fund	Water and Sewer Fund	Nonmajor Enterprise Fund	Total Enterprise Funds	Total Internal Service Funds
Long-Term Liabilities (net of current portion)					
Accrued landfill closure / postclosure costs	1,626,633	-	-	1,626,633	-
Payable from restricted assets					
Deposits and escrow	-	569,552	-	569,552	-
Noncurrent portion of long-term liabilities					
Accrued compensated absences	31,999	59,474	-	91,473	1,432
Net pension liability	502,157	855,588	4,988	1,362,733	11,124
Total other postemployment benefits obligation	-	-	-	-	1,135,516
Bonds and certificates of obligation	-	6,150,000	-	6,150,000	-
Unamortized premiums and deferred losses on bonds	-	358,533	-	358,533	-
Water contract obligations	-	4,306,549	-	4,306,549	-
Total noncurrent liabilities	2,160,789	12,299,696	4,988	14,465,473	1,148,072
Total liabilities	2,272,655	14,195,662	6,700	16,475,017	1,352,156
Deferred Inflows of Resources					
Pensions and OPEB	110,658	188,541	1,099	300,298	51,007
Total deferred inflows of resources	110,658	188,541	1,099	300,298	51,007
Net Position					
Net investment in capital assets	4,653,120	22,329,605	40,193	27,022,918	2,438,980
Restricted for debt service	-	742,263	-	742,263	-
Unrestricted	7,356,569	8,609,359	95,532	16,061,460	5,586,565
Total net position	\$ 12,009,689	\$ 31,681,227	\$ 135,725	\$ 43,826,641	\$ 8,025,545
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				173,912	
Net position of business type activities				\$ 44,000,553	

City of Plainview, Texas

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

Year Ended September 30, 2019

	Business-Type Activities				Governmental Activities
	Solid Waste Management Fund	Water and Sewer Fund	Nonmajor Enterprise Fund	Total Enterprise Funds	Total Internal Service Funds
Operating revenue					
Charges for services	\$ 3,229,749	\$ 7,768,103	\$ 14,808	\$ 11,012,660	\$ 3,045,578
Other revenue	37,421	50,731	850	89,002	5,427
Total operating revenues	3,267,170	7,818,834	15,658	11,101,662	3,051,005
Operating expenses					
Personnel services - salaries and wages	681,343	1,243,248	7,522	1,932,113	10,862
Personnel services - employee benefits	425,465	673,663	2,885	1,102,013	2,004,764
Purchased professional & technical services	296,871	676,700	-	973,571	41,264
Purchased property services	214,962	459,861	22,375	697,198	63,113
Other operating expenses	175,127	1,022,761	22,067	1,219,955	221,699
Supplies	309,413	506,932	12,091	828,436	26,076
Depreciation and amortization	647,452	1,302,083	2,747	1,952,282	532,871
Total operating expenses	2,750,633	5,885,248	69,687	8,705,568	2,900,649
Operating income (loss)	516,537	1,933,586	(54,029)	2,396,094	150,356
Nonoperating revenues (expenses)					
Gain (loss) on sale of property	-	16,259	-	16,259	3,095
Investment earnings	221,576	261,686	3,470	486,732	158,435
Bond premium accretion	-	52,716	-	52,716	-
Interest expense	-	(521,041)	-	(521,041)	-
Refunding loss amortization	-	(27,763)	-	(27,763)	-
Grant revenue	26,900	33,076	-	59,976	-
Total nonoperating revenues (expenses)	248,476	(185,067)	3,470	66,879	161,530
Income before contributions and transfers	765,013	1,748,519	(50,559)	2,462,973	311,886
Contributions and transfers					
Transfers in	-	-	35,250	35,250	414,091
Transfers out	(246,541)	(978,189)	-	(1,224,730)	-
Total contributions and transfers	(246,541)	(978,189)	35,250	(1,189,480)	414,091
Change in net position	518,472	770,330	(15,309)	1,273,493	725,977
Net position, beginning of year	11,491,217	30,910,897	151,034	42,553,148	7,299,568
Net position, end of year	\$ 12,009,689	\$ 31,681,227	\$ 135,725	43,826,641	\$ 8,025,545
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				27,789	
Change in net position of business type activities				\$ 1,301,282	



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City of Plainview, Texas
Statement of Cash Flows – Proprietary Funds (Exhibit A-9)
Year Ended September 30, 2019

	Business-Type Activities			Governmental Activities
	Solid Waste Management Fund	Water and Sewer Fund	Nonmajor Enterprise Fund	Total Internal Service Funds
Operating activities				
Cash received from user charges	\$ 3,227,943	\$ 7,757,804	\$ 14,808	\$ 11,000,555
Cash from operating transactions - other funds	-	-	-	3,181,044
Cash payments to employees for services	(1,048,908)	(1,829,480)	(10,248)	(2,052,441)
Cash payments for goods and services	(927,472)	(2,694,555)	(57,319)	(334,133)
Other operating cash receipts	37,421	50,731	850	5,427
Net cash from (used for) operating activities	1,288,984	3,284,500	(51,909)	799,897
Cash flows from noncapital financing activities				
Increase (decrease) in deposits and escrow held	-	18,085	-	-
Transfers to other funds	(246,541)	(978,189)	-	-
Transfers from other funds	-	-	35,250	414,091
Net cash from (used for) noncapital financing activities	(219,641)	(960,104)	35,250	414,091
Capital and related financing activities				
Acquisition of capital assets	(272,500)	(807,281)	(17,980)	(901,498)
Proceeds from sale of capital assets	-	22,826	-	3,095
Principal paid on long-term debt	-	(1,583,019)	-	-
Interest paid on long-term debt	-	(524,041)	-	-
Net cash used for capital and related financing activities	(272,500)	(2,891,515)	(17,980)	(898,403)
Investing activities				
Redemption (purchase) of investments	405,807	3,024,443	-	(10,029)
Interest on investments	222,700	263,838	3,470	159,221
Net cash from investing activities	628,507	3,288,281	3,470	149,192
Net change in cash and restricted cash	1,425,350	2,721,162	(31,169)	464,777
Cash and cash equivalents, October 1	357,760	1,676,116	131,040	1,562,738
Cash and cash equivalents, September 30	\$ 1,783,110	\$ 4,397,278	\$ 99,871	\$ 2,027,515

City of Plainview, Texas
Statement of Cash Flows – Proprietary Funds (Exhibit A-9)
Year Ended September 30, 2019

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Solid Waste Management Fund	Water and Sewer Fund	Nonmajor Enterprise Fund	Total Enterprise Funds	Total Internal Service Funds
Reconciliation of operating income					
to net cash provided by operating activities					
Operating income (loss)	\$ 516,537	\$ 1,933,586	\$ (54,029)	\$ 2,396,094	\$ 150,356
Adjustments to reconcile operating income to					
net cash from (used for) operating activities					
Depreciation and amortization	647,452	1,302,083	2,747	1,952,282	532,871
Landfill closure/postclosure	73,719	-	-	73,719	-
(Increase) decrease in operating assets					
and liabilities					
Accounts receivable (net)	(1,806)	(10,299)	-	(12,105)	135,466
Prepaid expense	-	-	-	-	(2,048)
Inventories	-	(31,749)	44	(31,705)	25,593
Accounts payable	(4,818)	3,448	(830)	(2,200)	(5,526)
Wages payable	10,386	10,027	40	20,453	(10,240)
Net other postemployment	-	-	-	-	(38,338)
benefits obligations					
Net pension liability	324,876	546,362	2,976	874,214	(14,552)
Deferred outflows - pensions	(228,872)	(245,255)	(2,157)	(476,284)	5,802
Deferred outflows - OPEB	-	-	-	-	42,304
Deferred inflows - pensions	(47,880)	(228,529)	(700)	(277,109)	(21,791)
Accrued compensated absences	(610)	4,826	-	4,216	-
Net cash from (used for) operating activities	<u>\$ 1,288,984</u>	<u>\$ 3,284,500</u>	<u>\$ (51,909)</u>	<u>\$ 4,521,575</u>	<u>\$ 799,897</u>
Reconciliation of total cash and cash equivalents					
Cash and cash equivalents - statement of	\$ 1,783,110	\$ 2,728,632	\$ 99,871	\$ 4,611,613	\$ 2,027,515
net position					
Restricted cash - statement of net position	<u>-</u>	<u>1,668,646</u>	<u>-</u>	<u>1,668,646</u>	<u>-</u>
Total cash and cash equivalents	<u>\$ 1,783,110</u>	<u>\$ 4,397,278</u>	<u>\$ 99,871</u>	<u>\$ 6,280,259</u>	<u>\$ 2,027,515</u>

Note 1 - Summary of Significant Accounting Policies

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

Reporting Entity

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

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

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

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

Basis of Presentation

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

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

identifiable to a particular function.

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

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

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

The City reports the following major governmental funds:

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

Debt Service Fund: This fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

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

The City reports the following major enterprise funds:

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

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

In addition, the City reports the following fund types:

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

Special revenue funds: These funds account for specific revenue sources that are legally restricted to expenditures for specialized purposes.

Measurement Focus, Basis of Accounting

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

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

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

Cash and Cash Equivalents

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

Fair Value Measurements

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

- Level 1 inputs are based on unadjusted quoted market prices for identical assets or liabilities in an active market the entity has the ability to access.
- Level 2 inputs are observable inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent from the entity.

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

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

- Market approach – uses prices generated by market transactions involving identical or comparable assets or liabilities.
- Cost approach – uses the amount that currently would be required to replace the service capacity of an asset (replacement cost).
- Income approach – uses valuation techniques to convert future amounts to present amounts based on current market expectations.

The City has no recurring fair value measurements as of September 30, 2019 as the City's investments are not measured at fair value but rather the investment in TexPool and certificates of deposit are valued at amortized cost.

Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available (1) when they become due or past due and receivable within the current period and (2) when they are expected to be collected during a 60-day period after the close of the fiscal year.

Allowances for uncollectible tax receivables within the General Fund are based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the City is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

Inventories

Inventories are stated at lower of cost or net realizable value using the first-in, first-out method. Inventory items are recorded as expenditures when they are consumed.

Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their acquisition value. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. A capitalization threshold of \$5,000 is used.

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

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

Receivable and Payable Balances

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

Deferred Outflows/Inflows of Resources

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

Deferred outflows/inflows of resources are separate elements of the financial statements. The City has deferred inflows of resources, included on the governmental fund financial statements, for unavailable revenue from property taxes and fines. Additionally, the City has deferred inflows of resources, included on the enterprise fund financial statements and government wide financial statements, for pension related items as described in Note 9. The City has deferred outflows of resources, included on the enterprise fund financial statements and government wide financial statements, for deferred charges on bond refundings, pension related items as described in Note 9 and OPEB related items as described in Note 11.

Interfund Activity

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

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and

disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from those estimates.

Pension

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

OPEB

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

Fund Balance

Details of constraints on fund balances of governmental funds at September 30, 2019 are as follows:

	General Fund	Capital Projects Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable					
Inventories	\$ 53,446	\$ -	\$ -	\$ -	\$ 53,446
Restricted to					
Capital Projects	-	23,830,925	-	-	23,830,925
Tourism	-	-	-	840,275	840,275
PEG fund	-	-	-	203,890	203,890
Law Enforcement	-	-	-	1,559	1,559
Municipal Court	-	-	-	103,681	103,681
Downtown TIRZ	-	-	-	154,025	154,025
Assigned to					
Capital Improvement	1,713,597	-	-	-	1,713,597
Street Improvement	102,286	-	-	-	102,286
Economic Development	802,692	-	-	-	802,692
Unassigned	13,600,600	-	(9,759)	-	13,590,841
	<u>\$ 16,272,621</u>	<u>\$ 23,830,925</u>	<u>\$ (9,759)</u>	<u>\$ 1,303,430</u>	<u>\$ 41,397,217</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, 2019 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, 2019, the City had no committed funds.

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

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

Minimum Fund Balance Policy

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

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

Compensated Absences

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

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

termination of employment, and therefore does not vest, no liability for such accumulated unused sick leave is recorded.

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

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

Note 2 - Deposits and Investments

Custodial Credit Risk for Deposits

State law requires governmental entities to contract with financial institutions in which funds will be deposited to secure those deposits with insurance or pledged securities with a fair value equaling or exceeding the amount on deposit at the end of each business day. The pledged securities must be in the name of the governmental entity and held by the entity or its agent. Since the City complied with this law for the year ended September 30, 2019, it had no custodial credit risk for deposits.

Compliance with the Public Funds Investment Act

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

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

nationally recognized rating service, (c) are authorized by resolution or ordinance by the City Council.

As of September 30, 2019, the City had the following investments:

Investment Type	Amount	Percentage of Total	Credit Rating	Investment Maturity Less than 1 Year
TexPool	\$ 105,325	0.29%	AAAm	\$ 105,325
Certificate of Deposits	36,028,615	99.71%	N/A	36,028,615
Total Portfolio	<u>\$ 36,133,940</u>	<u>100.00%</u>		<u>\$ 36,133,940</u>

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

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

In addition, TexPool is subject to review by the State Auditor's Office and by the Internal Auditor of the Comptroller's Office.

Interest Rate Risk

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

Credit Risk

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

Concentration of Credit Risk

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

Note 3 - Receivables

The receivables detailed below are reported net of allowances for doubtful accounts in the fund financial statements as of September 30, 2019:

	General Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Solid Waste Management Fund	Water and Sewer Fund	Internal Service Funds	Total
Receivables								
Taxes	\$ 1,076,580	\$ 14,518	\$ -	\$ 36,026	\$ -	\$ -	\$ -	\$ 1,127,124
Accounts	1,272,441	-	-	-	362,864	1,015,156	945	2,651,406
Fines	624,459	-	-	-	-	-	-	624,459
Grants	20,674	-	-	5,534	-	10,250	-	36,458
Due from other governments	40,011	-	-	-	-	-	-	40,011
Interest	2,764	-	3,607	243	2,592	1,923	1,696	12,825
Gross receivables	3,036,929	14,518	3,607	41,803	365,456	1,027,329	2,641	4,492,283
Less allowance for uncollectibles	(1,087,532)	-	-	-	(1,481)	(5,074)	-	(1,094,087)
Net total receivables	<u>\$ 1,949,397</u>	<u>\$ 14,518</u>	<u>\$ 3,607</u>	<u>\$ 41,803</u>	<u>\$ 363,975</u>	<u>\$ 1,022,255</u>	<u>\$ 2,641</u>	<u>\$ 3,398,196</u>

Note 4 - Interfund Balances and Activity

Transfers to and from other funds:

Transfer From	Transfer To	Amount	Purpose
General fund	Internal service fund	\$ 50,000	Fleet Services
General fund	Internal service fund	253,000	Equipment
General fund	Nonmajor governmental fund	11,923	Travis Trussell Duck Pond
Water and sewer fund	General fund	540,000	Economic development
Water and sewer fund	General fund	371,930	Transfer in lieu of franchise fees
Water and sewer fund	Internal service fund	16,259	Fleet Services
Water and sewer fund	Internal service fund	50,000	Insurance Premiums
Solid waste mgmt. fund	General fund	35,000	Economic development
Solid waste mgmt. fund	General fund	161,541	Transfer in lieu of franchise fees
Solid waste mgmt. fund	Internal service fund	50,000	Fleet Services
Nonmajor governmental fund	Nonmajor enterprise fund	35,250	Theatre arts
		<u>\$ 1,574,903</u>	

Note 5 - Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents consisted of the following at September 30, 2019:

Nonmajor governmental funds	
Special revenue funds cash	\$ 600,134
	<u>\$ 600,134</u>
Water and Sewer Fund	
Debt Service	\$ 762,856
Customer Deposits / Escrow	569,552
Capital Projects (Unspent Bond Proceeds)	<u>336,238</u>
	<u>\$ 1,668,646</u>

Note 6 - Capital Assets

Capital asset activity for the year ended September 30, 2019 was as follows:

Governmental Activities	Beginning Balance	Additions	Retirements	Ending Balance
Capital assets not being depreciated				
Land	\$ 608,901	\$ 61,068	\$ -	\$ 669,969
Construction in progress	494,850	2,115,139	(461,642)	2,148,347
Total capital assets not being depreciated	<u>1,103,751</u>	<u>2,176,207</u>	<u>(461,642)</u>	<u>2,818,316</u>
Capital assets being depreciated				
Building and improvements	4,284,463	2,954,088	(239,485)	6,999,066
Machinery and equipment	9,805,105	993,547	(467,568)	10,331,084
Infrastructure	19,256,468	535,789	(76,727)	19,715,530
Total capital assets being depreciated	<u>33,346,036</u>	<u>4,483,424</u>	<u>(783,780)</u>	<u>37,045,680</u>
Less accumulated depreciation for				
Building and improvements	(2,701,389)	(152,666)	23,710	(2,830,345)
Machinery and equipment	(7,213,586)	(680,007)	442,307	(7,451,286)
Infrastructure	(14,097,627)	(488,458)	76,381	(14,509,704)
Total accumulated depreciation	<u>(24,012,602)</u>	<u>(1,321,131)</u>	<u>542,398</u>	<u>(24,791,335)</u>
Capital assets being depreciated, net	<u>9,333,434</u>	<u>3,162,293</u>	<u>(241,382)</u>	<u>12,254,345</u>
Governmental activities capital assets, net	<u>\$ 10,437,185</u>	<u>\$ 5,338,500</u>	<u>\$ (703,024)</u>	<u>\$ 15,072,661</u>

Business-Type Activities	Beginning Balance	Additions	Retirements	Ending Balance
Capital assets not being depreciated				
Land	\$ 552,359	\$ -	-	\$ 552,359
Construction in progress	143,547	59,585	(143,547)	59,585
Total capital assets not being depreciated	695,906	59,585	(143,547)	611,944
Capital assets being depreciated				
Building and improvements	2,711,505	23,500	-	2,735,005
Machinery and equipment	7,995,304	303,185	(168,615)	8,129,874
Improvements and system	47,766,598	877,289	(46,803)	48,597,084
Total capital assets being depreciated	58,473,407	1,203,974	(215,418)	59,461,963
Less accumulated depreciation for				
Building and improvements	(2,213,872)	(30,511)	-	(2,244,383)
Machinery and equipment	(4,406,614)	(607,779)	168,615	(4,845,778)
Improvements and system	(22,286,710)	(1,166,256)	46,803	(23,406,163)
Total accumulated depreciation	(28,907,196)	(1,804,546)	215,418	(30,496,324)
Capital assets being depreciated, net	29,566,211	(600,572)	-	28,965,639
Business-type activities capital assets, net	<u>\$ 30,262,117</u>	<u>\$ (540,987)</u>	<u>\$ (143,547)</u>	<u>\$ 29,577,583</u>

Depreciation was charged to functions as follows:

Governmental Activities	
General government - administration	\$ 71,383
General government - other	56,759
Public safety	484,657
Public works	455,955
Health	27,158
Recreation and culture	225,219
	<u>\$ 1,321,131</u>
Business-type Activities	
Solid Waste Management Fund	\$ 647,452
Water and Sewer Fund	1,154,347
Theatre Arts	2,747
	<u>\$ 1,804,546</u>

The estimated cost to complete the construction in progress as of September 30, 2019 was \$1,369,537.

