City of Plainview, Texas Comprehensive Annual Financial Report

PLAINVIEW, TX
explore the opportunities

For the Fiscal Year Ended
September 30, 2014

PLAINVIEW, TX

explore the opportunities

ANNUAL FINANCIAL REPORT

YEAR ENDED SEPTEMBER 30, 2014

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Year Ended September 30, 2014
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PLAINVIEW, TX

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Introductory Section

PLAINVIEW, TX
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March 2, 2015

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, 2014, is hereby submitted. This report consists of management's representations concerning the finances of the City of Plainview. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Plainview has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Plainview's financial statements in conformity with generally accepted accounting principles. Because the cost of internal controls should not outweigh their benefits, the City of Plainview's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Plainview's financial statements have been audited by Davis Kinard & Co, PC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Plainview for the fiscal year ended September 30, 2014, 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, 2014, are fairly presented in conformity with generally accepted accounting principles in the United States of America. The independent auditor's report is presented as the first component of the financial section of this report.

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

Profile of the Government

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

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

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

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

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

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

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

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

Economic Outlook and Financial Condition

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

Local economy. The South Plains region of West Texas has experienced a significant drought over the past several years that has directly affected local economies. It is important to highlight that recent moisture in late 2014 and early 2015 has pulled the region out of drought status which may improve the local crop production in 2015.

Plainview is continuing to monitor the economic impact of the Cargill Meat Solutions facility closure in February 2013 and make adjustments as necessary. The local economy has fared well considering the loss of this major employer.

South Plains College received Economic Adjustment Assistance grant funds from the U.S. Department of Commerce Economic Development Administration to assist in the expansion of the South Plains College Plainview Campus with the construction of a new Technology Center. This new Center provides training in industrial manufacturing, welding technology, HVAC, electrical, plumbing, construction and other trades as well as customized workforce development training for businesses. Classes started in the Fall of 2014.

Wayland Baptist University (WBU) is a four-year Christian university with over 1,000 students on the main campus in Plainview. In addition there are over 5,800 students on their satellite campuses located all across the United States. WBU continues to make investments in their main campus and will be constructing a new multimillion dollar Jimmy Dean Museum, Flores Bible Building and in 2014 created a new Business Incubator Program. This new venture called the Spark Business Accelerator is a program designed by the School of Business to help entrepreneurs develop business models that better facilitate their success in the marketplace.

The Plainview/Hale County Economic Development Corporation (EDC) and City partnered to hire an Economic Development Consultant to assist in the community's efforts to grow the local economy.

The Plainview/Hale County Airport is in the process of completing the Airport Master Plan to guide the development of the Plainview/Hale County Airport. The airport is scheduled for a major rehabilitation/reconstruction project that originally entailed $4.3 million dollars in improvements, but has since expanded to $6.9 million. Construction is expected to begin in the Summer of 2015. The City and County will each fund 5% and the Federal Aviation Administration will pay the remaining 90%.

As a small regional hub, the City continues to see new commercial and industrial activity. Several new retail outlets opened this past year as well as a new retail shopping center. There is a new Chevrolet dealership and Toyota dealership being constructed along Interstate 27. State Street Housing is constructing a new 80 unit apartment complex. Transportation Technology Services of Southlake, TX is opening a major distribution center for wind turbine components that will be transported to the various wind farm projects in the region.

Hale County previously approved two wind energy reinvestment zones where there are plans to construct two new wind farms; the construction of these farms will have a positive impact on the local economy.

Overall, the Plainview economy continues to hold up well to the drought related challenges mentioned and the drought has eased up some in the last few months with increased moisture provided with the rain and snow. Sales tax receipts through February 2015 are 5.32% more than for the same five month period last year, while property tax collections are about 1.02% above last year as a percent of levy collected at this time. The unemployment rate is another indicator that shows some improvement in the local economy. The unemployment rate peaked in June 2013 at 15% and is now sitting at 7.5% as of January 2015.

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

The City completed the construction of a 10 acre Type I landfill cell without issuing any additional debt.

In June 2014, the City Council and executive staff developed a Strategic Plan to accomplish specific milestones over the next two to five year time frame. These milestones included goals identified in the long range Comprehensive Plan as well as the Hale County Economic Development Plan.

The City is participating in a Texas Department of Housing and Community Affairs HOME grant program to reconstruct new homes for low-income households that qualify. There are five homes that have been approved for reconstruction.

The City is planning the construction of a Skate Park in the Spring of 2015.

The City is studying infrastructure improvements that could be made along Interstate 27 to encourage new commercial and industrial development in this area.

The City, through membership in the Canadian River Municipal Water Authority (CRMWA), is in the process of determining when the new well fields that were purchased will be tied into the existing water production assets in that area. This acquisition doubled the amount of groundwater owned by CRMWA. These ground water rights are projected to sustain the City's CRMWA current allocation beyond the end of this century and the well fields.

The Texas Department of Transportation converted the frontage roads to one-way along Interstate 27 and constructed a new overpass at Southwest 3rd Street and the Interstate to improve traffic safety. In addition, TxDOT will be constructing a backage road to provide more access to businesses impacted with the one-way frontage road conversion project.

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

The current contract with Happy State Bank guarantees the City of Plainview the 91 day t-bill rate plus 20 basis points or the CDARS rate whichever is higher on certificates of deposit in excess of $100,000 with 365 day maturity dates. The bank has public funds checking accounts that earn interest based on a rate determined by the bank based on the market at the time. Idle cash is placed in certificates of deposit, CDARS program, money market deposits through the ICS program and TexPool. At the end of the first quarter of the current fiscal year the City held $20.6 million in the CDARS program with an average maturity of 217 days and an average yield of .25%.