Note 7 - Other Assets

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

	Water and Sewer Fund
Water Supply Contract Costs	\$ 12,556,915
(Less) Accumulated Amortization	<u>(3,143,777)</u>
Water Supply Contract Costs, net	<u><u>\$ 9,413,138</u></u>

Note 8 - Long-Term Obligations

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended September 30, 2019 are as follows:

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Governmental Activities					
Bond payable	\$ 24,750,000	\$ -	\$ (450,000)	\$ 24,300,000	\$ 845,000
Bond premium, net	723,511	-	(37,433)	686,078	-
Compensated absences	922,734	33,172		955,906	5,753
Net pension liability	11,502,939	2,806,556	-	14,309,495	-
Total OPEB obligation	<u>1,173,854</u>	<u>-</u>	<u>(38,338)</u>	<u>1,135,516</u>	<u>-</u>
Total governmental activities	<u><u>\$ 39,073,038</u></u>	<u><u>\$ 2,839,728</u></u>	<u><u>\$ (525,771)</u></u>	<u><u>\$ 41,386,995</u></u>	<u><u>\$ 850,753</u></u>
Business-Type Activities					
Certificates of obligation and bonds	\$ 8,355,000	-	\$ (1,090,000)	\$ 7,265,000	\$ 1,115,000
Bond premium, net	<u>410,530</u>	<u>-</u>	<u>(51,997)</u>	<u>358,533</u>	<u>-</u>
Subtotal	8,765,530	-	(1,141,997)	7,623,533	1,115,000
Water contract obligations	5,339,642	-	(493,019)	4,846,623	540,074
Accrued landfill closure / postclosure costs	1,552,914	73,719	-	1,626,633	-
Compensated absences	92,555	4,216	-	96,771	5,298
Net pension liability	<u>488,519</u>	<u>874,214</u>	<u>-</u>	<u>1,362,733</u>	<u>-</u>
Total business-type activities	<u><u>\$ 16,239,160</u></u>	<u><u>\$ 952,149</u></u>	<u><u>\$ (1,635,016)</u></u>	<u><u>\$ 15,556,293</u></u>	<u><u>\$ 1,660,372</u></u>

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

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

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

Debt service requirements for long-term debt as of September 30, 2019 are as follows:

<u>Year Ended September 30,</u>	<u>Bonds Payable and Water Contract Obligations</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 2,500,075	\$ 1,369,617	\$ 3,869,692
2021	2,598,528	1,260,913	3,859,441
2022	1,975,449	1,162,414	3,137,863
2023	2,064,027	1,071,827	3,135,854
2024	2,179,763	975,831	3,155,594
2025-2029	10,472,698	3,437,165	13,909,863
2030-2034	8,066,083	1,677,176	9,743,259
2035-2038	6,555,000	447,496	7,002,496
	<u>\$ 36,411,623</u>	<u>\$ 11,402,439</u>	<u>\$ 47,814,062</u>

Long-term debt interest cost incurred for Business-type Activities for the year ended September 30, 2019 was as follows:

Interest charged to expense	<u>\$ 521,041</u>
Total interest incurred	<u>\$ 521,041</u>

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

Refunding Bonds and Tax and Revenue Certificates of Obligation

While the 2009 General Obligation Refunding Bonds and 2010 Tax and Revenue Certificates of Obligation are secured by ad valorem taxes levied by the City, the City intends to service the debts entirely from the net revenues of the Enterprise Funds. Accordingly, the liabilities for the debt are recorded in the Business-type Activities rather than the Governmental Activities of the City.

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

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

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

Details pertaining to the outstanding Certificates of Obligation and Bonds as of September 30, 2019 are as follows:

Description	Purpose	Maturity	Interest Rates	Balance
2009 General Obligation Refunding Bonds	Refunding of waste water treatment plant bonds	3/1/2021	2.0 to 3.625%	\$ 1,400,000
2010 Tax and Revenue Certificates of Obligation	Water and sewer system improvements	3/1/2030	3.0 to 3.8%	5,865,000
2018 General Obligation Bonds	Improvements and reconstruction	2/15/2038	3.0 to 5.0%	24,300,000
				<u>\$ 31,565,000</u>

Continuing Disclosure

The City has entered into a continuing disclosure undertaking to provide Annual Continuing Disclosure Reports to the Municipal Securities Rulemaking Board through the Electronic Municipal Market Access website. This information is required under SEC Rule 15c2-12 to enable investors to analyze the financial condition and operations of the City.

Surface Water Supply Contract Obligations

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

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

Description	Maturity	Interest Rates	Balance
Refunding Series 2010 (CUA)	2/15/2020	3.0% to 3.5%	\$ 34,542
Refunding Series 2012	2/15/2025	2.586%	1,423,104
Series 2017	2/15/2029	3.0% to 5.0%	392,845
Series 2011	2/15/2031	3.0% to 5.0%	2,128,308
Refunding Series 2014	2/15/2027	2.0% to 5.0%	805,361
Refunding Series 2014	2/15/2027	2.0% to 5.0%	62,463
			<u>\$ 4,846,623</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, 2019:

Costs of operations	\$ 368,772
Water pumping and chemical costs	221,866
Debt service	<u>691,961</u>
Total	<u>\$ 1,282,599</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, 2019 are as follows:

Capitalized contract costs	\$ 12,556,915
Accumulated amortization	<u>(3,143,777)</u>
Net unamortized costs	<u>\$ 9,413,138</u>

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

The financial statements of CRMWA as of September 30, 2019, and for the year then ended, reflect the following:

Assets	
Current assets	\$ 32,535,724
Noncurrent assets	451,842,537
Liabilities	
Current liabilities	15,632,821
Noncurrent liabilities	129,036,571
Net Position	
Net investment in capital assets	190,230,256
Restricted	130,799,750
Unrestricted	18,678,863
Total Net Position	339,708,869
Operating revenues	14,385,832
Operating expenses	(16,499,534)
Nonoperating revenues and expenses, net	2,334,939
Increase (decrease) in net position	221,237

Note 9 - Employee Retirement Benefits

Texas Municipal Retirement System

Plan Description

The City participates as one of 887 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401(a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tmrs.com.

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

Benefits Provided

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

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

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

Employees covered by benefit terms: At the December 31, 2018 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	113
Inactive employees entitled to but not yet receiving benefits	50
Active employees	137
	<hr/>
Total	300
	<hr/> <hr/>

Contributions

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

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The City did not change its employee contribution rate during the year. The contribution rates for the City were 13.07% and 13.47% in calendar years 2019 and 2018, respectively. The City's contributions to TMRS for the year ended September 30, 2019, were \$873,507, and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2018, 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, 2018 actuarial valuation was determined using the following actuarial assumptions:

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

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

Actuarial assumptions used in the December 31, 2018, valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period December 31, 2010 through December 31, 2014. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2014 valuation. After the Asset Allocation Study analysis and experience investigation study, the Board amended the long-term expected rate of return on pension plan investments from 7% to 6.75%. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	17.50%	4.30%
International Equity	17.50%	6.10%
Core Fixed Income	10.00%	1.00%
Non-Core Fixed Income	20.00%	3.39%
Real Return	10.00%	3.78%
Real Estate	10.00%	4.44%
Absolute Return	10.00%	3.56%
Private Equity	5.00%	7.75%
Total	100.00%	

Discount Rate

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

Changes in the Net Pension Liability:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
Balance at 12/31/2017	\$ 41,206,065	\$ 39,569,871	\$ 1,636,194
Changes for the year			
Service cost	1,012,414	-	1,012,414
Interest	2,747,274	-	2,747,274
Changes of benefit terms	-	-	-
Difference between expected and actual experience	(1,011,071)	-	(1,011,071)
Changes of assumptions	-	-	-
Contributions - employer	-	842,842	(842,842)
Contributions - employee	-	438,003	(438,003)
Net investment income	-	(1,184,982)	1,184,982
Benefit payments, including refunds of employee contributions	(2,023,844)	(2,023,844)	-
Administrative expense	-	(22,908)	22,908
Other changes	-	(1,197)	1,197
Net changes	724,773	(1,952,086)	2,676,859
Balance at 12/31/2018	<u>\$ 41,930,838</u>	<u>\$ 37,617,785</u>	<u>\$ 4,313,053</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)	\$ 9,894,740	\$ 4,313,053	\$ (288,849)

Pension Plan Fiduciary Net Position

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

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

For the year ended September 30, 2019, the City recognized pension expense of \$1,019,480.

At September 30, 2019, 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	\$ -	\$ 950,444
Changes in actual assumptions	-	-
Difference between projected and actual investment earnings	2,032,411	-
Contributions subsequent to the measurement date	651,674	-
	<hr/>	<hr/>
Total	\$ 2,684,085	\$ 950,444
	<hr/>	<hr/>

\$651,674 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, 2020. 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:	
2020	\$ 294,036
2021	(45,274)
2022	62,016
2023	771,189
	<hr/>
	\$ 1,081,967
	<hr/>

Firemen's Relief and Retirement Fund:

Plan Description

The Board of Trustees of the Firemen's Relief and Retirement Fund of Plainview, Texas (the Plan) is the administrator of a single-employer defined benefit pension plan. The Board of Trustees consists of three firemen elected by the members, two citizens elected by the board, and the City Mayor and Finance Director serving as

ex-officio members. Substantially all firefighters in the Plainview Fire Department are covered by the Plan. The plan is not subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA) and was amended effective October 1, 2009. The table below summarizes the membership of the Plan included in the actuarial valuation as of December 31, 2017, which is the date of the latest actuarial valuation.

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

The Plan provides service retirement, death, disability, and withdrawal benefits. These benefits fully vest after 20 years of credited service with partial vesting available with 10 years of service. Members hired before October 1, 1994 may retire at age 50 with 20 years of service. Members hired on or after October 1, 1994 may retire at age 53 with 20 years of service if vested on January 1, 2017. Members hired on or after October 1, 1994 may retire at age 54 with 20 years of service if not vested on January 1, 2017. As of the December 31, 2018 actuarial valuation date, the Plan provided a monthly normal service retirement benefit, payable in a joint and two-thirds to spouse form of annuity, equal to 63.75% of "highest 60-month average salary", plus a "longevity" benefit equal to \$78 per month for each whole year of service in excess of 20 years, subject to a 15 year maximum. There is no provision for automatic postretirement benefit increases. The Plan has the authority to provide, and has in the past provided for, ad hoc postretirement benefit increases. The benefit provisions of this plan are authorized by the Texas Local Fire Fighter's Retirement Act (TLFFRA). TLFFRA provides the authority and procedure to amend benefit provisions.

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

Actuarial assumptions were as follows:

Actuarial Cost Method	Entry Age Normal Actuarial Cost Method
Asset Valuation Method	Market value of assets
Amortization Method	Level Percent of Payroll
Remaining Amortization Period	31.6 years, closed period
Investment Rate of Return	7.50%
Projected Salary Increases	Service Graded
Payroll growth	3.5%
Amortization Increases	4.0%
Cost-of-living Adjustments	None

Changes in Net Pension Liability

At September 30, 2019, the City reported a Net Pension Liability amount of \$11,359,175. The Net Pension Liability was measured as of December 31, 2018, and the Total Pension Liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of December 31, 2017.

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
Balance at 12/31/2017	\$ 16,509,689	\$ 6,154,425	\$ 10,355,264
Changes for the year			
Service cost	268,578	-	268,578
Interest	1,215,971	-	1,215,971
Changes of benefit terms	-	-	-
Difference between expected and actual experience	-	-	-
Changes of assumptions	-	-	-
Contributions - employer	-	546,889	(546,889)
Contributions - employee	-	301,628	(301,628)
Net investment income	-	(345,550)	345,550
Benefit payments, including refunds of employee contributions	(1,198,272)	(1,198,272)	-
Administrative expense	-	(22,329)	22,329
Net changes	286,277	(717,634)	1,003,911
Balance at 12/31/2018	<u>\$ 16,795,966</u>	<u>\$ 5,436,791</u>	<u>\$ 11,359,175</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 7.50%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	1% Decrease in Discount Rate (6.50%)	Discount Rate (7.50%)	1% Increase in Discount Rate (8.50%)
Firefighters' Fund Net Pension Liability	\$ 13,282,251	\$ 11,359,175	\$ 9,763,828

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

Pension Expense Components

Service Cost	\$ 268,578
Interest on TPL	1,215,971
Differences between expected and actual experience	(96,424)
Changes in Assumptions	236,224
Changes in Benefit Terms	-
Employee Contributions	(301,628)
Projected Earnings on Pension Plan Investments	(447,629)
Differences between projected and actual earnings on plan investments	284,122
Pension Plan Administrative Expenses	22,329
Total pension expense	<u>\$ 1,181,543</u>

For the year ended September 30, 2019, the City recognized a pension expense of \$1,181,543. At September 30, 2019, 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	\$ -	\$ 148,169
Changes in actual assumptions	108,612	-
Difference between projected and actual investment earnings	555,349	-
Contributions subsequent to the measurement date	415,610	-
Total	<u>\$ 1,079,571</u>	<u>\$ 148,169</u>

\$415,610 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, 2020.

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

Year Ended December 31:

2020	\$ 200,202
2021	95,039
2022	61,916
2023	158,635
	<u>\$ 515,792</u>

Other Retirement and Miscellaneous Benefits

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

Note 10 - Health Care Coverage

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

Note 11 - Other Postemployment Benefits

Plan Description

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

Plan Benefits

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

Plan Membership

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

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

Contributions

The funding policy of the plan is to ensure that adequate resources are available to meet the required insurance premiums for the upcoming year. It is not the intent of the funding policy to pre-fund retiree life insurance during employees' entire careers. The City's contributions, which equaled the required contribution, were

based upon a factor of 1.59 which equals the ratio of the expected retiree claims to the expected retiree contributions. Total contributions paid by the City equaled \$60,342 for the year ended December 31, 2018.

Actuarial Assumptions

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

Valuation Date	December 31, 2017
Actuarial Cost Method	Entry Age Individual
Asset Valuation Method	Actuarial Value
Discount Rate	3.71%
Inflation	2.50%
Projected Salary Increases	3.50% to 10.50% for TMRS employees and 3.50% to 8.00% for Firefighters, including inflation
Health Care Trend Rates	Initial rate of 7.50% declining to an ultimate rate of 4.25% after 15 years

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

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

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

There was a change in discount rate from 3.31% as of December 31, 2017 to 3.71% as of December 31, 2018.

Discount Rate

A discount rate of 3.71% based on the daily rate closest but not later than the measurement date for the Fidelity 20-Year Municipal GO AA Index is used as of the measurement date December 31, 2018. The discount rate was 3.31% as of the prior measurement date.

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

At September 30, 2019, the City reported a total OPEB liability of \$1,135,516 measured at December 31, 2018.

For the year ended September 30, 2019, the City recognized OPEB expense of \$77,037.

There was a change in discount rate from 3.31% as of December 31, 2017 to 3.71% as of December 31, 2018.