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

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

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

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

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

The Firefighters Retirement System is administered by a board of trustees. The actuarial valuation for the System was completed as of December 31, 2013. The funded ratio of actuarial accrued liability of this plan was 39.0%. As a matter of policy the City contributed 15% of firefighter salaries toward pension financing, while firefighters individually contributed 14%. In an effort to strengthen the Firefighter Pension Plan the City has instituted a series of increases to the employer's contributions. October 1, 2010 the city increased the employer portion to 16.61%; October 1, 2011 to 18.26%; October 1, 2012 to 19.84%; October 1, 2013 to 21.45%; and October 1, 2014 to 23.07%.

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, 2013 and reported the funded ratio of accrued liability was 85.6%. The City's contribution rate at year end was 15.59% of payroll and the employees individually contribute 7%. TMRS restructured the funds and because of the restructuring contributions beginning January 1, 2012 were at the full rate. Additional information on the City's pension arrangements and post-employment benefits can be found in Note 9 of the financial statements and in the required supplementary information.

Acknowledgements

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

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

Respectfully submitted,

Jeffrey Snyder
City Manager

Sarianne Beversdorf

Sarianne Beversdorf, CPA, CGFO
Director of Finance

CITY OF PLAINVIEW, TEXAS

LISTING OF PRINCIPAL OFFICIALS

ELECTED OFFICIALS	NAME	YEARS SERVICE	OCCUPATION
MAYOR	WENDELL DUNLAP	11	RETIRED/SELF-EMPLOYED
COUNCIL MEMBER DISTRICT 1	DR. CHARLES N. STARNES	5	EDUCATOR
COUNCIL MEMBER DISTRICT 2	LARRY WILLIAMS	1	SELF-EMPLOYED
COUNCIL MEMBER DISTRICT 3	NORMA JUAREZ	1	MANAGER
COUNCIL MEMBER DISTRICT 4	TERESSA KING	1	PRESIDENT, KING CARPET PLUS, INC. & FURNITURE EXPRESSIONS
COUNCIL MEMBER DISTRICT 5	SUSAN BLACKERBY	1	RETIRED
COUNCIL MEMBER DISTRICT 6	LIONEL A. GARCIA	3	RETIRED
COUNCIL MEMBER DISTRICT 7	ERIC HASTEY	3	CONSTRUCTION

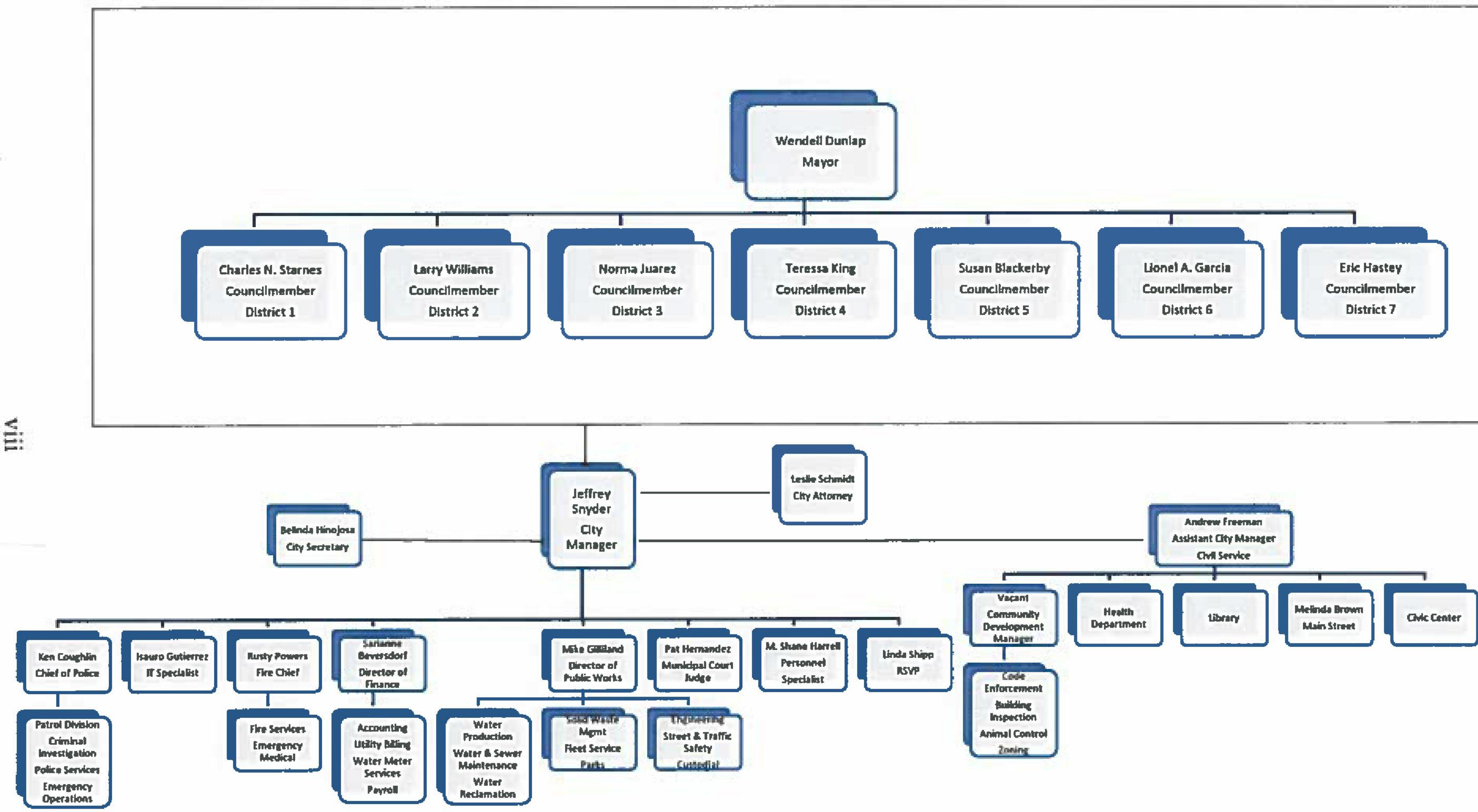
CITY OFFICIALS	NAME	# OF YEARS WITH CITY	# OF YEARS THIS POSITION
CITY MANAGER	JEFFREY SNYDER	4	5
ASSISTANT CITY MANAGER	ANDREW FREEMAN	1	0
DIRECTOR OF FINANCE	SARIANNE BEVERSDORF	5	14
DIRECTOR PUBLIC WORKS	MIKE GILLILAND	6	6
FIRE CHIEF	RUSTY POWERS	25	6
CHIEF OF POLICE	KEN COUGHLIN	1	6
MUNICIPAL COURT JUDGE	PAT HERNANDEZ	30	17
CITY ATTORNEY	LESLIE SCHMIDT	9	15
CITY SECRETARY	BELINDA HINOJOSA	14	14