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

Changes in the total OPEB liability for the measurement year ended December 31, 2018 are as follows:

	Total OPEB Liability
Changes in Total OPEB Liability	
Balance at December 31, 2017	\$ 1,173,854
Changes for the year	
Service cost	39,447
Interest on total OPEB liability	38,509
Changes of benefit terms	-
Difference between expected and actual experience of the total OPEB liability	(16,373)
Changes of assumptions	(39,579)
Benefit payments	(60,342)
Balance as of December 31, 2018	<u>\$ 1,135,516</u>

Discount Rate Sensitivity Analysis

The following presents the total OPEB liability of the City, calculated using the discount rate of 3.71%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.71%) or 1 percentage point higher (4.71%) than the current rate.

1% Decrease (2.71%)	Current Discount Rate Assumption (3.71%)	1% Increase (4.71%)
\$ 1,237,980	\$ 1,135,516	\$ 1,044,125

Healthcare Cost Trend Rate Sensitivity Analysis

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

1% Decrease	Current Healthcare Cost Trend Rate Assumption	1% Increase
\$ 1,023,508	\$ 1,135,516	\$ 1,266,864

At September 30, 2019 the City reported its deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 14,209
Changes in assumptions	36,037	34,347
Contributions subsequent to the measurement date	58,531	-
Total	<u>\$ 94,568</u>	<u>\$ 48,556</u>

\$58,531 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability for the year ended September 30, 2020. The balances of deferred outflows and inflows of resources related to OPEB, excluding contributions made subsequent to the measurement date, will be recognized in OPEB expense as follows:

Year Ending September 30	Net Deferred Outflows/(Inflows)
2020	\$ (919)
2021	(919)
2022	(919)
2023	(919)
2024	(919)
Thereafter	<u>(7,924)</u>
Total	\$ (12,519)

Note 12 - Risk Management

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

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

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

Note 13 - Contingencies and Litigation

Contingencies

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

Litigation and Claims

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

Note 14 - Closure and Postclosure Care Cost

State and federal laws and regulations require the City to place a final cover on its City of Plainview Municipal Solid Waste Landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the City reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$1,626,633 reported as landfill closure and postclosure care liability as of September 30, 2019,

represents the cumulative amount reported to date based on the use of 23.97% of the estimated capacity of the landfill. The City will recognize the remaining estimated cost of closure and postclosure of \$5,159,488 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2019. 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 \$1,626,633 as of September 30, 2019.

Note 15 - Investment in Joint Venture

Plainview/Hale County Airport

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

Total current assets	\$ 156,707
Total property and equipment	1,697,398
Total current liabilities	588
Net position invested in capital assets	1,697,398
Unrestricted net position	156,119
Total net position	1,853,517
Total operating revenues	124,529
Total operating expenses	131,026
Net increase (decrease) in net position	(6,497)
City's 50% share of increase (decrease) in net position	(3,249)

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

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

Transactions with the Plainview/Hale County Airport for the year ended September 30, 2019 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	<u>9/30/2019</u>
Total current assets	\$ 978,212
Total property and equipment	5,734,458
Total current liabilities	978,212
Net position invested in capital assets	4,756,246
Unrestricted net position	-
Total net position	4,756,246
Total operating revenues	1,588,180
Total operating expenses	4,500
Net increase (decrease) in net position	1,583,680
City's 50% share of increase (decrease) in net position	791,840

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

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

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

Note 16 - Related Parties

At September 30, 2019, the City of Plainview has a payable to the City of Plainview / Hale County Business Park (Business Park) for \$401,723. The City of Plainview has a receivable from the Business Park for \$627,386. The contributions made from the City to the Business Park were \$705,547.

The City of Plainview paid \$13,753 to the Plainview/Hale County Airport for its portion of expenses.

**Required Supplementary
Information**

Required Supplementary Information
September 30, 2019

City of Plainview, Texas



PLAINVIEW, TX
explore the opportunities

	Budgeted Amounts		Actual GAAP Basis
	Original	Final	
Revenues			
Taxes			
Property taxes	\$ 5,359,675	\$ 5,359,675	\$ 5,526,455
General sales and use tax	3,870,000	3,870,000	4,270,560
Selective sales and use tax	30,000	30,000	37,514
Franchise tax	1,349,000	1,349,000	1,285,790
Penalty and interest on taxes	67,500	67,500	98,006
Licenses and permits	79,950	79,950	69,980
Intergovernmental revenue and grants	194,105	194,105	190,311
Charges for services	847,960	847,960	698,805
Fines and forfeitures	343,660	343,660	330,147
Investment earnings	100,000	100,000	421,117
Rents and royalties	500	500	500
Other revenue	880,700	909,760	49,416
Total revenues	13,123,050	13,152,110	12,978,601
Expenditures			
Current			
General government - administration			
City council	62,535	62,535	(12,063)
City manager	452,075	465,635	153,739
Nondepartmental	520,530	520,530	438,538
Legal	188,335	188,335	(21,382)
Finance	81,190	89,505	(53,218)
Human resources	172,735	177,010	178,841
Information technology	199,770	199,770	190,729
Property tax appraisal / collection	126,250	205,150	194,851
Total general government - admin	1,803,420	1,908,470	1,070,035
General government - other			
Municipal court	167,130	167,130	157,771
Community development	434,860	450,945	409,033
Code compliance	2,000	2,000	602
Main Street	119,015	140,815	64,813
Airport	3,000	3,000	-
Total general government - other	726,005	763,890	632,219
Health			
City-county health department	150,960	153,805	103,018
Health TDH - ORAS	85,970	86,030	92,606
Health TDH-IMM	185,445	191,215	200,425
Total health	422,375	431,050	396,049

See Notes to Required Supplementary Information

City of Plainview, Texas
 Budgetary Comparison Schedule – General Fund (Exhibit B-1)
 Year Ended September 30, 2019

Adjustments to Budget Basis	Actual Budget Basis	Variance with Final Budget
\$ -	\$ 5,526,455	\$ 166,780
-	4,270,560	400,560
-	37,514	7,514
-	1,285,790	(63,210)
-	98,006	30,506
-	69,980	(9,970)
-	190,311	(3,794)
-	698,805	(149,155)
-	330,147	(13,513)
-	421,117	321,117
-	500	-
864,400	913,816	4,056
864,400	13,843,001	690,891
58,405	46,342	16,193
190,885	344,624	121,011
-	438,538	81,992
135,945	114,563	73,772
133,505	80,287	9,218
-	178,841	(1,831)
-	190,729	9,041
-	194,851	10,299
518,740	1,588,775	319,695
-	157,771	9,359
-	409,033	41,912
-	602	1,398
80,060	144,873	(4,058)
-	-	3,000
80,060	712,279	51,611
-	103,018	50,787
-	92,606	(6,576)
-	200,425	(9,210)
-	396,049	35,001

	Budgeted Amounts		Actual GAAP Basis
	Original	Final	
Public safety			
Police	3,847,430	3,936,155	3,549,323
Fire	3,712,105	4,036,795	3,721,520
Traffic control	168,825	168,825	126,034
Emergency operations center	36,645	41,845	27,181
Street lighting	223,935	223,935	206,178
Animal control	160,310	172,620	158,007
Total public safety	8,149,250	8,580,175	7,788,243
Public works			
Public works - general	164,735	164,735	(108,061)
Street cleaning	188,025	188,025	149,518
Streets - other	781,045	818,185	772,661
Building operations	97,290	98,810	79,450
Total public works	1,230,615	1,269,755	893,605
Recreation and culture			
Parks	807,900	812,710	702,050
Swimming pool	24,500	29,400	29,081
Library	456,755	474,535	426,465
Total recreation and culture	1,289,155	1,316,645	1,157,596
Capital outlay	6,800	72,880	52,847
Total expenditures	13,627,620	14,342,865	11,990,594
Excess of Revenues Over (Under) Expenditures	(504,570)	(1,190,755)	988,007
Other Financing Sources (Uses)			
Transfers in	521,500	521,500	538,639
Transfers out	(40,000)	(1,311,425)	(1,311,423)
Total other financing sources (uses)	481,500	(789,925)	(772,784)
Change in Fund Balance	(23,070)	(1,980,680)	215,223
Fund Balance, October 1	13,438,823	13,438,823	13,438,823
Fund Balance, September 30	\$ 13,415,753	\$ 11,458,143	\$ 13,654,046

See Notes to Required Supplementary Information

City of Plainview, Texas
 Budgetary Comparison Schedule – General Fund (Exhibit B-1)
 Year Ended September 30, 2019

Adjustments to Budget Basis	Actual Budget Basis	Variance with Final Budget
-	3,549,323	386,832
-	3,721,520	315,275
-	126,034	42,791
-	27,181	14,664
-	206,178	17,757
-	158,007	14,613
-	7,788,243	791,932
265,600	157,539	7,196
-	149,518	38,507
-	772,661	45,524
-	79,450	19,360
265,600	1,159,205	110,550
-	702,050	110,660
-	29,081	319
-	426,465	48,070
-	1,157,596	159,049
-	52,847	20,033
864,400	12,854,994	1,487,871
-	988,007	2,178,762
-	538,639	17,139
-	(1,311,423)	2
-	(772,784)	17,141
-	215,223	2,195,903
-	13,438,823	-
\$ -	\$ 13,654,046	\$ 2,195,903

City of Plainview, Texas

Schedule of Changes in Net Position Liability and Related Ratios – Texas Municipal Retirement System
(Exhibit B-2)
Year Ended September 30, 2019

	Year Ended December 31, 2018	Year Ended December 31, 2017	Year Ended December 31, 2016	Year Ended December 31, 2015	Year Ended December 31, 2014
Total Pension Liability					
Service cost	\$ 1,012,414	\$ 990,927	\$ 1,001,561	\$ 967,833	\$ 836,912
Interest on total pension liability	2,747,274	2,665,352	2,623,657	2,620,150	2,535,501
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	(1,011,071)	(155,319)	(569,418)	(374,526)	(335,859)
Change of assumptions	-	-	-	246,279	-
Benefit payments/refunds of contributions	(2,023,844)	(2,572,246)	(2,293,310)	(1,783,357)	(2,002,126)
Net change in total pension liability	724,773	928,714	762,490	1,676,379	1,034,428
Total pension liability, beginning	41,206,065	40,277,351	39,514,861	37,838,482	36,804,054
Total pension liability, ending (a)	<u>\$ 41,930,838</u>	<u>\$ 41,206,065</u>	<u>\$ 40,277,351</u>	<u>\$ 39,514,861</u>	<u>\$ 37,838,482</u>
Fiduciary Net Position					
Contributions - Employer	\$ 842,843	\$ 968,397	\$ 958,277	\$ 999,335	\$ 982,725
Contributions - Employee	438,003	427,387	432,506	439,639	394,106
Net investment income	(1,184,982)	4,962,819	2,325,769	51,262	1,914,838
Benefit payments/refunds of contributions	(2,023,844)	(2,572,246)	(2,293,310)	(1,783,357)	(2,002,126)
Administrative expenses	(22,908)	(25,722)	(26,267)	(31,224)	(19,992)
Other	(1,198)	(1,304)	(1,416)	(1,541)	(1,644)
Net change in fiduciary net position	(1,952,086)	3,759,331	1,395,559	(325,886)	1,267,907
Fiduciary net position, beginning	39,569,871	35,810,540	34,414,981	34,740,867	33,472,960
Fiduciary net position, ending (b)	<u>\$ 37,617,785</u>	<u>\$ 39,569,871</u>	<u>\$ 35,810,540</u>	<u>\$ 34,414,981</u>	<u>\$ 34,740,867</u>
Net pension liability / (asset), ending = (a) - (b)	<u>\$ 4,313,053</u>	<u>\$ 1,636,194</u>	<u>\$ 4,466,811</u>	<u>\$ 5,099,880</u>	<u>\$ 3,097,615</u>
Fiduciary net position as a percentage of total pension liability	89.71%	96.03%	88.91%	87.09%	91.81%
Pensionable covered payroll	\$ 6,257,191	\$ 6,105,526	\$ 6,178,661	\$ 6,280,553	\$ 5,630,088
Net pension liability as a percentage of covered payroll	68.93%	26.80%	72.29%	81.20%	55.02%

City of Plainview, Texas

Schedule of Changes in Net Position Liability and Related Ratios – Firemen’s Relief and Retirement Fund Pension
Plan (Exhibit B-3)
Year Ended September 30, 2019

	Year Ended December 31 2018	Year Ended December 31 2017	Year Ended December 31 2016	Year Ended December 31 2015	Year Ended December 31 2014
Total Pension Liability					
Service cost	\$ 268,578	\$ 270,937	\$ 214,415	\$ 247,001	\$ 238,404
Interest on total pension liability	1,215,971	1,162,768	1,193,655	1,032,210	1,033,343
Changes of benefit terms	-	(45,183)	-	-	-
Differences between expected and actual experience	-	(417,567)	-	229,642	-
Change of assumptions	-	306,088	-	824,918	-
Benefit payments/refunds of contributions	(1,198,272)	(942,137)	(841,741)	(693,960)	(796,307)
Net change in total pension liability	286,277	334,906	566,329	1,639,811	475,440
Total pension liability, beginning	16,509,689	16,174,783	15,608,454	13,968,643	13,493,203
Total pension liability, ending (a)	<u>\$ 16,795,966</u>	<u>\$ 16,509,689</u>	<u>\$ 16,174,783</u>	<u>\$ 15,608,454</u>	<u>\$ 13,968,643</u>
Fiduciary Net Position					
Contributions - Employer	\$ 546,889	\$ 507,975	\$ 486,198	\$ 496,188	\$ 440,812
Contributions - Employee	301,628	283,992	275,801	285,079	261,936
Net investment income	(345,550)	897,626	223,344	(260,075)	177,500
Benefit payments/refunds of contributions	(1,198,272)	(942,137)	(841,741)	(693,960)	(796,307)
Administrative expenses	(22,329)	(20,975)	(12,556)	(7,176)	(76,558)
Other	-	-	-	-	-
Net change in fiduciary net position	(717,634)	726,481	131,046	(179,944)	7,383
Fiduciary net position, beginning	6,154,425	5,427,944	5,296,898	5,476,842	5,469,459
Fiduciary net position, ending (b)	<u>\$ 5,436,791</u>	<u>\$ 6,154,425</u>	<u>\$ 5,427,944</u>	<u>\$ 5,296,898</u>	<u>\$ 5,476,842</u>
Net pension liability / (asset), ending = (a) - (b)	<u>\$ 11,359,175</u>	<u>\$ 10,355,264</u>	<u>\$ 10,746,839</u>	<u>\$ 10,311,556</u>	<u>\$ 8,491,801</u>
Fiduciary net position as a percentage of total pension liability	32.37%	37.28%	33.56%	33.94%	39.21%
Pensionable covered payroll	\$ 2,010,853	\$ 2,028,514	\$ 1,970,007	\$ 2,036,279	\$ 1,836,743
Net pension liability as a percentage of covered payroll	564.89%	510.49%	545.52%	506.39%	462.33%

City of Plainview, Texas

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

September 30, 2019

<u>Year Ending September 30,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Employer Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Pensionable Covered Payroll</u>	<u>Actual Contribution as a Percentage of Covered Payroll</u>
2015	\$ 891,149	\$ 965,416	\$ (74,267)	\$ 5,988,907	16.1%
2016	840,196	964,940	(124,744)	6,097,216	15.8%
2017	856,829	977,353	(120,524)	6,217,914	15.7%
2018	835,845	949,351	(113,506)	6,205,237	15.3%
2019	797,924	873,507	(75,583)	6,105,002	14.3%

City of Plainview, Texas

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

September 30, 2019

<u>Year Ending September 30,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Employer Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Pensionable Covered Payroll</u>	<u>Actual Contribution as a Percentage of Covered Payroll</u>
2015	\$ 621,787	\$ 449,830	\$ 171,957	\$ 1,836,743	24.5%
2016	702,748	500,465	202,283	1,965,212	25.5%
2017	781,267	504,960	276,307	2,016,713	25.0%
2018	507,975	526,060	(18,085)	2,042,388	25.8%
2019	546,889	546,889	-	2,010,853	27.2%

City of Plainview, Texas
Schedule of Changes in Total OPEB Liability and Related Ratios (Exhibit B-6)
September 30, 2019

	Measurement Date	
	December 31, 2018	December 31, 2017
Total OPEB Liability		
Service cost	\$ 39,447	\$ 34,287
Interest on the OPEB liability	38,509	41,690
Changes in benefit terms	-	-
Difference between expected and actual experience of the total OPEB liability	(16,373)	-
Changes of assumptions	(39,579)	48,991
Benefit payments	(60,342)	(56,285)
Net change in total OPEB liability	(38,338)	68,683
Total OPEB liability-beginning	1,173,854	1,105,271
Total OPEB liability-ending	<u>\$ 1,135,516</u>	<u>\$ 1,173,954</u>
Covered payroll	\$ 8,052,349	\$ 7,982,109
Total OPEB liability as a percentage of covered payroll	14.10%	14.71%

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

Note 1 - 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	\$ 215,223
Investment earnings	47,055
General government - administration	(925,094)
Capital outlay	(66,902)
Net transfers in	1,571,500
Change in Fund Balance Exhibit A-5	<u>\$ 841,782</u>

Note 2 - 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 transfers of \$396,500 to the Economic Development project, transfer of \$500,000 to capital improvements, transfer of \$100,000 to street improvements, and transfer of \$253,000 to equipment replacement.
7. All budget appropriations lapse at year end.

Note 3 - 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	27 years
Asset valuation method	10-year smoothed market; 15% soft corridor
Inflation	2.5%
Salary increases	3.50% to 10.5%, including inflation
Investment rate of return	6.75%
Retirement age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the 2010 – 2014.
Mortality	RP-2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.

Changes of Benefit Terms

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

Changes of Assumptions

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

Note 4 - Net Pension Liability – Firemen's Relief and Retirement Pension Plan

Assumptions

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

Valuation date	December 31, 2017
----------------	-------------------

Actuarially determined contribution rates	Calculated in the year contributions are reported based on 40 year (open)period amortization
Actuarial cost method	Entry age normal
Amortization method	Closed period level percent of pay
Remaining amortization period	31.6 years
Asset valuation method	Market value of assets
Salary increases	Service Graded
Investment rate of return	7.5%, net of plan expenses
Retirement	Active firefighters are assumed to retire at the later of age 54 or 20 years of service (age 53 for firefighters with 10 years of service as of January 1, 2018). Terminated firefighters entitled to deferred benefits are assumed to retire at age 53 or age on valuation date, if older. All members hired prior to October 1, 1994 are assumed to elect DROP for the maximum period allowed. Post October 1, 1994 hires are assumed to retire prior to DROP eligibility.
Mortality	RP-2014 Blue Collar Mortality tables adjusted backward to 2006 with Scale MP-2014 and projected with Scale MP-2016
Changes of Benefit Terms	None
Changes in the size or composition of the population covered by the benefit term	None
Changes of Assumptions	The discount rate was changed from 7.75% to 7.50% net of investment expenses only. The mortality assumption was updated to the RP-2014 blue collar mortality tables adjusted backward to 2006 with Scale MP-2014 and projected with Scale MP-2016. The assumed retirement age was moved to age 54 for firefighters who were not vested as of Janaury 1, 2018. There have been no other changes in principal actuarial assumptions for the prior valuation.

Note 5 - Total OPEB Liability

Assumptions

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

Valuation date	December 31, 2017
Actuarial cost method	Individual Entry-Age
Inflation	2.5%
Salary increases	3.50% to 10.50% for TMRS employees and 3.50% to 8.00% for Firefighters, including inflation
Demographic Assumptions	Based on the experience study covering the four-year period ending December 31, 2014 as conducted for TMRS. For firefighters, the demographic assumptions are the same as those used to value the Plainview Firefighters Relief & Retirement Fund.
Mortality	For healthy TMRS retirees, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For healthy firefighter retirees, the gender-distinct RP-2014 Blue Collar Mortality tables adjusted backward to 2006 with Scale MP-2014 and projected with Scale MP-2016.
Health Care Trend Rates	Initial rate of 7.50% declining to an ultimate rate of 4.25% after 15 years.
Participation Rates	10% for TMRS retirees and 35% for firefighter retirees

Changes of Benefit Terms

No changes.

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

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

Changes of Assumptions

Assumption changes for the December 31, 2017 valuation include a change to the discount rate from 3.31% as of December 31, 2017 to 3.71% as of December 31, 2018.

**Combining Statements &
Budget Comparisons**

Combining Statements and Budgetary Comparisons
September 30, 2019

City of Plainview, Texas



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City of Plainview, Texas
Combining Balance Sheet – General Fund (Exhibit C-1)
September 30, 2019

	General	Capital Improvement	Street Improvement	Economic Development	Total General Fund
Assets					
Cash and cash equivalents	\$ 6,114,274	\$ 576,650	\$ 102,286	\$ 1,142,243	\$ 7,935,453
Investments	6,564,463	1,136,792	-	62,150	7,763,405
Interest receivable	2,337	405	-	22	2,764
Accounts receivable (net)	905,914	-	-	-	905,914
Taxes receivable (net)	980,034	-	-	-	980,034
Due from other funds	11,434	-	-	-	11,434
Due from other governments	40,011	-	-	-	40,011
Grant receivable	20,674	-	-	-	20,674
Inventories	53,446	-	-	-	53,446
Total assets	\$ 14,692,587	\$ 1,713,847	\$ 102,286	\$ 1,204,415	\$ 17,713,135
Liabilities, deferred inflows of resources and fund balances					
Liabilities					
Accounts payable	\$ 278,833	\$ 250	\$ -	\$ 401,723	\$ 680,806
Wages payable	370,342	-	-	-	370,342
Compensated absences payable	4,141	-	-	-	4,141
Total liabilities	653,316	250	-	401,723	1,055,289
Deferred inflows of resources					
Unavailable revenue					
Property taxes	267,556	-	-	-	267,556
Fines and fees	93,669	-	-	-	93,669
Emergency medical services	24,000	-	-	-	24,000
Total deferred inflows of resources	385,225	-	-	-	385,225
Fund Balances					
Nonspendable	53,446	-	-	-	53,446
Assigned	-	1,713,597	102,286	802,692	2,618,575
Unassigned	13,600,600	-	-	-	13,600,600
Total fund balance	13,654,046	1,713,597	102,286	802,692	16,272,621
Total liabilities, deferred inflows of resources and fund balances	\$ 14,692,587	\$ 1,713,847	\$ 102,286	\$ 1,204,415	\$ 17,713,135

City of Plainview, Texas

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – General Fund

(Exhibit C-2)

Year Ended September 30, 2019

	General	Capital Improvement	Street Improvement	Economic Development	Elimination	Total General Fund
Revenues						
Taxes						
Property taxes	\$ 5,526,455	\$ -	\$ -	\$ -	\$ -	\$ 5,526,455
Sales and use taxes	4,270,560	-	-	-	-	4,270,560
Selective sales and use taxes	37,514	-	-	-	-	37,514
Franchise tax	1,285,790	-	-	-	-	1,285,790
Penalty and interest on taxes	98,006	-	-	-	-	98,006
Licenses and permits	69,980	-	-	-	-	69,980
Intergovernmental revenue and grants	190,311	-	-	-	-	190,311
Charges for services	698,805	-	-	-	-	698,805
Fines and fees	330,147	-	-	-	-	330,147
Investment earnings	421,117	33,214	160	13,681	-	468,172
Rents and royalties	500	-	-	-	-	500
Other revenue	49,416	-	-	-	-	49,416
Total revenues	<u>12,978,601</u>	<u>33,214</u>	<u>160</u>	<u>13,681</u>	<u>-</u>	<u>13,025,656</u>
Expenditures						
Current						
General government - administration	1,070,035	85,857	-	839,237	-	1,995,129
General government - other	632,219	-	-	-	-	632,219
Public safety	7,788,243	-	-	-	-	7,788,243
Public works	893,605	-	-	-	-	893,605
Health	396,049	-	-	-	-	396,049
Recreation and culture	1,157,596	-	-	-	-	1,157,596
Capital outlay	52,847	66,902	-	-	-	119,749
Total expenditures	<u>11,990,594</u>	<u>152,759</u>	<u>-</u>	<u>839,237</u>	<u>-</u>	<u>12,982,590</u>
Excess (deficiency) of revenue over expenditures	<u>988,007</u>	<u>(119,545)</u>	<u>160</u>	<u>(825,556)</u>	<u>-</u>	<u>43,066</u>
Other financing sources (uses)						
Transfers in	538,639	500,000	100,000	971,500	(996,500)	1,113,639
Transfers out	(1,311,423)	-	-	-	996,500	(314,923)
Total other financing sources (uses)	<u>(772,784)</u>	<u>500,000</u>	<u>100,000</u>	<u>971,500</u>	<u>-</u>	<u>798,716</u>
Net change in fund balance	215,223	380,455	100,160	145,944	-	841,782
Fund balance, October 1	<u>13,438,823</u>	<u>1,333,142</u>	<u>2,126</u>	<u>656,748</u>	<u>-</u>	<u>15,430,839</u>
Fund balance, September 30	<u>\$ 13,654,046</u>	<u>\$ 1,713,597</u>	<u>\$ 102,286</u>	<u>\$ 802,692</u>	<u>\$ -</u>	<u>\$ 16,272,621</u>

	Hotel - Motel Occupancy Tax Fund	Police Seizure Fund	RSVP Fund	Municipal Court Security Fee Fund
Assets				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Investments	682,352	-	-	-
Accounts receivable	-	-	-	-
Interest receivable	243	-	-	-
Taxes receivable	26,645	-	-	-
Grants receivable	-	-	5,534	-
Restricted cash and cash equivalents	140,277	2,309	5,333	47,267
	<u>140,277</u>	<u>2,309</u>	<u>5,333</u>	<u>47,267</u>
Total assets	<u>\$ 849,517</u>	<u>\$ 2,309</u>	<u>\$ 10,867</u>	<u>\$ 47,267</u>
Liabilities and fund balances				
Liabilities				
Accounts payable	\$ 7,144	\$ 750	\$ 8,052	\$ -
Wages payable	2,098	-	2,635	-
Compensated absences payable	-	-	180	-
	<u>-</u>	<u>-</u>	<u>180</u>	<u>-</u>
Total liabilities	<u>9,242</u>	<u>750</u>	<u>10,867</u>	<u>-</u>
Fund balances				
Restricted	840,275	1,559	-	47,267
	<u>840,275</u>	<u>1,559</u>	<u>-</u>	<u>47,267</u>
Total fund balances	<u>840,275</u>	<u>1,559</u>	<u>-</u>	<u>47,267</u>
Total liabilities and fund balance	<u>\$ 849,517</u>	<u>\$ 2,309</u>	<u>\$ 10,867</u>	<u>\$ 47,267</u>

City of Plainview, Texas
Combining Balance Sheet – Nonmajor Governmental Funds (Exhibit C-3)
September 30, 2019

Municipal Court Technology Fund	PEG Fund	Travis Trussell Duck Pond Fund	Downtown TIRZ Fund	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	682,352
-	-	-	-	-
-	-	-	-	243
-	9,381	-	-	36,026
-	-	-	-	5,534
56,414	194,509	-	154,025	600,134
<u>\$ 56,414</u>	<u>\$ 203,890</u>	<u>\$ -</u>	<u>\$ 154,025</u>	<u>\$ 1,324,289</u>
\$ -	\$ -	\$ -	\$ -	\$ 15,946
-	-	-	-	4,733
-	-	-	-	180
-	-	-	-	20,859
56,414	203,890	-	154,025	1,303,430
56,414	203,890	-	154,025	1,303,430
<u>\$ 56,414</u>	<u>\$ 203,890</u>	<u>\$ -</u>	<u>\$ 154,025</u>	<u>\$ 1,324,289</u>

	Hotel - Motel Occupancy Tax Fund	Police Seizure Fund	RSVP Fund	Municipal Court Security Fee Fund
Revenue				
Selective sales and use tax	\$ 352,323	\$ -	\$ -	\$ -
Intergovernmental revenue and grants	-	-	67,091	-
Fines, forfeitures and fees	-	1,693	-	8,082
Investment earnings	20,583	-	-	-
Contributions and donations	12,100	-	7,842	-
Other revenue	-	-	-	-
Total revenues	385,006	1,693	74,933	8,082
Expenditures				
Current				
General government - administration	251,185	-	-	-
General government - other	-	-	71,563	-
Recreation and culture	-	-	-	-
Public safety	-	3,717	-	-
Capital outlay	75,233	-	3,370	-
Total expenditures	326,418	3,717	74,933	-
Excess (deficiency) of revenues over expenditures	58,588	(2,024)	-	8,082
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	(35,250)	-	-	-
Total other financing sources (uses)	(35,250)	-	-	-
Net change in fund balance	23,338	(2,024)	-	8,082
Fund balance, October 1	816,937	3,583	-	39,185
Fund balance, September 30	\$ 840,275	\$ 1,559	\$ -	\$ 47,267

City of Plainview, Texas

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental
Funds (Exhibit C-4)
Year Ended September 30, 2019

Municipal Court Technology Fund	PEG Fund	Travis Trussell Duck Pond Fund	Downtown TIRZ Fund	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 352,323
-	-	9,794	-	76,885
10,759	37,731	-	-	58,265
-	4,623	-	4,025	29,231
-	-	5	-	19,947
-	-	-	-	-
<u>10,759</u>	<u>42,354</u>	<u>9,799</u>	<u>4,025</u>	<u>536,651</u>
-	-	-	-	251,185
-	-	-	-	71,563
-	-	-	-	-
-	-	-	-	3,717
-	-	21,722	-	100,325
<u>-</u>	<u>-</u>	<u>21,722</u>	<u>-</u>	<u>426,790</u>
<u>10,759</u>	<u>42,354</u>	<u>(11,923)</u>	<u>4,025</u>	<u>109,861</u>
-	-	11,923	-	11,923
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(35,250)</u>
<u>-</u>	<u>-</u>	<u>11,923</u>	<u>-</u>	<u>(23,327)</u>
10,759	42,354	-	4,025	86,534
<u>45,655</u>	<u>161,536</u>	<u>-</u>	<u>150,000</u>	<u>1,216,896</u>
<u>\$ 56,414</u>	<u>\$ 203,890</u>	<u>\$ -</u>	<u>\$ 154,025</u>	<u>\$ 1,303,430</u>

City of Plainview, Texas
 Budgetary Comparison Schedule – Hotel-Motel Occupancy Tax Fund (Exhibit D-1)
 Year Ended September 30, 2019

	Budgeted Amounts		Actual	Variance
	Original	Final	GAAP Basis	with Final Budget
Revenue				
Selective sales and use tax	\$ 300,000	\$ 300,000	\$ 352,323	\$ 52,323
Investment earnings	7,000	7,000	20,583	13,583
Other revenues	-	17,100	12,100	(5,000)
Total revenues	307,000	324,100	385,006	60,906
Expenditures				
Current				
General government - administration	264,670	274,670	251,185	23,485
Capital outlay	125,000	160,000	75,233	84,767
Total expenditures	389,670	434,670	326,418	108,252
Excess (Deficiency) of revenue over expenditures	(82,670)	(110,570)	58,588	169,158
Other financing sources (uses)				
Transfers out	(35,250)	(35,250)	(35,250)	-
Total other financing sources (uses)	(35,250)	(35,250)	(35,250)	-
Net change in fund balance	(117,920)	(145,820)	23,338	169,158
Fund balance, October 1	816,937	816,937	816,937	-
Fund balance, September 30	\$ 699,017	\$ 671,117	\$ 840,275	\$ 169,158

City of Plainview, Texas
 Budgetary Comparison Schedule – Police Seizure Fund (Exhibit D-2)
 Year Ended September 30, 2019

	Budgeted Amounts		Actual	Variance
	Original	Final	GAAP Basis	with Final Budget
Revenue				
Fines, forfeitures and fees	\$ 6,000	\$ 6,000	\$ 1,693	\$ (4,307)
Total revenues	6,000	6,000	1,693	(4,307)
Expenditures				
Current				
Public safety	8,750	8,750	3,717	5,033
Capital outlay	-	-	-	-
Total expenditures	8,750	8,750	3,717	5,033
Excess (Deficiency) of revenue over expenditures	(2,750)	(2,750)	(2,024)	726
Net change in fund balance	(2,750)	(2,750)	(2,024)	726
Fund balance - October 1	3,583	3,583	3,583	-
Fund balance - September 30	<u>\$ 833</u>	<u>\$ 833</u>	<u>\$ 1,559</u>	<u>\$ 726</u>

City of Plainview, Texas
 Budgetary Comparison Schedule – RSVP Fund (Exhibit D-3)
 Year Ended September 30, 2019

	Budgeted Amounts		Actual	Variance
	Original	Final	GAAP Basis	with Final Budget
Revenue				
Intergovernmental revenue and grants	\$ 66,815	\$ 66,815	\$ 67,091	\$ 276
Contributions and donations	29,080	29,080	7,842	(21,238)
Total revenues	95,895	95,895	74,933	(20,962)
Expenditures				
Current				
General government - other	95,895	95,895	71,563	24,332
Capital outlay	-	-	3,370	(3,370)
Total expenditures	95,895	95,895	74,933	20,962
Excess (Deficiency) of revenue over Expenditures	-	-	-	-
Fund balance - October 1	-	-	-	-
Fund balance - September 30	\$ -	\$ -	\$ -	\$ -

City of Plainview, Texas

Budgetary Comparison Schedule – Municipal Court Security Fee Fund (Exhibit D-4)