FINANCIAL CONSULTANT - SPECIALIZED PUBLIC FINANCE - AUSTIN, TEXAS

BOND COUNSEL - FULBRIGHT & JAWORSKI - DALLAS, TEXAS

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

City of Plainview
Organizational Chart



Financial Section

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

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

Independent Auditor's Report

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

Report on the Financial Statements
We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Plainvew, Texas (the City), as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

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

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

Opinions
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2014, 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.

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Other Matters

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of funding progress and budgetary comparison information on pages 3 through 13 and 53 through 57 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 12, 2015, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Davis Kinard & Co, PC
Certified Public Accountants

Plainview, Texas
March 12, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the City of Plainview's annual financial report presents our discussion and analysis of the City's financial performance during the fiscal year ended September 30, 2014. Please read it in conjunction with the City's financial statements and disclosure, which follow this section.

FINANCIAL HIGHLIGHTS

Entity Wide

- The City's combined total assets were $93,418,381 at September 30, 2014 and $93,872,074 at September 30, 2013, decreasing 0.5%.
- Total liabilities were $25,923,269 at September 30, 2014, a decrease of 7.3% from September 30, 2013.
- The total assets and deferred outflows of resources of the City exceeded its liabilities at the close of the fiscal year by $67,699,485, an increase of 2.4%. Of this amount, $36,062,621 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 $1,579,368.

Governmental Funds

- Total current assets were $17,771,683 at September 30, 2014 and $16,763,430 at September 30, 2013, increasing 6.0%.
- All combined governmental funds reported an ending fund balance of $16,500,073 or a 6.5% increase from the previous year.
- For the year ended September 30, 2014, total revenues exceeded total expenditures by $1,003,943.

Proprietary Funds

- Net position for combined enterprise funds grew by 2.2% to $37,646,542. Of this amount, $14,813,545 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, 2014 is reported at $812,195.
- A net increase in cash and cash equivalents of $19,639 is reported for the combined enterprise funds.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

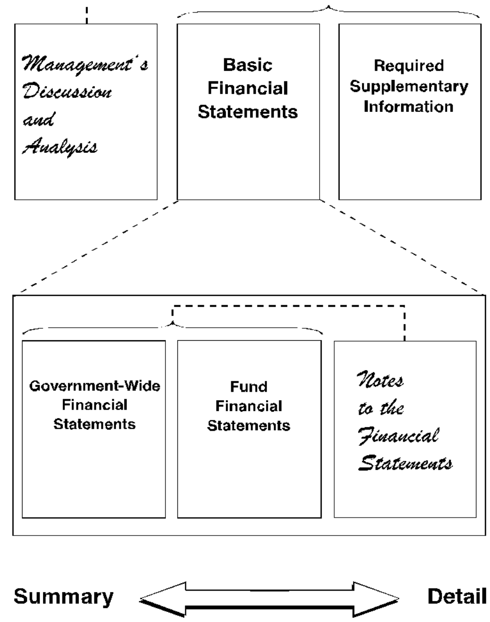


Figure A-1 shows how the required parts of this annual report are arranged and related to one another.

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

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

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

Government-wide Statements

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

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

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

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

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

Fund Financial Statements

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

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

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

The City has the following kinds of funds:

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

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

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

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Net position.

The City's combined net position totaled $67,699,485 at September 30, 2014, $1,579,368 higher than the prior year. (See Table A-1).

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

	Governmental Activities		Business -type Activities		Total		Total Percent Change
	2014	2013	2014	2013	2014	2013	
Current assets							
Cash and cash equivalents	$ 8,964	$ 8,594	$ 7,016	$ 6,533	$ 15,980	$ 15,127	5.6%
Investments	12,665	12,632	8,007	7,987	20,672	20,619	0.3%
Receivables	1,457	1,436	1,588	1,499	3,045	2,935	3.7%
Due from other governments	56	248	-	65	56	313	-82.1%
Internal balances	511	309	(511)	(309)	-	-	0.0%
Inventories	93	85	126	142	219	227	-3.5%
Total current assets	23,746	23,304	16,226	15,917	39,972	39,221	1.9%
Noncurrent assets	1,719	1,009	14,309	14,915	16,028	15,924	0.7%
Capital assets	28,667	28,515	53,452	52,746	82,119	81,261	1.1%
Less accumulated depreciation	(20,629)	(19,759)	(24,071)	(22,775)	(44,700)	(42,534)	5.1%
Total assets	33,503	33,069	59,916	60,803	93,419	93,872	-0.5%
Deferred outflows of resources							
Deferred charge for debt refunding	-	-	204	224	204	224	100.0%
Total outflows of resources	-	-	204	224	204	224	100.0%
Accounts payable and accrued liabilities	715	1,079	325	386	1,040	1,465	-29.0%
Deposits and escrow held	-	-	447	407	447	407	9.8%
Compensated absences	932	969	86	83	1,018	1,052	-3.2%
Pension and OPEB obligations	1,442	1,426	58	82	1,500	1,508	-0.5%
Water contract obligations	-	-	7,654	8,124	7,654	8,124	-5.8%
Landfill closure/postclosure	-	-	1,341	1,279	1,341	1,279	4.8%
Bonds payable	-	-	12,923	14,142	12,923	14,142	-8.6%
Total liabilities	3,089	3,474	22,834	24,503	25,923	27,977	-7.3%
Net position							
Invested in capital assets, net of related debt	8,038	8,755	22,104	21,674	30,142	30,429	-0.9%
Restricted	766	737	729	727	1,495	1,464	2.1%
Unrestricted	21,610	20,103	14,453	14,123	36,063	34,226	5.4%
Total net position	$ 30,414	$ 29,595	$ 37,286	$ 36,524	$ 67,700	$ 66,119	2.4%

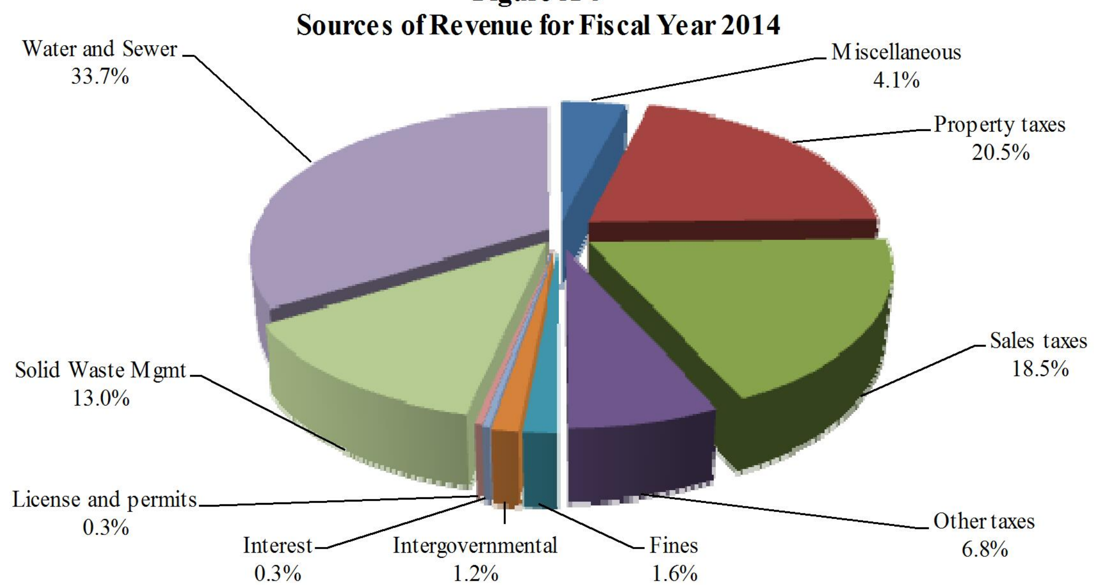
As noted earlier, net position may serve, over time, as a useful indicator of a government's financial position. A large portion of the City's net position (45 percent) reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

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

Changes in net position.

The City's total revenues for the period ended September 30, 2014 were $22,699,805. A significant portion, 45.8 percent, of the City's revenue comes from taxes (See Figure A-3) while 47 percent comes from charges for utility services. The total cost of all programs and services was $21,120,437.

Figure A-3



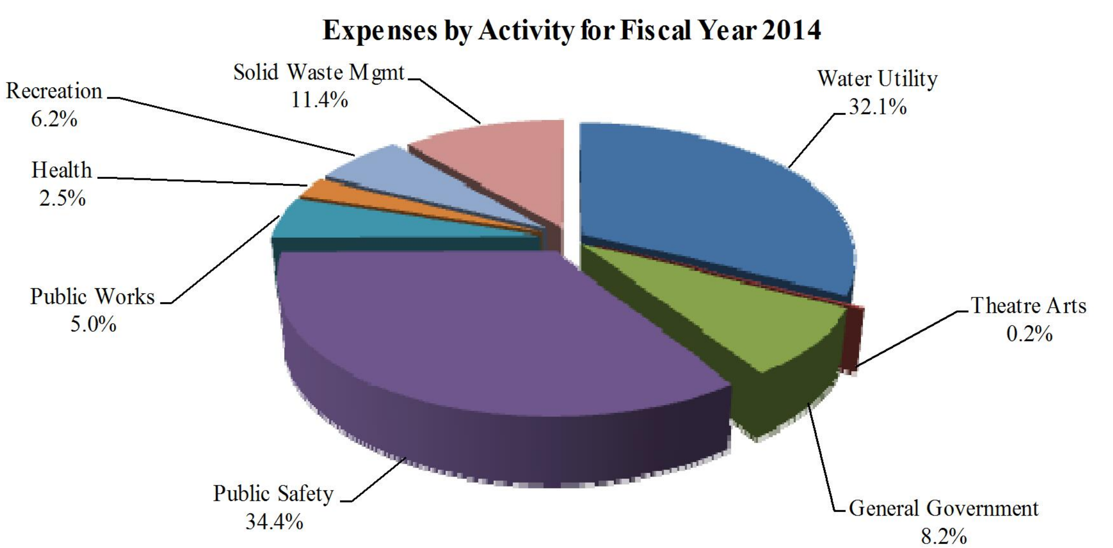


Table A-2
Changes in City's Net Position
(In thousands dollars)