Year Ended September 30, 2019

	Budgeted Amounts		Actual	Variance
	Original	Final	GAAP Basis	with Final Budget
Revenue				
Fines, forfeitures and fees	\$ 7,000	\$ 7,000	\$ 8,082	\$ 1,082
Total revenues	7,000	7,000	8,082	1,082
Expenditures				
Current				
General government - other	12,000	12,000	-	12,000
Capital outlay	-	-	-	-
Total expenditures	12,000	12,000	-	12,000
Excess (Deficiency) of revenue over expenditures	(5,000)	(5,000)	8,082	13,082
Fund balance, October 1	39,185	39,185	39,185	-
Fund balance, September 30	<u>\$ 34,185</u>	<u>\$ 34,185</u>	<u>\$ 47,267</u>	<u>\$ 13,082</u>

City of Plainview, Texas
 Budgetary Comparison Schedule – Municipal Court Technology Fund (Exhibit D-5)
 Year Ended September 30, 2019

	Budgeted Amounts		Actual	Variance
	Original	Final	GAAP Basis	with Final Budget
Revenue				
Fines, forfeitures and fees	\$ 8,500	\$ 8,500	\$ 10,759	\$ 2,259
Total revenues	8,500	8,500	10,759	2,259
Expenditures				
Current				
General government - other	2,320	2,320	-	2,320
Capital outlay	10,000	10,000	-	10,000
Total expenditures	12,320	12,320	-	12,320
Excess (Deficiency) of revenue over expenditures	(3,820)	(3,820)	10,759	14,579
Fund balance, October 1	45,655	45,655	45,655	-
Fund balance, September 30	\$ 41,835	\$ 41,835	\$ 56,414	\$ 14,579

City of Plainview, Texas
 Budgetary Comparison Schedule – PEG Fund (Exhibit D-6)
 Year Ended September 30, 2019

	Budgeted Amounts		Actual	Variance
	Original	Final	GAAP Basis	with Final Budget
Revenue				
Fines, forfeitures and fees	\$ 37,000	\$ 37,000	\$ 37,731	\$ 731
Investment earnings	500	500	4,623	4,123
Total revenues	37,500	37,500	42,354	4,854
Expenditures				
Current				
Capital outlay	120,000	120,000	-	120,000
Total expenditures	120,000	120,000	-	120,000
Excess (Deficiency) of revenue over expenditures	(82,500)	(82,500)	42,354	124,854
Fund balance, October 1	161,536	161,536	161,536	-
Fund balance, September 30	\$ 79,036	\$ 79,036	\$ 203,890	\$ 124,854

City of Plainview, Texas
 Budgetary Comparison Schedule – Travis Trussell Duck Pond Fund (Exhibit D-7)
 Year Ended September 30, 2019

	Budgeted Amounts		Actual	Variance
	Original	Final	GAAP Basis	with Final Budget
Revenue				
Intergovernmental revenue and grants	\$ -	\$ 9,795	\$ 9,794	\$ (1)
Contribution	-	-	5	5
Total revenues	-	9,795	9,799	4
Expenditures				
Capital outlay	-	21,725	21,722	3
Total expenditures	-	21,725	21,722	3
Excess (Deficiency) of revenue over expenditures	-	(11,930)	(11,923)	7
Other financing sources (uses)				
Transfer in	-	-	11,923	11,923
Total other financing sources (uses)	-	-	11,923	11,923
Net change in fund balance	-	(11,930)	-	11,930
Fund balance, October 1	-	-	-	-
Fund balance, September 30	\$ -	\$ (11,930)	\$ -	\$ 11,930

City of Plainview, Texas
 Budgetary Comparison Schedule – Capital Improvement (Exhibit D-8)
 Year Ended September 30, 2019

	Budgeted Amounts		Actual	Variance
	Original	Final	GAAP Basis	with Final Budget
Revenue				
Investment earnings	\$ 6,000	\$ 6,000	\$ 33,214	\$ 27,214
Total revenues	6,000	6,000	33,214	27,214
Expenditures				
Current				
General government - administration	250,000	250,000	85,857	164,143
Capital outlay	820,000	835,000	66,902	768,098
Total expenditures	1,070,000	1,085,000	152,759	932,241
Excess (Deficiency) of revenue over expenditures	(1,064,000)	(1,079,000)	(119,545)	959,455
Other financing sources (uses)				
Transfer in	-	500,000	500,000	-
Total other financing sources (uses)	-	500,000	500,000	-
Net change in fund balance	(1,064,000)	(579,000)	380,455	959,455
Fund balance, October 1	1,333,142	1,333,142	1,333,142	-
Fund balance, September 30	\$ 269,142	\$ 754,142	\$ 1,713,597	\$ 959,455

City of Plainview, Texas
 Budgetary Comparison Schedule – Street Improvement (Exhibit D-9)
 Year Ended September 30, 2019

	Budgeted Amounts		Actual	Variance
	Original	Final	GAAP Basis	with Final Budget
Revenue				
Investment earnings	\$ 35	\$ 35	\$ 160	\$ 125
Total revenues	35	35	160	125
Excess (Deficiency) of revenue over expenditures	35	35	160	125
Other Financing Sources (Uses)				
Transfer in	-	100,000	100,000	-
Total other financing sources (uses)	-	100,000	100,000	-
Net change in fund balance	35	100,035	100,160	125
Fund balance, October 1	2,126	2,126	2,126	-
Fund balance, September 30	\$ 2,161	\$ 102,161	\$ 102,286	\$ 125

City of Plainview, Texas
 Budgetary Comparison Schedule – Economic Development Fund (Exhibit D-10)
 Year Ended September 30, 2019

	Budgeted Amounts		Actual	Variance
	Original	Final	GAAP Basis	with Final Budget
Revenue				
Investment earnings	\$ 5,000	\$ 5,000	\$ 13,681	\$ 8,681
Total revenues	5,000	5,000	13,681	8,681
Expenditures				
Current				
General government - administration	650,000	1,256,500	839,237	417,263
Total expenditures	650,000	1,256,500	839,237	417,263
Excess (Deficiency) of revenue over expenditures	(645,000)	(1,251,500)	(825,556)	425,944
Other financing sources (uses)				
Transfer in	115,000	971,500	971,500	-
Total other financing sources (uses)	115,000	971,500	971,500	-
Net change in fund balance	(530,000)	(280,000)	145,944	425,944
Fund balance, October 1	656,748	656,748	656,748	-
Fund balance, September 30	<u>\$ 126,748</u>	<u>\$ 376,748</u>	<u>\$ 802,692</u>	<u>\$ 425,944</u>

City of Plainview, Texas
 Budgetary Comparison Schedule – Downtown TIRZ (Exhibit D-11)
 Year Ended September 30, 2019

	Budgeted Amounts		Actual	Variance
	Original	Final	GAAP	with Final
			Basis	Budget
Revenue				
Investment income	\$ -	\$ -	\$ 4,025	\$ 4,025
Expenditures				
General government	125,000	125,000	-	125,000
Total expenditures	125,000	125,000	-	125,000
Net change in fund balance	(125,000)	(125,000)	4,025	129,025
Fund balance, October 1	150,000	150,000	150,000	-
Fund balance, September 30	<u>\$ 25,000</u>	<u>\$ 25,000</u>	<u>\$ 154,025</u>	<u>\$ 129,025</u>

City of Plainview, Texas
 Budgetary Comparison Schedule – Debt Service Fund (Exhibit D-12)
 Year Ended September 30, 2019

	Budgeted Amounts		Actual	Variance
	Original	Final	GAAP Basis	with Final Budget
Revenue				
Property taxes	\$ 1,747,966	\$ 1,747,966	\$ 1,723,316	\$ (24,650)
Investment income	5,000	5,000	8,890	3,890
Total revenues	1,752,966	1,752,966	1,732,206	(20,760)
Expenditures				
Debt Service				
Principal payments	450,000	450,000	450,000	-
Interest and other fees	1,297,970	1,299,410	1,299,404	6
Total expenditures	1,747,970	1,749,410	1,749,404	6
Excess (Deficiency) of revenue over expenditures	4,996	3,556	(17,198)	(20,754)
Net change in fund balance	4,996	3,556	(17,198)	(20,754)
Fund balance, October 1	7,439	7,439	7,439	-
Fund balance, September 30	\$ 12,435	\$ 10,995	\$ (9,759)	\$ (20,754)

City of Plainview, Texas
 Budgetary Comparison Schedule – Capital Projects Fund (Exhibit D-13)
 Year Ended September 30, 2019

	Budgeted Amounts		Actual	Variance
	Original	Final	GAAP Basis	with Final Budget
Revenue				
Investment earnings	\$ 153,600	\$ 153,600	\$ 658,049	\$ 504,449
Total revenues	153,600	153,600	658,049	504,449
Expenditures				
Current:				
Public works	-	-	6,949	(6,949)
Capital outlay	25,662,380	25,662,380	2,052,514	23,609,866
Total expenditures	25,662,380	25,662,380	2,059,463	23,602,917
Excess (Deficiency) of revenue over expenditures	(25,508,780)	(25,508,780)	(1,401,414)	24,107,366
Net change in fund balance	(25,508,780)	(25,508,780)	(1,401,414)	24,107,366
Fund balance, October 1	25,232,339	25,232,339	25,232,339	-
Fund balance, September 30	<u>\$ (276,441)</u>	<u>\$ (276,441)</u>	<u>\$ 23,830,925</u>	<u>\$ 24,107,366</u>



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	Unemployment Compensation Fund	Equipment Replacement Fund	Property Insurance Fund
Assets			
Current assets			
Cash and cash equivalents	\$ 80,770	\$ 623,099	\$ 273,635
Investments	-	1,793,419	1,631,200
Interest receivable	-	638	581
Accounts receivable, net	-	-	-
Other assets	-	-	-
Inventories	-	-	-
Total current assets	<u>80,770</u>	<u>2,417,156</u>	<u>1,905,416</u>
Noncurrent assets			
Capital assets			
Depreciable, net	-	2,422,219	-
Total noncurrent assets	<u>-</u>	<u>2,422,219</u>	<u>-</u>
Total assets	<u>80,770</u>	<u>4,839,375</u>	<u>1,905,416</u>
Deferred outflows of resources			
Pensions	-	-	-
OPEB	-	-	-
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
Liabilities			
Current liabilities			
Accounts payable	5,277	20,432	600
Wages payable	-	-	-
Total current liabilities	<u>5,277</u>	<u>20,432</u>	<u>600</u>
Noncurrent liabilities			
Noncurrent portion of long-term liabilities			
Compensated absences	-	-	-
Net pension liability	-	-	-
Total other postemployment benefits obligation	-	-	-
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>5,277</u>	<u>20,432</u>	<u>600</u>
Deferred inflows of resources			
Pensions and OPEB	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
Net position			
Investment in capital assets	-	2,422,219	-
Unrestricted	75,493	2,396,724	1,904,816
Total net position	<u>\$ 75,493</u>	<u>\$ 4,818,943</u>	<u>\$ 1,904,816</u>

City of Plainview, Texas
Combining Statement of Net Position – Internal Service Funds (Exhibit E-1)
September 30, 2019

Health Insurance Fund	Cafeteria Plan Fund	Fleet Services Fund	Total Internal Service Funds
\$ 744,284	\$ 28,704	\$ 277,023	\$ 2,027,515
1,341,516	-	-	4,766,135
477	-	-	1,696
945	-	-	945
-	5,605	-	5,605
-	-	86,342	86,342
2,087,222	34,309	363,365	6,888,238
-	-	16,761	2,438,980
-	-	16,761	2,438,980
2,087,222	34,309	380,126	9,327,218
-	-	6,922	6,922
94,568	-	-	94,568
94,568	-	6,922	101,490
173,957	-	1,419	201,685
-	-	2,399	2,399
173,957	-	3,818	204,084
-	-	1,432	1,432
-	-	11,124	11,124
1,135,516	-	-	1,135,516
1,135,516	-	12,556	1,148,072
1,309,473	-	16,374	1,352,156
48,556	-	2,451	51,007
48,556	-	2,451	51,007
-	-	16,761	2,438,980
823,761	34,309	351,462	5,586,565
\$ 823,761	\$ 34,309	\$ 368,223	\$ 8,025,545

	Unemployment Compensation Fund	Equipment Replacement Fund	Property Insurance Fund
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>
Operating revenues			
Charges for services	\$ 9,912	\$ 642,015	\$ 120,173
Other revenue	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total operating revenues	<u>9,912</u>	<u>642,015</u>	<u>120,173</u>
Operating expenses			
Personnel services - salaries and wages	-	-	-
Personnel services - employee benefits	-	-	-
Purchased professional & technical services	754	-	-
Purchased property services	-	37,737	-
Other operating expenses	19,909	-	110,570
Supplies	-	-	-
Depreciation and amortization	-	528,997	-
	<u>-</u>	<u>528,997</u>	<u>-</u>
Total operating expenses	<u>20,663</u>	<u>566,734</u>	<u>110,570</u>
Operating income (loss)	<u>(10,751)</u>	<u>75,281</u>	<u>9,603</u>
Nonoperating revenues (expenses)			
Gain (loss) on disposition of property	-	3,095	-
Investment earnings	-	58,887	47,002
	<u>-</u>	<u>58,887</u>	<u>47,002</u>
Total nonoperating revenues (expenses)	<u>-</u>	<u>61,982</u>	<u>47,002</u>
Income (loss) before transfers	(10,751)	137,263	56,605
Transfer in	-	253,000	11,091
	<u>-</u>	<u>253,000</u>	<u>11,091</u>
Total transfers	<u>-</u>	<u>253,000</u>	<u>11,091</u>
Change in net position	(10,751)	390,263	67,696
Beginning net position	86,244	4,428,680	1,837,120
	<u>86,244</u>	<u>4,428,680</u>	<u>1,837,120</u>
Net position, September 30	<u>\$ 75,493</u>	<u>\$ 4,818,943</u>	<u>\$ 1,904,816</u>

City of Plainview, Texas

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position – Internal Service Funds

(Exhibit E-2)

Year Ended September 30, 2019

Health Insurance Fund	Cafeteria Plan Fund	Fleet Services Fund	Total Internal Service Funds
\$ 2,205,039	\$ 21,962	\$ 46,477	\$ 3,045,578
5,127	-	300	5,427
2,210,166	21,962	46,777	3,051,005
-	-	10,862	10,862
2,028,554	-	(23,790)	2,004,764
40,244	266	-	41,264
-	-	25,376	63,113
65,184	19,913	6,123	221,699
-	-	26,076	26,076
-	-	3,874	532,871
2,133,982	20,179	48,521	2,900,649
76,184	1,783	(1,744)	150,356
-	-	-	3,095
51,799	747	-	158,435
51,799	747	-	161,530
127,983	2,530	(1,744)	311,886
-	-	150,000	414,091
-	-	150,000	414,091
127,983	2,530	148,256	725,977
695,778	31,779	219,967	7,299,568
\$ 823,761	\$ 34,309	\$ 368,223	\$ 8,025,545

	Unemployment Compensation Fund	Equipment Replacement Fund	Property Insurance Fund
Operating activities			
Cash from operating transactions - other funds	\$ 9,912	\$ 642,015	\$ 237,220
Cash payments to employees for services	-	-	-
Cash payments for goods and services	(15,386)	(30,365)	(132,307)
Other operating cash receipts	-	-	-
Net cash from (used for) operating activities	(5,474)	611,650	104,913
Noncapital financing activities			
Transfers from other funds	-	253,000	11,091
Net cash from (used for) noncapital financing activities	-	253,000	11,091
Capital and related financing activities			
Acquisition of capital assets	-	(901,498)	-
Proceeds from the sale of capital assets	-	3,095	-
Net cash from (used for) capital and related financing activities	-	(898,403)	-
Investing activities			
Purchase of investments	-	346,744	(41,614)
Interest on investments	-	59,284	47,189
Net cash from (used for) investing activities	-	406,028	5,575
Net change in cash and cash equivalents	(5,474)	372,275	121,579
Cash and cash equivalents, October 1	86,244	250,824	152,056
Cash and cash equivalents, September 30	<u>\$ 80,770</u>	<u>\$ 623,099</u>	<u>\$ 273,635</u>

City of Plainview, Texas
Combining Statement of Cash Flows – Internal Service Funds (Exhibit E-3)
Year Ended September 30, 2019

Health Insurance Fund	Cafeteria Plan Fund	Fleet Services Fund	Total Internal Service Funds
\$ 2,204,094	\$ 21,962	\$ 65,841	\$ 3,181,044
(2,024,588)	-	(27,853)	(2,052,441)
(99,520)	(22,232)	(34,323)	(334,133)
5,127	-	300	5,427
85,113	(270)	3,965	799,897
-	-	150,000	414,091
-	-	150,000	414,091
-	-	-	(901,498)
-	-	-	3,095
-	-	-	(898,403)
(315,159)	-	-	(10,029)
52,001	747	-	159,221
(263,158)	747	-	149,192
(178,045)	477	153,965	464,777
922,329	28,227	123,058	1,562,738
<u>\$ 744,284</u>	<u>\$ 28,704</u>	<u>\$ 277,023</u>	<u>\$ 2,027,515</u>