	Governmental Activities		Business-type Activities		Total		Total Percent
	2014	2013	2014	2013	2014	2013	Change
Program revenues:							
Charges for services	$ 1,174	$ 1,106	$ 10,496	$ 9,956	$ 11,670	$ 11,062	5.5%
Grants and contributions							
Operating	272	285	-	-	272	285	-4.6%
Capital	20	35	84	243	104	278	100.0%
General revenues:							
Property taxes	4,663	4,378	-	-	4,663	4,378	6.5%
Other taxes	5,745	5,607	-	-	5,745	5,607	2.5%
Other	183	375	64	133	247	508	-51.4%
Total revenues	12,057	11,786	10,644	10,332	22,701	22,118	2.6%
Expenses:							
General government	1,742	2,217	-	-	1,742	2,217	-21.4%
Public safety	7,261	7,223	-	-	7,261	7,223	0.5%
Public works	1,050	1,140	-	-	1,050	1,140	-7.9%
Recreation and culture	1,315	1,215	-	-	1,315	1,215	8.2%
Health	525	620	-	-	525	620	-15.3%
Solid waste management	-	-	2,417	2,557	2,417	2,557	-5.5%
Water and sewer	-	-	6,764	6,169	6,764	6,169	9.6%
Theatre arts	-	-	46	34	46	34	35.3%
Total expenses	11,893	12,415	9,227	8,760	21,120	21,175	-0.3%
Transfers	655	863	(655)	(863)	-	-	0.0%
Change in net position	819	234	762	709	1,581	943	67.7%
Net position - beginning	29,595	29,361	36,524	35,815	66,119	65,176	1.4%
Net position - ending	$ 30,414	$ 29,595	$ 37,286	$ 36,524	$ 67,700	$ 66,119	2.4%

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

Governmental Activities

As shown in Table A-2, governmental activities increased net position by $819 thousand accounting for 51.8% of the increase in total net position. Table A-3 presents the cost of each of the City's largest functions, as well as each function's net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost reflects what was funded by local tax dollars.

- Property tax rate increased from .5785 to .6185 per $100 valuation. There was a small decrease in valuations but favorable collections and the increase in the rates caused an increase in property tax revenues of $285 thousand, or 6.5 %.
- The franchise tax on utilities increased $119 thousand, or 8.83%, and general sales tax increased $36 thousand, or .9%.
- The cost of all *governmental* activities this year was $11,893 thousand compared to the previous year of $12,415 thousand, a 4.2% decrease.
- The amount that our taxpayers paid for these services was $10,427 thousand.
- Some of the cost was paid by those who directly benefited from the programs, $1,174 thousand, or by grants and contributions, $292 thousand.

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

	Total Cost of Services		Percent Change	Net Cost of Services		Percent Change
	2014	2013		2014	2013	
General government	$ 1,742	$ 2,217	-21.4%	$ 1,232	$ 1,713	-28.1%
Public safety	7,261	7,223	0.5%	6,671	6,689	-0.3%
Public works	1,050	1,140	-7.9%	1,031	1,105	-6.7%
Recreation and culture	1,315	1,215	8.2%	1,269	1,170	8.5%
Health	525	620	-15.3%	224	311	-28.0%
Total governmental activities	$ 11,893	$ 12,415	-4.2%	$ 10,427	$ 10,988	-5.1%

Business-type Activities

Business-type activities increased the City's net position by $761 thousand accounting for 48.2% of the total increase in the government's net position.

- Charges for services generated revenues of $10,496 thousand for the period ended September 30, 2014 compared to $9,956 thousand for the previous period. This 5.4% increase was derived from an increase in the water and refuse rates. In anticipation of the lost revenue from the Cargill Meat Solutions Facility, the City Council increased water and refuse rates beginning October 1, 2013. The base rate on water accounts was increased from $21.50 a month to $31.00 a month and the rates for water usage 10%. Refuse rates were increased by 2%. The sewer rate stayed the same.

- Expenses totaled $9,227 thousand for 2014 and $8,760 thousand for 2013, a 5.4% increase. This was caused by an increase in additional chemicals for vector spraying, new handhelds for meter reading, upgrades in backflow and CSI programs to meet TCEQ requirements, cost of water purchased from CRMWA, finance building repairs and major rehabilitation work at the water reclamation plant and lift stations.

- Transfers from business-type activities to support general government activities were $655 thousand for the period, a 24.1% decrease from the previous period.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

Governmental Funds

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

- As of the end of the current fiscal year, the City's governmental funds reported a combined ending fund balance of $16,500,073, an increase of $1,003,943. A combination of favorable budget variances for both general fund revenues and expenditures were the key elements of this increase.

- Total assets of the General Fund increased 8.2%. This increase is mainly attributable to the increase in cash, cash equivalents and investments from $ 14,401,586 at the end of the prior period to $15,672,435 at the end of fiscal year 2014.

- Total liabilities increased 4.0% from $878,679 in 2013 to $913,706 in 2014. The change was a combination of increases and decreases including a decrease in accounts payable of $271,752, decrease in amount due to government on revolving loan of $93,221 and increase in amounts approved to be moved to health insurance fund of $400,000.

- Of the combined ending fund balance, approximately $12.5 million constitutes unassigned fund balance which is available for spending at the government's discretion.

Proprietary Funds

The City's proprietary funds financial statements provide the same type of information found in the government-wide financial statements, but in more detail. There are two types of funds presented – the business-type (enterprise) funds and the internal service funds. The purpose of internal service funds is to provide services within a government on a break-even basis. The net income or loss from these internal service funds has been allocated back to the user departments and activities for the government-wide financial statements. The internal service funds reflect a total net position amount of $7,927,616. Of this amount, $2,178,236 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 2014, approximately $14.8 million was unrestricted. Factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

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

- Significant budget amendments during the year included the following additional appropriations for interfund transfers:

    - $400,000 to the Health Insurance Fund
    - $200,000 to the Capital 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, 2014 amounts to $37,419,046 (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
	2014	2013	2014	2013	2014	2013	Change
Land	$ 552	$ 551	$ 529	$ 529	$ 1,081	$ 1,080	0.1%
Buildings	3,803	3,795	2,668	2,662	6,471	6,457	0.2%
System improvements	-	-	44,150	39,715	44,150	39,715	11.2%
Infrastructure	15,580	15,566	-	-	15,580	15,566	0.1%
Machinery and equipment	8,709	8,591	6,091	6,418	14,800	15,009	-1.4%
Construction in progress	23	13	14	3,420	37	3,433	-98.9%
Totals at historical cost	28,667	28,516	53,452	52,744	82,119	81,260	1.1%
Accumulated depreciation	(20,629)	(19,759)	(24,071)	(22,775)	(44,700)	(42,534)	5.1%
Net capital assets	$ 8,038	$ 8,757	$ 29,381	$ 29,969	$ 37,419	$ 38,726	-3.5%

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 $12,923 thousand outstanding in bonds and certificates of obligation outstanding. In addition, the City is one of 11 member cities of the Canadian River Municipal Water Authority (CRMWA), and is contractually obligated on its proportionate share of the Authority's debt (See Table A-5).

The CRMWA issued debt to finance the purchase of additional water rights of which, the City is contractually obligated for its portion of $7,654,326. More detail on the City's long-term obligations may be found in the notes to the financial statements (Note 8).

Bond Ratings

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

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

	Governmental Activities		Business-type Activities		Total		Total Percent
	2014	2013	2014	2013	2014	2013	Change
Bond and certificates of obligation	$ -	$ -	$ 12,923	$ 14,142	$ 12,923	$ 14,142	-8.6%
Water Supply Contract obligation	-	-	7,654	8,124	7,654	8,124	-5.8%
Total outstanding debt	$ -	$ -	$ 20,577	$ 22,266	$ 20,577	$ 22,266	-7.6%

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Plainview economy has been impacted by the closure of the Cargill Meat Solutions plant in 2013. The City is closely monitoring the situation and will continue to make adjustments as required in order for the Plainview economy to be competitive and viable.

There are several economic indicators that are being monitored. Taking general sales tax as an indicator, receipts for the fiscal year now ended were .9% less than receipts from the previous year. Through February of this current year sales tax receipts have increased 5.32% over the same period in 2014. Using the unemployment rate as another indicator, the unemployment rate changed from 6.2% in 2012 to a peak of 15% in June 2013 to the current rate of 7.5% in January 2015; while the State, as a whole, was at 4.5%. Also, consideration must be given to the fact that the City of Plainview is located in a highly developed agricultural region that has harvested fewer crops because of the drought. The area has received above average rain and snow the last few months that will have a positive impact on the local agriculture industry.

The City continues to take a conservative approach to the budget as the economic outlook for the next fiscal year continues to have a degree of uncertainty, but resources continue to be allocated for future development. The Strategic Plan developed this past year will be the guidepost over the next two to five year time frame for the investments made by the City to encourage new growth, development and diversification in the local economy. This plan was developed using the goals and strategies identified in the long-range Comprehensive Plan for the City as well as the Hale County Economic Development Plan and Targeted Industry Study.

The General Fund expenditure budget for the upcoming year increased by 2.17% and the ad valorem property tax rate of $0.6038 per $100 valuation decreased from $0.6185 per $100 valuation. There was a 2.4% increase in the assessed property valuations. There is no budgeted reduction of services. Many of the costs such as fuel, health insurance, materials and supplies have increased. In this fund, $1.0 million was allocated for an economic development project and an additional $72,500 for the Plainview/Hale County Economic Development Corporation operations. This budget includes a 2% cost of living raise for all employees. To stabilize employee healthcare costs the City continues to make structural changes to the health insurance program. In 2014, an ordinance was passed that clarified health benefits to retirees in that our over 65 and Medicare/Medicaid eligible participants could no longer be on the City's health plan. Beginning January 1, 2015, the City switched from a self-funded health insurance plan to a fully insured plan that offers options to our employees. A consultant was hired and will be helping the City evaluate the situation with health insurance and costs as the City moves forward with this transition.

The City continues to take steps to address infrastructure needs. Debt was issued in 2010 for $8.685 million for various projects. The City has completed the relocation and replacement of water and sewer lines in conjunction with TxDOT's reconstruction of Hwy 70. Construction of two new water towers has been completed. The new sewer lift station improvements will be made this fiscal year. Funds have also been budgeted to replace the clarifiers at the water reclamation plant.

Funds have been allocated in the budget for major projects such as the Airport Reconstruction and Rehabilitation Project ($6.9 mil) and the construction of a Skate Park ($325k).

In the Water & Sewer Fund, the 2014-2015 operating budget increased slightly but still faces the challenges of increased costs for the cost of maintenance at the wastewater treatment plant. The most significant challenge to revenues has been the loss of utility accounts and reduction in water consumption. The rate increases in the base rate and consumption rates last fiscal year for water have helped offset water sales but the sewer service revenue which was not increased is partly based on water consumption saw a slight decline. No increases in rates were budgeted this year for water or sewer. These revenues are being monitored and will be evaluated as the year progresses.