	Unemployment Compensation Fund	Equipment Replacement Fund	Property Insurance Fund
Reconciliation of operating income to net cash from (used for) operating activities			
Operating income (loss)	\$ (10,751)	\$ 75,281	\$ 9,603
Adjustments to reconcile operating income to net cash from (used for) operating activities			
Depreciation and amortization	-	528,997	-
(Increase) decrease in operating assets and liabilities			
Accounts receivable (net)	-	-	117,047
Prepaid expense	-	-	-
Inventories	-	-	-
Accounts payable	5,277	7,372	(21,737)
Wages payable	-	-	-
Net other postemployment benefits obligation	-	-	-
Net pension liability	-	-	-
Deferred outflows - pensions	-	-	-
Deferred outflows - OPEB	-	-	-
Deferred inflows - pensions	-	-	-
Net cash provided (used) by operating activities	<u>\$ (5,474)</u>	<u>\$ 611,650</u>	<u>\$ 104,913</u>

City of Plainview, Texas
Combining Statement of Cash Flows – Internal Service Funds (Exhibit E-3)
Year Ended September 30, 2019

Health Insurance Fund	Cafeteria Plan Fund	Fleet Services Fund	Total Internal Service Funds
\$ 76,184	\$ 1,783	\$ (1,744)	\$ 150,356
-	-	3,874	532,871
(945)	-	19,364	135,466
-	(2,048)	-	(2,048)
-	-	25,593	25,593
5,908	(5)	(2,341)	(5,526)
-	-	(10,240)	(10,240)
(38,338)	-	-	(38,338)
-	-	(14,552)	(14,552)
-	-	5,802	5,802
42,304	-	-	42,304
-	-	(21,791)	(21,791)
<u>\$ 85,113</u>	<u>\$ (270)</u>	<u>\$ 3,965</u>	<u>\$ 799,897</u>



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**Capital Assets -
Governmental Funds**

City of Plainview, Texas

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

September 30, 2019

Capital Assets Used in the Operation of Governmental Funds

Land	\$ 669,970
Buildings	6,505,727
Improvements other than buildings	19,715,528
Machinery and equipment	2,944,249
Construction in progress	<u>2,148,349</u>
Total	<u><u>\$ 31,983,823</u></u>

Investment in Capital Assets

Acquired prior to October 1, 1990	\$ 10,220,317
Acquired after September 30, 1990	
General fund	
General revenues	\$ 2,727,807
Capital improvements	4,405,861
Street improvements	7,580,476
Capital projects fund	
General obligation bonds	5,064,921
Special revenue funds	
Hotel/Motel tax fund	918,812
Police seizure	19,092
Homeland security grant	331,928
RSVP fund	7,704
Travis Trussell duck pond grant	530,439
SECO grant	82,526
Criminal justice division equipment grant	10,186
Municipal court security fund	55,861
Municipal court technology fund	<u>27,893</u>
	<u>21,763,506</u>
Total	<u><u>\$ 31,983,823</u></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 position. Additionally, accumulated depreciation is not included in this schedule.

	Land	Buildings	Improvements Other Than Buildings
From General Fund			
General government	\$ 457,404	\$ 346,552	\$ 7,260,055
Police	-	244,676	6,500
Fire / EMS	-	257,252	7,265
Traffic and safety	-	-	71,130
Animal control	-	149,754	11,739
Civil defense	10,500	168,599	-
Engineering	-	-	-
Street	-	16,223	-
Recreation	1,125	50,490	428,116
Library	-	326,135	-
Health	-	-	-
Capital improvement fund	70,215	1,166,067	2,967,523
Street improvement fund	18,503	-	8,479,836
Total general fund	557,747	2,725,748	19,232,164
From Capital Projects Funds			
General obligation bonds	61,068	2,954,088	-
Total Capital Projects Funds	61,068	2,954,088	-
From Special Revenue Funds			
Hotel/Motel tax fund	4,080	746,058	-
Police seizure fund	-	-	-
PEG fund	-	-	-
Homeland security grant	-	-	-
RSVP fund	-	-	-
Travis Trussell duck pond grant	47,075	-	483,364
SECO grant	-	73,640	-
Criminal justice division equipment grant	-	-	-
Municipal court security fund	-	6,193	-
Municipal court technology fund	-	-	-
Total special revenue funds	51,155	825,891	483,364
	\$ 669,970	\$ 6,505,727	\$ 19,715,528

* 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 position. Additionally, accumulated depreciation is not included in this schedule.

City of Plainview, Texas

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

Year Ended September 30, 2019

Machinery and Equipment	Construction in Progress	Total
\$ 299,182	\$ -	\$ 8,363,193
365,496	-	616,672
485,197	-	749,714
139,823	-	210,953
4,731	-	166,224
101,634	-	280,733
3,685	-	3,685
374,243	-	390,466
320,011	-	799,742
99,741	-	425,876
21,568	-	21,568
178,706	23,350	4,405,861
1,435	-	8,499,774
<u>2,395,452</u>	<u>23,350</u>	<u>24,934,461</u>
-	2,049,765	5,064,921
<u>-</u>	<u>2,049,765</u>	<u>5,064,921</u>
93,440	75,234	918,812
19,092	-	19,092
-	-	-
331,928	-	331,928
7,704	-	7,704
-	-	530,439
8,886	-	82,526
10,186	-	10,186
49,668	-	55,861
27,893	-	27,893
<u>548,797</u>	<u>75,234</u>	<u>1,984,441</u>
<u>\$ 2,944,249</u>	<u>\$ 2,148,349</u>	<u>\$ 31,983,823</u>

City of Plainview, Texas

Schedule of Changes in Capital Assets Used in the Operation of Governmental Funds by Activity*
(Exhibit F-3)
Year Ended September 30, 2019

	Capital Assets 9/30/2018	Additions (Deletions)	Capital Assets 9/30/2019
From General Fund			
General government	\$ 8,643,454	\$ (280,261)	\$ 8,363,193
Police	627,262	(10,590)	616,672
Fire / EMS	753,217	(3,503)	749,714
Traffic and safety	351,411	(140,458)	210,953
Animal control	166,224	-	166,224
Civil defense	280,733	-	280,733
Engineering	6,398	(2,713)	3,685
Street	384,442	6,024	390,466
Recreation	913,299	(113,557)	799,742
Library	430,555	(4,679)	425,876
Health	21,568	-	21,568
Capital improvements	4,341,728	64,133	4,405,861
Street improvements	8,499,774	-	8,499,774
Total general fund	25,420,065	(485,604)	24,934,461
From Capital Projects Funds			
General obligation bonds	12,407	5,052,514	5,064,921
Total Capital Projects Funds	12,407	5,052,514	5,064,921
From Special Revenue Funds			
Hotel/Motel tax fund	843,578	75,234	918,812
Police seizure fund	19,092	-	19,092
Homeland security grant	331,928	-	331,928
RSVP fund	4,334	3,370	7,704
Travis Trussell duck pond grant	508,717	21,722	530,439
SECO grant	82,526	-	82,526
Criminal justice division equipment grant	10,186	-	10,186
Municipal court security fund	55,861	-	55,861
Municipal court technology fund	37,507	(9,614)	27,893
Total special revenue funds	1,893,729	90,712	1,984,441
	\$ 27,326,201	\$ 4,657,622	\$ 31,983,823

* 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 position. Additionally, accumulated depreciation is not included in this schedule.

**Debt Service
Requirements**

City of Plainview, Texas

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

Year Ended September 30, 2019

<u>Fiscal Year</u>	<u>Outstanding Debt Beginning of Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 1,400,000	\$ 685,000	\$ 37,441	\$ 722,441
2021	715,000	<u>715,000</u>	<u>12,513</u>	<u>727,513</u>
Total		<u>\$ 1,400,000</u>	<u>\$ 49,954</u>	<u>\$ 1,449,954</u>
Annual Average Requirements		<u>\$ 700,000</u>	<u>\$ 24,977</u>	<u>\$ 724,977</u>

Proceeds used for construction of a Water Reclamation and Treatment Facility

City of Plainview, Texas
Water and Sewer Utility Fund – Certificates of Obligation, Series 2010 (Exhibit G-2)
Year Ended September 30, 2019

<u>Fiscal Year</u>	<u>Outstanding Debt Beginning of Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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>\$ 5,865,000</u>	<u>\$ 1,216,972</u>	<u>\$ 7,081,972</u>
Annual Average Requirements		<u>\$ 533,182</u>	<u>\$ 110,634</u>	<u>\$ 643,816</u>

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

City of Plainview, Texas

Water and Sewer Utility Fund – Contract Revenue Bonds, Series 2005 and Series 2012 Refunding
(Exhibit G-3)
Year Ended September 30, 2019

<u>Fiscal Year</u>	<u>Outstanding Debt Beginning of Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 1,423,104	\$ 168,180	\$ 71,155	\$ 239,335
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>\$ 1,423,104</u>	<u>\$ 247,640</u>	<u>\$ 1,670,744</u>
Annual Average Requirements		<u>\$ 237,184</u>	<u>\$ 41,273</u>	<u>\$ 278,457</u>

City of Plainview, Texas

Water and Sewer Utility Fund – Contract Revenue Bonds, Series 1999 Remainder Series 2010 Refunding
(Exhibit G-4)
Year Ended September 30, 2019

<u>Fiscal Year</u>	<u>Outstanding Debt Beginning of Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 34,542	<u>\$ 34,542</u>	<u>\$ 3,261</u>	<u>\$ 37,803</u>
Total		<u><u>\$ 34,542</u></u>	<u><u>\$ 3,261</u></u>	<u><u>\$ 37,803</u></u>
Annual Average Requirements		<u><u>\$ 34,542</u></u>	<u><u>\$ 3,261</u></u>	<u><u>\$ 37,803</u></u>

City of Plainview, Texas

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

Year Ended September 30, 2019

<u>Fiscal Year</u>	<u>Outstanding Debt Beginning of Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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>\$ 2,128,308</u>	<u>\$ 665,313</u>	<u>\$ 2,793,621</u>
Annual Average Requirements		<u>\$ 177,359</u>	<u>\$ 55,443</u>	<u>\$ 232,802</u>

City of Plainview, Texas

Water and Sewer Utility Fund – Contract Revenue Refunding Bonds, Series 2017 (Exhibit G-6)

Year Ended September 30, 2019

<u>Fiscal Year</u>	<u>Outstanding Debt Beginning of Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 392,845	\$ 37,095	\$ 15,733	\$ 52,828
2021	355,750	38,448	14,620	53,068
2022	317,302	39,924	13,207	53,131
2023	277,378	41,647	11,610	53,257
2024	235,731	43,615	9,662	53,277
2025	192,116	45,891	7,482	53,373
2026	146,225	48,168	5,187	53,355
2027	98,057	50,136	3,105	53,241
2028	47,921	37,587	1,438	39,025
2029	10,334	10,334	310	10,644
Total		<u>\$ 392,845</u>	<u>\$ 82,354</u>	<u>\$ 475,199</u>
Annual Average Requirements		<u>\$ 39,285</u>	<u>\$ 8,235</u>	<u>\$ 47,520</u>

City of Plainview, Texas

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

Year Ended September 30, 2019

<u>Fiscal Year</u>	<u>Outstanding Debt Beginning of Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 867,824	\$ 154,923	\$ 43,391	\$ 198,314
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>\$ 867,824</u>	<u>\$ 182,051</u>	<u>\$ 1,049,875</u>
Annual Average Requirements		<u>\$ 108,478</u>	<u>\$ 22,756</u>	<u>\$ 131,234</u>

City of Plainview, Texas
Debt Service Fund – General Obligation Bonds, Series 2018 (Exhibit G-8)
Year Ended September 30, 2019

<u>Fiscal Year</u>	<u>Outstanding Debt Beginning of Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 24,300,000	\$ 845,000	\$ 906,613	\$ 1,751,613
2021	23,455,000	885,000	863,362	1,748,362
2022	22,570,000	935,000	817,863	1,752,863
2023	21,635,000	980,000	769,987	1,749,987
2024	20,655,000	1,030,000	719,738	1,749,738
2025	19,625,000	1,085,000	666,862	1,751,862
2026	18,540,000	1,140,000	611,238	1,751,238
2027	17,400,000	1,195,000	552,863	1,747,863
2028	16,205,000	1,250,000	497,987	1,747,987
2029	14,955,000	1,295,000	453,563	1,748,563
2030	13,660,000	1,335,000	414,112	1,749,112
2031	12,325,000	1,375,000	373,463	1,748,463
2032	10,950,000	1,420,000	331,538	1,751,538
2033	9,530,000	1,465,000	287,347	1,752,347
2034	8,065,000	1,510,000	240,862	1,750,862
2035	6,555,000	1,560,000	191,918	1,751,918
2036	4,995,000	1,610,000	140,406	1,750,406
2037	3,385,000	1,665,000	86,147	1,751,147
2038	1,720,000	1,720,000	29,025	1,749,025
Total		<u>\$ 24,300,000</u>	<u>\$ 8,954,894</u>	<u>\$ 33,254,894</u>
Annual Average Requirements		<u>\$ 1,278,947</u>	<u>\$ 471,310</u>	<u>\$ 1,750,258</u>

General Information

General Information
September 30, 2019
City of Plainview, Texas



PLAINVIEW, TX
explore the opportunities

	2010	2011	2012	2013
Governmental activities				
Invested in capital assets, net of related debt	\$ 8,878,102	\$ 8,917,698	\$ 8,858,640	\$ 8,755,160
Restricted	708,954	719,471	809,694	736,423
Unrestricted	18,120,254	19,206,004	19,692,463	20,103,431
Total governmental activities net position	<u>\$ 27,707,310</u>	<u>\$ 28,843,173</u>	<u>\$ 29,360,797</u>	<u>\$ 29,595,014</u>
Business-type activities				
Invested in capital assets, net of related debt	\$ 19,454,647	\$ 19,250,791	\$ 19,844,796	\$ 21,674,455
Restricted	295,291	457,277	725,569	727,406
Unrestricted	11,878,515	13,940,331	15,460,905	14,123,242
Total business-type activities net position	<u>\$ 31,628,453</u>	<u>\$ 33,648,399</u>	<u>\$ 36,031,270</u>	<u>\$ 36,525,103</u>
Primary government				
Invested in capital assets, net of related debt	\$ 28,332,749	\$ 28,168,489	\$ 28,703,436	\$ 30,429,615
Restricted	1,004,245	1,176,748	1,535,263	1,463,829
Unrestricted	29,998,769	33,146,335	35,153,368	34,226,673
Total primary government net position	<u>\$ 59,335,763</u>	<u>\$ 62,491,572</u>	<u>\$ 65,392,067</u>	<u>\$ 66,120,117</u>

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

2014	2015	2016	2017	2018	2019
\$ 8,037,890	\$ 10,764,547	\$ 10,754,667	\$ 10,735,240	\$ 10,196,013	\$ 13,917,508
765,977	964,089	914,026	1,017,466	1,224,335	1,303,430
21,609,705	12,164,955	11,734,783	10,757,127	10,667,072	11,977,075
<u>\$ 30,413,572</u>	<u>\$ 23,893,591</u>	<u>\$ 23,403,476</u>	<u>\$ 22,509,833</u>	<u>\$ 22,087,420</u>	<u>\$ 27,198,013</u>
\$ 22,103,566	\$ 23,864,986	\$ 24,616,459	\$ 25,487,563	\$ 26,244,497	\$ 27,022,918
729,431	731,602	733,968	736,505	739,263	742,263
14,452,916	13,319,932	13,186,299	13,942,653	15,715,511	16,235,372
<u>\$ 37,285,913</u>	<u>\$ 37,916,520</u>	<u>\$ 38,536,726</u>	<u>\$ 40,166,721</u>	<u>\$ 42,699,271</u>	<u>\$ 44,000,553</u>
\$ 30,141,456	\$ 34,629,533	\$ 35,371,126	\$ 36,222,803	\$ 36,440,510	\$ 40,940,426
1,495,408	1,695,691	1,647,994	1,753,971	1,963,598	2,045,693
36,062,621	25,484,887	24,921,082	24,699,780	26,382,583	28,212,447
<u>\$ 67,699,485</u>	<u>\$ 61,810,111</u>	<u>\$ 61,940,202</u>	<u>\$ 62,676,554</u>	<u>\$ 64,786,691</u>	<u>\$ 71,198,566</u>