In the Solid Waste Management Fund, the 2014-2015 operating budget was decreased by 5.69% from the year before. Included in the budget are funds to replace one residential collection truck. The revenues from fees charged for collections and gate fees have decreased. These revenues are being monitored and will be evaluated as the year progresses.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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

PLAINVIEW, TX

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Basic Financial Statements

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

Statement of Net Position

September 30, 2014

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 8,964,457	$ 7,014,533	$ 15,978,990
Investments	12,664,751	8,007,269	20,672,020
Receivables, net	1,457,167	1,588,283	3,045,450
Due from other governments	56,359	-	56,359
Internal balances	510,629	(510,629)	-
Inventories, at cost	92,640	126,125	218,765
Investment in joint venture	995,050	-	995,050
Restricted assets:			
Cash and cash equivalents	723,588	4,056,931	4,780,519
Net Pension Asset	-	3,981	3,981
Capital assets:			
Nondepreciable	574,735	543,013	1,117,748
Depreciable, net	7,463,155	28,838,143	36,301,298
Unamortized water contract costs and other assets	-	10,248,201	10,248,201
Total Assets	33,502,531	59,915,850	93,418,381
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge for debt refunding	-	204,373	204,373
Total Outflows of Resources	-	204,373	204,373
LIABILITIES			
Accounts payable	715,529	290,930	1,006,459
Accrued interest payable	-	34,135	34,135
Payable from restricted assets	-	446,708	446,708
Noncurrent liabilities:			
Due within one year	4,554	1,699,374	1,703,928
Due in more than one year	2,368,876	20,363,163	22,732,039
Total Liabilities	3,088,959	22,834,310	25,923,269
NET POSITION			
Net investment in capital assets	8,037,890	22,103,566	30,141,456
Restricted for:			
Debt service	-	729,431	729,431
Tourism	625,654	-	625,654
PEG fund	12,331	-	12,331
Law enforcement	65,203	-	65,203
Municipal Court	62,789	-	62,789
Unrestricted	21,609,705	14,452,916	36,062,621
Total Net Position	$ 30,413,572	$ 37,285,913	$ 67,699,485

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

CITY OF PLAINVIEW, TEXAS
Statement of Activities
Year Ended September 30, 2014

		Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities:				
General government - administration	$ 1,223,230	$ 79,299	$ 1,332	$ -
General government - other	518,004	346,946	81,787	-
Public safety	7,259,542	581,150	7,695	-
Public works	1,050,131	-	-	19,591
Health	525,068	119,701	180,987	-
Recreation and culture	1,315,218	46,425	-	-
Total Governmental Activities	11,891,193	1,173,521	271,801	19,591
Business-Type Activities:				
Solid waste management	2,417,951	2,949,538	-	-
Water and sewer	6,765,124	7,538,997	-	84,220
Theatre arts	46,169	7,781	-	-
Total Business-Type Activities	9,229,244	10,496,316	-	84,220
Total Primary Government	$ 21,120,437	$ 11,669,837	$ 271,801	$ 103,811

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

Change in Net Position

Net Position - Beginning

Net Position - Ending

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

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
$ (1,142,599)		$ (1,142,599)
(89,271)		(89,271)
(6,670,697)		(6,670,697)
(1,030,540)		(1,030,540)
(224,380)		(224,380)
(1,268,793)		(1,268,793)
(10,426,280)		(10,426,280)
	$ 531,587	531,587
	858,093	858,093
	(38,388)	(38,388)
	1,351,292	1,351,292
	1,351,292	(9,074,988)
4,662,566	-	4,662,566
3,864,922	-	3,864,922
325,207	-	325,207
1,463,657	-	1,463,657
91,107	-	91,107
145,607	76,691	222,298
37,069	38,149	75,218
-	(50,619)	(50,619)
654,703	(654,703)	-
11,244,838	(590,482)	10,654,356
818,558	760,810	1,579,368
29,595,014	36,525,103	66,120,117
$ 30,413,572	$ 37,285,913	$ 67,699,485

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

Balance Sheet - Governmental Funds

September 30, 2014

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	$ 5,803,334	$ -	$ 5,803,334
Investments	9,869,101	-	9,869,101
Interest receivable	1,305	-	1,305
Accounts receivable (net)	239,649	-	239,649
Taxes receivable (net)	990,105	39,376	1,029,481
Due from other governments	45,848	10,511	56,359
Inventories	48,866	-	48,866
Restricted cash and cash equivalents	-	723,588	723,588
Total Assets	$ 16,998,208	$ 773,475	$ 17,771,683
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE			
Liabilities			
Accounts payable	$ 298,072	$ 5,873	$ 303,945
Wages payable	203,612	1,595	205,207
Due to other funds	400,000	-	400,000
Compensated absences payable	4,524	30	4,554
Total Liabilities	906,208	7,498	913,706
Deferred Inflows of Resources			
Unavailable revenue			
Property taxes	222,615	-	222,615
Fines and fees	98,789	-	98,789
Emergency Medical Services	36,500	-	36,500
Total Deferred Inflows of Resources	357,904	-	357,904
Fund Balance			
Nonspendable	48,866	-	48,866
Restricted	-	765,977	765,977
Assigned	3,115,950	-	3,115,950
Unassigned	12,569,280	-	12,569,280
Total Fund Balance	15,734,096	765,977	16,500,073
Total Liabilities, Deferred Inflows of Resources and Fund Balance	$ 16,998,208	$ 773,475	$ 17,771,683

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

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

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
September 30, 2014

Total Fund Balances - Governmental Funds	$	16,500,073
Amounts reported for *governmental activities* in the statement of net position are different because:		
The City uses internal service funds to charge the costs of certain activities, such as insurance, equipment replacement, and vehicle maintenance, to appropriate functions in other funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		8,288,245
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds. At the end of the year, the original cost of these assets was $22,332,478 and accumulated depreciation was $16,472,824.		5,859,654
The City's investment in joint venture is not reported in the governmental funds but is included in the statement of net position.		995,050
Other adjustments are necessary to convert the modified accrual basis of accounting to the accrual basis of accounting. Net property taxes receivable of $222,615, net fines receivable of $98,789 and net emergency medical services receivable of $36,500 were unavailable to pay for current period expenditures and are deferred in the governmental funds but included in the statement of net position.		357,904
Long-term liabilities for compensated absences of $927,358 and net pension obligation of $659,996 are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds but are included in the statement of net position.		(1,587,354)
Net Position of Governmental Activities	$	30,413,572