	2010	2011	2012	2013
Expenses				
Governmental activities				
General government	\$ 1,966,824	\$ 1,762,080	\$ 1,663,084	\$ 2,216,373
Public safety	6,498,010	6,857,257	7,195,991	7,222,195
Public works	1,200,917	965,223	1,417,063	1,139,508
Health	400,138	458,362	415,163	620,373
Recreation and culture	1,148,095	1,260,092	1,198,777	1,215,322
Interest on long-term debt	-	-	-	-
Total government activities expenses	<u>11,213,984</u>	<u>11,303,014</u>	<u>11,890,078</u>	<u>12,413,771</u>
Business-type activities				
Solid waste management	2,520,166	2,573,083	2,416,578	2,556,595
Water and sewer	5,226,035	5,634,722	6,087,341	6,169,041
Theatre arts	37,434	39,255	37,899	33,725
Total business-type activities expenses	<u>7,783,635</u>	<u>8,247,060</u>	<u>8,541,818</u>	<u>8,759,361</u>
Total primary government expenses	<u>\$ 18,997,619</u>	<u>\$ 19,550,074</u>	<u>\$ 20,431,896</u>	<u>\$ 21,173,132</u>
Program revenues				
Governmental activities				
Charges for services				
General government	\$ 260,553	\$ 479,984	\$ 400,227	\$ 410,689
Public safety	660,570	546,086	444,024	527,576
Public works	-	-	-	-
Health	139,729	147,724	141,787	122,711
Recreation and culture	54,859	44,073	45,166	45,071
Operating grants and contributions	499,170	400,536	361,486	284,691
Capital grants and contributions	146,896	240,810	283,519	35,000
Total governmental activities program revenues	<u>1,761,777</u>	<u>1,859,213</u>	<u>1,676,209</u>	<u>1,425,738</u>
Business-type activities				
Charges for services				
Solid waste management	2,999,883	2,905,358	3,101,968	2,975,870
Water and sewer	6,097,265	7,615,276	7,920,904	6,972,714
Theatre arts	22,697	21,163	9,940	7,106
Operating grants and contributions	-	-	-	-
Capital grants and contributions	58,000	-	128,755	242,851
Total business-type activities program revenues	<u>9,177,845</u>	<u>10,541,797</u>	<u>11,161,567</u>	<u>10,198,541</u>
Total primary government program revenues	<u>\$ 10,939,622</u>	<u>\$ 12,401,010</u>	<u>\$ 12,837,776</u>	<u>\$ 11,624,279</u>

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

2014	2015	2016	2017	2018	2019
\$ 1,741,234	\$ 2,257,021	\$ 2,602,622	\$ 2,975,247	\$ 4,148,443	\$ 3,103,742
7,259,542	8,168,151	8,470,261	8,320,861	7,596,988	8,726,259
1,050,131	1,008,914	1,640,759	1,570,443	1,738,861	1,287,308
525,068	413,803	390,773	384,885	302,667	401,879
1,315,218	1,219,629	1,286,453	1,210,356	1,240,301	1,322,898
-	-	-	-	-	1,087,353
<u>11,891,193</u>	<u>13,067,518</u>	<u>14,390,868</u>	<u>14,461,792</u>	<u>15,027,260</u>	<u>15,929,439</u>
2,417,951	2,506,886	2,522,679	2,552,045	2,422,215	2,739,319
6,765,124	6,363,440	6,901,668	6,308,099	6,032,438	6,364,527
46,169	36,512	68,218	48,287	52,829	70,021
<u>9,229,244</u>	<u>8,906,838</u>	<u>9,492,565</u>	<u>8,908,431</u>	<u>8,507,482</u>	<u>9,173,867</u>
<u>\$ 21,120,437</u>	<u>\$ 21,974,356</u>	<u>\$ 23,883,433</u>	<u>\$ 23,370,223</u>	<u>\$ 23,534,742</u>	<u>\$ 25,103,306</u>
\$ 426,245	\$ 531,021	\$ 542,690	\$ 435,472	\$ 426,756	\$ 311,797
581,150	466,488	674,344	598,411	737,678	550,735
-	-	-	-	-	-
119,701	139,614	118,595	138,875	122,218	130,079
46,425	51,323	52,313	50,703	27,998	27,473
271,801	529,894	553,279	544,817	271,468	277,343
19,591	2,091,336	17,314	1,041	1,232,716	9,799
<u>1,464,913</u>	<u>3,809,676</u>	<u>1,958,535</u>	<u>1,769,319</u>	<u>2,818,834</u>	<u>1,307,226</u>
2,949,538	3,195,607	3,037,505	3,192,195	3,193,165	3,229,749
7,538,997	7,217,371	7,271,527	7,622,606	7,909,052	7,768,103
7,781	10,817	11,937	12,063	15,700	14,808
-	12,599	-	-	-	59,976
84,220	233,093	-	-	-	-
<u>10,580,536</u>	<u>10,669,487</u>	<u>10,320,969</u>	<u>10,826,864</u>	<u>11,117,917</u>	<u>11,072,636</u>
<u>\$ 12,045,449</u>	<u>\$ 14,479,163</u>	<u>\$ 12,279,504</u>	<u>\$ 12,596,183</u>	<u>\$ 13,936,751</u>	<u>\$ 12,379,862</u>

	2010	2011	2012	2013
Net (expenses) / revenues				
Governmental activities	\$ (9,452,207)	\$ (9,443,801)	\$ (10,213,869)	\$ (10,988,033)
Business-type activities	1,394,210	2,294,737	2,619,749	1,439,180
Total primary government net expense	<u>\$ (8,057,997)</u>	<u>\$ (7,149,064)</u>	<u>\$ (7,594,120)</u>	<u>\$ (9,548,853)</u>
General revenues and other changes in net position				
Governmental activities				
Taxes				
Property taxes	\$ 4,121,886	\$ 4,269,904	\$ 4,286,822	\$ 4,377,687
Sales taxes	3,533,785	3,688,408	3,790,688	3,829,054
Franchise taxes	1,393,606	1,397,897	1,347,673	1,344,875
Penalty and interest	75,093	75,788	86,664	83,552
Other taxes	296,271	318,044	341,798	349,135
Contribution not restricted for specific program	-	-	-	-
Miscellaneous	107,740	70,018	137,196	328,539
Investment earnings	203,399	144,265	104,558	46,805
Special item	-	32,687	56,284	-
Gain on sale of capital assets	-	-	-	-
Transfers	428,343	605,683	579,810	862,603
Total governmental activities	<u>10,160,123</u>	<u>10,602,694</u>	<u>10,731,493</u>	<u>11,222,250</u>
Business-type activities				
Investment earnings	228,396	113,624	87,932	53,593
Miscellaneous	119,542	217,268	136,938	79,585
Special and extraordinary items	-	-	118,062	-
Gain on sale of capital assets	-	-	-	-
Transfers	(428,343)	(605,683)	(579,810)	(862,603)
Total business-type activities	<u>(80,405)</u>	<u>(274,791)</u>	<u>(236,878)</u>	<u>(729,425)</u>
Total primary government	<u>\$ 10,079,718</u>	<u>\$ 10,327,903</u>	<u>\$ 10,494,615</u>	<u>\$ 10,492,825</u>
Change in net position				
Governmental activities	\$ 707,916	\$ 1,158,893	\$ 517,624	\$ 234,217
Business-type activities	1,313,805	2,019,946	2,382,871	709,755
Total primary government	<u>\$ 2,021,721</u>	<u>\$ 3,178,839</u>	<u>\$ 2,900,495</u>	<u>\$ 943,972</u>

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

2014	2015	2016	2017	2018	2019
\$ (10,426,280)	\$ (9,257,842)	\$ (12,432,333)	\$ (12,692,473)	\$ (12,208,426)	\$ (14,622,213)
1,351,292	1,762,649	828,404	1,918,433	2,610,435	1,898,769
<u>\$ (9,074,988)</u>	<u>\$ (7,495,193)</u>	<u>\$ (11,603,929)</u>	<u>\$ (10,774,040)</u>	<u>\$ (9,597,991)</u>	<u>\$ (12,723,444)</u>
\$ 4,662,566	\$ 4,645,789	\$ 4,966,991	\$ 5,398,266	\$ 5,329,657	\$ 7,313,848
3,864,922	4,237,638	4,180,786	4,096,627	4,052,315	4,270,560
1,463,657	1,425,060	1,300,049	1,354,941	1,364,528	1,285,790
91,107	77,588	75,004	84,963	75,327	98,006
325,207	434,508	439,039	397,059	375,810	389,837
-	-	-	-	-	3,000,000
145,607	140,649	293,360	262,346	1,499,604	862,508
37,069	42,615	85,669	242,204	601,309	1,322,777
-	-	-	-	-	-
-	-	-	126,800	-	-
654,703	521,117	601,320	(164,376)	(1,360,808)	1,189,480
<u>11,244,838</u>	<u>11,524,964</u>	<u>11,942,218</u>	<u>11,798,830</u>	<u>11,937,742</u>	<u>19,732,806</u>
38,149	41,928	65,402	187,816	347,270	486,732
76,691	48,435	253,710	126,135	206,862	105,261
-	-	-	-	-	-
(50,619)	36,232	74,010	61,816	-	-
(654,703)	(521,117)	(601,320)	(664,205)	(632,017)	(1,189,480)
<u>(590,482)</u>	<u>(394,522)</u>	<u>(208,198)</u>	<u>(288,438)</u>	<u>(77,885)</u>	<u>(597,487)</u>
<u>\$ 10,654,356</u>	<u>\$ 11,130,442</u>	<u>\$ 11,734,020</u>	<u>\$ 11,510,392</u>	<u>\$ 11,859,857</u>	<u>\$ 19,135,319</u>
\$ 818,558	\$ 2,267,122	\$ (490,115)	\$ (893,643)	\$ (270,684)	\$ 5,110,593
760,810	1,368,127	620,206	1,629,995	2,532,550	1,301,282
<u>\$ 1,579,368</u>	<u>\$ 3,635,249</u>	<u>\$ 130,091</u>	<u>\$ 736,352</u>	<u>\$ 2,261,866</u>	<u>\$ 6,411,875</u>

	2010	2011	2012	2013
General fund				
Nonspendable	\$ 40,223	\$ 42,453	\$ 42,022	\$ 38,470
Assigned	2,598,099	2,917,945	2,984,676	2,796,741
Unassigned	9,869,544	10,780,206	11,544,224	11,924,496
Total general fund	<u>\$ 12,507,866</u>	<u>\$ 13,740,604</u>	<u>\$ 14,570,922</u>	<u>\$ 14,759,707</u>
Capital Projects Fund				
Restricted	\$ -	\$ -	\$ -	\$ -
Total Capital Projects Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Debt Service Fund				
Restricted	\$ -	\$ -	\$ -	\$ -
Unassigned				
Total Debt Service Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
All other governmental funds				
Restricted	\$ -	\$ -	\$ -	\$ -
Restricted, reported in				
Special revenue funds:				
Hotel occupancy tax fund	434,157	483,846	568,494	539,048
Revolving loan fund	114,758	115,501	116,351	45,882
Police seizure funds	58,938	34,343	55,385	66,298
RSVP fund	-	-	-	-
Court security fee fund	48,875	33,787	40,304	46,432
Court technology fee fund	52,226	51,994	29,160	37,605
TLSAC library grant fund	-	-	-	-
Home program grant fund	-	-	-	-
PEG fund	-	-	-	1,158
JAG law enforcement grant funds	-	-	-	-
Downtown TIRZ fund	-	-	-	-
EDA P/W financial assistance grant fund	-	-	-	-
Assigned for Travis Trussell Duck Pond	-	-	-	-
Total all other governmental funds	<u>\$ 708,954</u>	<u>\$ 719,471</u>	<u>\$ 809,694</u>	<u>\$ 736,423</u>

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

2014	2015	2016	2017	2018	2019
\$ 48,866	\$ 48,094	\$ 48,915	\$ 48,251	\$ 41,077	\$ 53,446
3,115,950	2,977,612	2,927,235	2,429,905	1,992,016	2,618,575
12,569,280	12,950,647	12,868,321	13,408,503	13,397,746	13,600,600
<u>\$ 15,734,096</u>	<u>\$ 15,976,353</u>	<u>\$ 15,844,471</u>	<u>\$ 15,886,659</u>	<u>\$ 15,430,839</u>	<u>\$ 16,272,621</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,232,339</u>	<u>\$ 23,830,925</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,232,339</u>	<u>\$ 23,830,925</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,439</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,439</u>	<u>\$ (9,759)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
625,654	809,024	725,437	808,438	816,937	840,275
-	-	-	-	-	-
65,203	49,446	42,262	16,743	3,583	1,559
-	-	-	-	-	-
15,052	23,032	27,730	33,662	39,185	47,267
47,737	30,781	36,095	36,751	45,655	56,414
-	-	-	-	-	-
-	-	-	-	-	-
12,331	51,806	82,502	121,872	161,536	203,890
-	-	-	-	-	-
-	-	-	-	150,000	154,025
-	-	-	-	-	-
-	-	140,000	69,945	-	-
<u>\$ 765,977</u>	<u>\$ 964,089</u>	<u>\$ 1,054,026</u>	<u>\$ 1,087,411</u>	<u>\$ 1,216,896</u>	<u>\$ 1,303,430</u>

	2010	2011	2012	2013
Revenues				
Taxes (see Schedule 5)	\$ 9,417,000	\$ 9,736,285	\$ 9,900,447	\$ 9,992,489
Licenses and permits	53,328	93,757	81,473	65,776
Intergovernmental	618,872	387,245	351,219	273,780
Charges for services	654,049	732,318	627,144	614,684
Fines	402,484	387,513	314,082	341,591
Investment earnings	154,808	108,277	79,479	46,805
Rents and Royalties	360	360	360	360
Contributions and donations	15,234	13,291	10,267	45,911
Other revenues	58,472	70,018	137,196	328,539
Total revenues	<u>11,374,607</u>	<u>11,529,064</u>	<u>11,501,667</u>	<u>11,709,935</u>
Expenditures				
General Government	1,836,624	1,649,313	1,530,785	2,114,446
Public safety	6,062,813	6,389,636	6,696,344	6,893,442
Public works	904,783	662,859	1,142,860	897,896
Health	389,144	419,261	405,574	377,067
Recreation and Culture	995,397	1,085,960	1,030,000	1,047,655
Debt Service				
Principal	-	-	-	-
Interest and other fees	-	-	-	-
Capital outlay	291,537	521,325	357,832	86,867
Total expenditures	<u>10,480,298</u>	<u>10,728,354</u>	<u>11,163,395</u>	<u>11,417,373</u>
Excess of revenues over (under) expenditures	<u>894,309</u>	<u>800,710</u>	<u>338,272</u>	<u>292,562</u>
Other financing sources (uses)				
Bond proceeds	-	-	-	-
Premium from bond issuance	-	-	-	-
Transfers in	1,017,904	1,395,280	785,769	563,932
Transfers out	(808,061)	(952,735)	(203,500)	(740,980)
Total other financing sources (uses)	<u>209,843</u>	<u>442,545</u>	<u>582,269</u>	<u>(177,048)</u>
Net change in fund balances	<u>\$ 1,104,152</u>	<u>\$ 1,243,255</u>	<u>\$ 920,541</u>	<u>\$ 115,514</u>
Debt service as a percentage of noncapital expenditures	0%	0%	0%	0%

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

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$ 10,397,981	\$ 10,848,506	\$ 10,948,970	\$ 11,317,925	\$ 11,202,837	\$ 13,293,964
76,469	121,432	101,180	90,856	85,562	69,980
258,428	523,038	546,224	537,852	1,331,738	267,196
734,498	646,425	835,382	817,081	882,141	698,805
360,889	415,641	447,081	357,131	346,947	388,412
37,069	42,615	85,669	185,331	601,309	1,164,342
360	500	500	525	500	500
18,873	37,906	9,461	6,963	80,638	19,947
187,107	134,149	143,434	264,688	83,993	49,416
<u>12,071,674</u>	<u>12,770,212</u>	<u>13,117,901</u>	<u>13,578,352</u>	<u>14,615,665</u>	<u>15,952,562</u>
1,733,808	2,330,382	2,500,788	2,874,277	4,474,181	2,950,096
7,095,090	7,431,026	7,638,660	7,720,813	7,947,987	7,791,960
801,562	684,113	1,039,615	1,241,287	1,036,857	900,554
369,804	401,300	379,824	407,333	381,364	396,049
1,146,519	1,054,980	1,111,519	1,090,193	1,246,102	1,157,596
-	-	-	-	-	450,000
-	-	-	-	-	1,299,404
167,276	1,112,492	989,521	738,717	672,301	2,272,588
<u>11,314,059</u>	<u>13,014,293</u>	<u>13,659,927</u>	<u>14,072,620</u>	<u>15,758,792</u>	<u>17,218,247</u>
<u>757,615</u>	<u>(244,081)</u>	<u>(542,026)</u>	<u>(494,268)</u>	<u>(1,143,127)</u>	<u>(1,265,685)</u>
-	-	-	-	24,750,000	-
-	-	-	-	742,063	-
790,857	745,450	780,698	635,878	853,274	1,125,562
(544,529)	(61,000)	(280,617)	(66,037)	(288,767)	(350,173)
<u>246,328</u>	<u>684,450</u>	<u>500,081</u>	<u>569,841</u>	<u>26,056,570</u>	<u>775,389</u>
<u>\$ 1,003,943</u>	<u>\$ 440,369</u>	<u>\$ (41,945)</u>	<u>\$ 75,573</u>	<u>\$ 24,913,443</u>	<u>\$ (490,296)</u>
0%	0%	0%	0%	0%	11.705%

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

Fiscal Year	Property	Sales & Use	Franchise	Occupancy	Mixed Beverage	Interest and Penalty	Total
2010	\$ 4,118,245	\$ 3,533,785	\$ 1,393,606	\$ 263,933	\$ 32,338	\$ 75,093	\$ 9,417,000
2011	4,256,148	3,688,408	1,397,897	282,670	35,374	75,788	9,736,285
2012	4,333,624	3,790,688	1,347,673	311,718	30,080	86,664	9,900,447
2013	4,385,873	3,829,054	1,344,875	321,718	27,417	83,552	9,992,489
2014	4,653,088	3,864,922	1,463,657	296,899	28,308	91,107	10,397,981
2015	4,673,712	4,237,638	1,425,060	391,324	43,184	77,588	10,848,506
2016	4,954,092	4,180,786	1,300,049	406,734	32,305	75,004	10,948,970
2017	5,384,335	4,096,627	1,354,941	358,356	38,703	84,963	11,317,925
2018	5,334,857	4,052,315	1,364,528	346,078	29,732	75,327	11,202,837
2019	7,249,771	4,270,560	1,285,790	352,323	37,514	98,006	13,293,964
Percent Change							
2010-2019	76.04%	20.85%	-7.74%	33.49%	16.01%	30.51%	41.17%

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

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2010	\$ 535,517,490	\$ 191,231,337	\$ 112,155,171	\$ 112,877,410	\$ 726,026,588	0.5685
2011	553,758,570	194,864,064	110,147,649	120,318,815	738,451,468	0.5785
2012	562,212,709	203,686,243	107,244,019	124,849,328	748,293,643	0.5785
2013	573,318,449	202,986,230	109,325,033	128,471,037	757,158,675	0.5785
2014	575,850,019	209,670,673	96,690,063	128,572,126	753,638,629	0.6185
2015	580,460,871	225,574,773	97,012,823	131,372,562	771,675,905	0.6038
2016	597,215,014	233,512,357	100,895,044	140,666,810	790,955,605	0.6288
2017	617,213,425	251,995,782	137,616,180	146,493,021	860,332,366	0.6288
2018	625,609,457	258,140,533	125,971,290	148,727,007	860,994,273	0.6312
2019	636,118,514	266,393,784	121,523,202	152,814,672	871,220,828	0.8318

Source: Hale County Appraisal District.

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

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

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

	City Direct Rates			Overlapping Rates		
	Operating & Maintenance	General Obligation Debt Service	Total Direct Rate	Plainview Independent School District	High Plains Water District	Hale County
2010	0.5685	-	0.5685	1.0400	0.00794	0.492100
2011	0.5785	-	0.5785	1.0400	0.00785	0.492100
2012	0.5785	-	0.5785	1.0400	0.00776	0.492100
2013	0.5785	-	0.5785	1.0400	0.00754	0.492100
2014	0.6185	-	0.6185	1.0400	0.00810	0.492100
2015	0.6038	-	0.6038	1.0400	0.00826	0.492100
2016	0.6288	-	0.6288	1.0400	0.00826	0.492100
2017	0.6288	-	0.6288	1.1700	0.00750	0.507900
2018	0.6312	-	0.6312	1.1700	0.00690	0.595500
2019	0.6312	0.20060	0.8318	1.1700	0.00670	0.595500

Source: Hale County Appraisal District

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

	2019			2010		
	Taxable	Rank	Percent of	Taxable	Rank	Percent of
	Assessed Value		Taxable Assessed Value	Assessed Value		Taxable Assessed Value
Wal-Mart - Inventory	\$ 85,321,910	1	9.79	\$ 85,887,360	1	11.83
Nextera Energy Constructors	16,326,640	2	1.87			
Wal-Mart Distribution	13,556,230	3	1.56	14,344,280	2	1.98
Xcel Energy	11,991,002	4	1.38	4,617,902	6	0.64
Higher Power Electrical	10,921,316	5	1.25			
Wal-Mart Stores	7,980,760	6	0.92	8,026,270	4	1.11
BNSF Railway	7,805,626	7	0.90	3,867,926	7	0.53
Atmos Energy	7,014,410	8	0.81			
Reagor Dykes Auto Company	6,122,237	9	0.70			
Chromatin, Inc.	5,597,176	10	0.64			
Acher Daniels Midland				9,652,011	3	1.33
Wal-Mart Stores - Inventory				7,332,291	5	1.01
Southwestern Bell				3,867,217	8	0.53
Stonegate Center				3,540,405	9	0.49
United Supermarkets				3,500,361	10	0.48
Total	<u>\$ 172,637,307</u>		<u>19.82</u>	<u>\$ 144,636,023</u>		<u>19.93</u>

Source: Hale County Appraisal District

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

Fiscal Year Ended Sept 30	Taxes Levied for the Fiscal Year	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
2010	\$ 4,127,462	\$ (6,944)	\$ 4,120,518	\$ 4,022,367	97.45	\$ 91,627	\$ 4,113,994	99.84
2011	4,271,943	(6,378)	4,265,565	4,162,047	97.43	96,884	4,258,931	99.84
2012	4,328,879	(12,133)	4,316,746	4,217,584	97.43	90,347	4,307,931	99.80
2013	4,380,163	(7,117)	4,373,046	4,274,369	97.58	87,196	4,361,565	99.74
2014	4,661,548	(5,072)	4,656,476	4,546,796	97.54	96,540	4,643,336	99.72
2015	4,659,380	(10,561)	4,648,819	4,560,197	97.87	71,549	4,631,746	99.63
2016	4,973,529	(7,317)	4,966,212	4,870,575	97.93	69,240	4,939,815	99.47
2017	5,409,770	(8,268)	5,401,502	5,298,547	97.94	60,555	5,359,102	99.22
2018	5,434,669	(96,086)	5,338,583	5,273,337	97.03	6,536	5,279,873	98.90
2019	7,246,814	(7,670)	7,239,144	7,083,494	97.75		7,083,494	97.85

Source: Hale County Appraisal District

City of Plainview, Texas

Ratios of Outstanding Debt by Type (Schedule 10) Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Business-type Activities					Percentage of Personal Income	Per Capita
	General Obligation Bonds	Certificates of Obligation Bonds		General		Water Authority Indebtedness	Total Primary Government			
				Certificates of Obligation Bonds	Obligation Refunding Bonds					
2010	\$ -	\$ -	-	\$ 1,155,000	\$ 6,720,000	\$ 6,379,585	\$ 14,254,585	1.38%	\$ 642	
2011	-	-	-	9,625,000	6,180,000	6,062,818	21,867,818	2.13%	985	
2012	-	-	-	9,330,000	5,635,000	8,713,148	23,678,148	2.26%	1,067	
2013	-	-	-	8,740,000	5,075,000	8,123,989	21,938,989	2.07%	988	
2014	-	-	-	8,120,000	4,505,000	7,654,326	20,279,326	1.88%	914	
2015	-	-	-	7,495,000	3,920,000	6,984,518	18,399,518	1.71%	829	
2016	-	-	-	7,100,000	3,320,000	6,499,573	16,919,573	1.54%	762	
2017	-	-	-	6,705,000	2,700,000	5,998,769	15,403,769	1.42%	694	
2018	24,750,000	-	-	6,295,000	2,060,000	5,339,642	38,444,642	3.52%	1,732	
2019	24,300,000	-	-	5,865,000	1,400,000	4,846,623	36,411,623	n/a	1,641	

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.

Personal income data for fiscal year 2019 is unavailable.

See Schedule of Demographic and Economic Statistics for Population data.

City of Plainview, Texas
Ratios of General Bonded Debt Outstanding (Schedule 11)
Last Ten Fiscal Years

Fiscal Year	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Certificates of Obligation Bonds	Total		
2010	\$ -	\$ -	\$ -	-	\$ -
2011	-	-	-	-	-
2012	-	-	-	-	-
2013	-	-	-	-	-
2014	-	-	-	-	-
2015	-	-	-	-	-
2016	-	-	-	-	-
2017	-	-	-	-	-
2018	24,750,000	-	24,750,000	2.87%	1,115.17
2019	24,300,000	-	24,300,000	2.79%	1,094.89

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

See Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.

See Schedule of Demographic and Economic Statistics for Population data.

City of Plainview, Texas
Direct and Overlapping Governmental Activities Debt (Schedule 12)
September 30, 2019

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Debt repaid with property taxes			
Plainview Independent School District	\$ -	70.25 %	\$ -
County of Hale	1,675,000	41.71	698,643
Other debt			
Plainview Independent School District	173,133	70.25	121,626
County of Hale	-	41.71	-
Subtotal overlapping debt			820,268
City direct debt			24,300,000
Total direct and overlapping debt			<u>\$ 25,120,268</u>

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

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

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

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			
				Principal	Interest					Principal	Interest				
2010	\$ 6,193,488	\$ 4,192,542	\$ 2,000,946	\$ 605,000	\$ 325,464	2.15	\$ 3,125,995	\$ 1,887,998	\$ 1,237,997	\$ 205,000	\$ 44,012	4.97			
2011	7,706,153	4,527,963	3,178,190	540,000	183,806	4.39	3,031,524	1,905,573	1,125,951	215,000	36,662	4.47			
2012	7,964,800	4,915,329	3,049,471	615,000	724,655	2.28	3,194,854	1,757,067	1,437,787	225,000	28,963	5.66			
2013	7,226,537	5,165,632	2,060,905	920,000	436,261	1.52	3,044,358	1,892,207	1,152,151	230,000	21,000	4.59			
2014	7,555,713	5,712,418	1,843,295	950,000	413,149	1.35	3,008,243	1,847,416	1,160,827	240,000	12,775	4.59			
2015	7,231,495	5,227,740	2,003,755	965,000	388,024	1.48	3,229,419	1,889,468	1,339,951	245,000	4,288	5.38			
2016	7,476,677	5,839,667	1,637,010	995,000	360,836	1.21	3,086,065	1,966,406	1,119,659	-	-	-			
2017	7,699,906	5,353,050	2,346,856	1,015,000	331,436	1.74	3,238,085	1,991,372	1,246,713	-	-	-			
2018	7,947,247	5,301,363	2,645,884	1,050,000	299,661	1.96	3,243,963	1,971,447	1,272,516	-	-	-			
2019	7,818,834	5,329,099	2,489,735	1,090,000	265,111	1.84	3,267,170	2,103,181	1,163,989	-	-	-			

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

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

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

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

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

Calendar Year	City Population	County Population	County Personal Income	County Per Capita Personal Income	School Enrollment	County Unemployment Rate
2010	22,194	36,273	\$ 1,033,528,000	\$ 28,493	5,842	7.1%
2011	22,194	36,273	1,026,334,000	28,295	5,780	7.4%
2012	22,194	36,273	1,048,790,000	28,914	5,801	6.6%
2013	22,194	36,273	1,058,817,000	29,190	5,522	11.0%
2014	22,194	36,273	1,081,292,000	29,810	5,559	6.3%
2015	22,194	36,273	1,077,771,000	29,713	5,659	5.4%
2016	22,194	36,273	1,098,512,000	30,285	5,586	5.3%
2017	22,194	36,273	1,084,701,000	29,904	5,519	4.1%
2018	22,194	36,273	1,091,460,000	30,090	5,352	4.4%
2019	22,194	36,273	N/A	N/A	5,203	4.0%

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 2019 is unavailable.

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

2010	2011	2012	2013
Azteca Milling Cargill Meat Solutions Central Plains MHMR Center City of Plainview Covenant Hospital Plainview Independent School District Texas Department of Criminal Justice United Supermarkets Wal-Mart Associates Wayland Baptist University	Azteca Milling Cargill Meat Solutions Central Plains MHMR Center City of Plainview Covenant Hospital Plainview Independent School District Texas Department of Criminal Justice United Supermarkets Wal-Mart Associates Wayland Baptist University	Azteca Milling Cargill Meat Solutions Central Plains MHMR Center City of Plainview Covenant Hospital Plainview Independent School District Texas Department of Criminal Justice United Supermarkets Wal-Mart Associates Wayland Baptist University	Azteca Milling Central Plains MHMR Center City of Plainview Covenant Hospital Hale County Plainview Independent School District Texas Department of Criminal Justice United Supermarkets Wal-Mart Associates Wayland Baptist University
2014	2015	2016	2017
Azteca Milling Central Plains MHMR Center City of Plainview Covenant Hospital Hale County Plainview Independent School District Texas Department of Criminal Justice United Supermarkets Wal-Mart Associates Wayland Baptist University	Azteca Milling Central Plains MHMR Center City of Plainview Covenant Hospital Hale County Plainview Independent School District Texas Department of Criminal Justice United Supermarkets Wal-Mart Associates Wayland Baptist University	Azteca Milling Central Plains MHMR Center City of Plainview Covenant Hospital Hale County Plainview Independent School District Texas Department of Criminal Justice United Supermarkets Wal-Mart Associates Wayland Baptist University	Azteca Milling Central Plains MHMR Center City of Plainview Covenant Hospital Hale County Plainview Independent School District Texas Department of Criminal Justice United Supermarkets Wal-Mart Associates Wayland Baptist University
2018	2019		
Azteca Milling Central Plains MHMR Center City of Plainview Covenant Hospital Hale County Plainview Independent School District Texas Department of Criminal Justice United Supermarkets Wal-Mart Associates Wayland Baptist University	Azteca Milling Central Plains MHMR Center City of Plainview Covenant Hospital Hale County Plainview Independent School District Texas Department of Criminal Justice United Supermarkets Wal-Mart Associates Wayland Baptist University		

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

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



PLAINVIEW, TX
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Last Ten Fiscal Years

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City of Plainview, Texas

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

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Convention and Tourism	1	1	1	1	1	0	1	1	1	1
Solid Waste Management										
Collection	11	11	11	11	11	11	11	11	11	11
Landfill	8	8	8	8	8	8	8	8	8	8
Recycling	1	1	1	1	1	1	1	1	1	1
Vector Mowing	1	1	1	1	1	1	1	1	1	1
Vector Spraying	1	1	1	1	1	1	1	1	1	1
Water & Sewer										
Non-Departmental										
Utility Accounting	6	6	6	6	6	6	6	6	6	6
Meter Services	3	3	3	3	3	3	3	3	3	3
Water Production	7	7	7	7	7	7	7	8	7	7
Wastewater Treatment	5	5	5	5	5	5	5	4	4	4
Water Distribution	6	6	6	6	6	6	6	6	6	6
Water Collection	3	3	3	3	3	3	3	3	3	3
Fleet Services	4	4	4	3	3	3	3	3	2	2
Theatre Arts										
Total	199	197	199	196	195	194	194	195	194	193

Source: City of Plainview Annual Budget Personnel Summary

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

Last Ten Years

[illegible]

City of Plainview, Texas

Operating Indicators by Function/Program (Schedule 17)

Last Ten Years

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	24	24	21	23	23	22	22	22	23	23
Staff and detective units, SWAT Van	13	14	16	14	14	16	16	16	17	17
Fire/EMS										
Stations	3	3	3	3	3	3	3	3	3	3
Ambulances	4	4	4	4	4	4	4	4	4	4
Public works										
Paved streets (miles)	137	137	137	137	137	138	138	138	138	138
Streetlights	1,357	1,358	1,356	1,356	1,356	1,356	1,356	1,358	1,360	1,360
Traffic signals - City	7	7	7	7	7	7	7	7	7	7
Traffic signals - State	16	16	17	18	18	18	18	18	18	18
Recreation and culture										
Parks										
Developed parks acreage	286	286	286	286	286	286	286	286	286	286
Open spaces acreage	301	301	301	301	301	301	301	301	301	301
Playgrounds	14	14	14	14	14	14	14	14	14	14
Baseball/softball diamonds	21	21	21	21	21	21	21	21	21	21
Football/soccer fields	3	3	3	3	3	3	3	3	3	3
Skatepark										
Multi-purpose athletic courts	6	6	6	6	6	6	6	6	6	6
Community centers, pavilions, covered	7	7	7	26	26	26	29	29	30	30
Fitness center								1	1	1
Library										
Internet access workstations	15	15	15	15	15	15	15	15	14	14

Last Ten Years

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City of Plainview, Texas

Capital Asset Statistics by Function/Program (Schedule 18)

Last Ten Years

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Solid waste management										
Residential collection trucks	3	3	3	3	3	3	3	3	3	3
Commercial collection trucks	2	2	2	2	2	2	2	2	2	3
Recyclables collection trucks	2	2	2	2	2	2	2	2	2	2
Landfill remaining capacity										
(thousands of cubic yards)	10,495	10,303	10,216	10,136	10,051	9,975	10,163	10,101	9,780	9,716
Water										
Water mains (miles)	208	208	197	197	197	197	201	201	202	203
Fire hydrants	731	736	736	744	744	744	747	752	759	761
Storage capacity (thousands of gallons)	7,590	7,590	7,590	9,590	8,340	8,200	8,200	8,200	8,200	8,200
Wastewater										
Collection lines (miles)	164	164	164	164	164	164	164	164	164	164
Treatment capacity										
(thousands of gallons per day)	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300

Sources: Various city departments

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



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**Compliance and Internal
Control**



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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Plainview, Texas (the City) as of and for the year ended September 30, 2019, 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 17, 2020.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

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

Plainview, Texas
March 17, 2020

Section I - Summary of Auditor's Results

FINANCIAL STATEMENTS

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

Section II – Financial Statement Findings

The audit disclosed no findings required to be reported.



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