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

CITY OF PLAINVIEW, TEXAS

Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds
Year Ended September 30, 2014

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES			
Taxes:			
Property taxes	$ 4,653,088	$ -	$ 4,653,088
Sales and use taxes	3,864,922	-	3,864,922
Selective sales and use taxes	28,308	296,899	325,207
Franchise tax	1,463,657	-	1,463,657
Penalty and interest on taxes	91,107	-	91,107
Licenses and permits	76,469	-	76,469
Intergovernmental revenue and grants	190,514	67,914	258,428
Charges for services	734,498	-	734,498
Fines, forfeitures and fees	330,427	30,462	360,889
Investment earnings	36,172	897	37,069
Rents and royalties	360	-	360
Contributions and donations	5,000	13,873	18,873
Other revenue	114,378	72,729	187,107
Total Revenues	11,588,900	482,774	12,071,674
EXPENDITURES			
Current			
General government - administration	1,020,810	183,042	1,203,852
General government - other	448,169	81,787	529,956
Public safety	7,093,046	2,044	7,095,090
Public works	801,562	-	801,562
Health	369,804	-	369,804
Recreation and culture	1,146,519	-	1,146,519
Capital outlay	124,454	42,822	167,276
Total Expenditures	11,004,364	309,695	11,314,059
Excess (Deficiency) of Revenue over Expenditures	584,536	173,079	757,615
OTHER FINANCING SOURCES (USES)			
Transfers in	789,853	1,004	790,857
Transfers out	(400,000)	(144,529)	(544,529)
Total Other Financing Sources (Uses)	389,853	(143,525)	246,328
Net Change in Fund Balance	974,389	29,554	1,003,943
Fund Balance - October 1	14,759,707	736,423	15,496,130
Fund Balance - September 30	$ 15,734,096	$ 765,977	$ 16,500,073

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

CITY OF PLAINVIEW, TEXAS

Exhibit A-6

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities
Year Ended September 30, 2014

Total Net Change in Fund Balance - Governmental Funds	$	1,003,943
Amounts reported for *governmental activities* in the statement of activities are different because:		
The City uses internal service funds to charge the costs of certain activities to individual funds. Net change in net position of the internal service funds is reported with governmental activities.		182,322
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.		167,276
Assets donated to governmental funds by private parties are not recorded in the governmental fund financial statements whereas in the government-wide financial statements are recorded as capital contributions.		14,091
Assets were disposed of that were not fully depreciated. The loss is reported on the government-wide financial statements.		(1,528)
Depreciation is not recognized as an expenditure in governmental funds since it does not require the use of current financial resources.		(612,864)
The net decrease for the year in the investment in joint venture is not reported in the governmental funds but is included in the statement of activities.		(14,385)
Long-term liabilities for certain employee benefits are accrued in the government-wide financial statements, but are not reported in the fund financial statements.		
Increase in compensated absences		31,477
Increase in net pension obligation		78,943
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 $9,478, a net increase in fine revenues of $1,305 and a net decrease in emergency medical services of $41,500 which is a decrease to net position.		(30,717)
Change in Net Position of Governmental Activities	$	818,558

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

CITY OF PLAINVIEW, TEXAS
Statement of Net Position - Proprietary Funds
September 30, 2014

	Business-type Activities	
	Solid Waste Management Fund	Water and Sewer Fund
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 3,282,270	$ 3,596,681
Investments	3,513,155	4,494,114
Interest receivable	434	2,059
Accounts receivable, net	425,403	1,160,387
Due from other funds	-	-
Inventories, at cost	-	126,000
Total Current Assets	7,221,262	9,379,241
Noncurrent Assets:		
Restricted Assets		
Cash and cash equivalents	-	4,056,931
Net Pension Asset	3,981	-
Capital Assets		
Nondepreciable	400,000	138,013
Depreciable, net	3,655,991	25,150,768
Unamortized water supply contract costs	-	10,248,201
Total Noncurrent Assets	4,059,972	39,593,913
Total Assets	11,281,234	48,973,154
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charge for debt refunding		204,373
Total Outflows of Resources	-	204,373
LIABILITIES		
Current Liabilities:		
Accounts payable	38,612	188,129
Wages payable	22,062	41,077
Accrued interest payable	715	33,420
Due to other funds	150,000	-
Current portion of long-term liabilities		
Accrued compensated absences	2,687	2,781
Bonds and certificates of obligation	245,000	965,000
Water contract obligation	-	483,906
Total Current Liabilities	459,076	1,714,313

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

Nonmajor Enterprise Fund	Total Enterprise Funds	Governmental Activities Total Internal Service Funds
$ 135,582	$ 7,014,533	$ 3,161,123
-	8,007,269	2,795,650
-	2,493	362
-	1,585,790	186,370
-	-	550,000
125	126,125	43,774
135,707	16,736,210	6,737,279
-	4,056,931	-
-	3,981	-
5,000	543,013	-
31,384	28,838,143	2,178,236
-	10,248,201	-
36,384	43,690,269	2,178,236
172,091	60,426,479	8,915,515
	204,373	-
-	204,373	-
677	227,418	206,377
373	63,512	-
-	34,135	-
-	150,000	-
-	5,468	-
-	1,210,000	-
-	483,906	-
1,050	2,174,439	206,377

CITY OF PLAINVIEW, TEXAS
Statement of Net Position - Proprietary Funds - continued
September 30, 2014

	Business-type Activities - Enterprise Funds	
	Solid Waste Management Fund	Water and Sewer Fund
Long-Term Liabilities (net of current portion):		
Accrued landfill closure / postclosure costs	1,340,929	-
Payable from restricted assets:		
Deposits and escrow	-	446,708
Noncurrent portion of long-term liabilities		
Accrued compensated absences	29,490	51,398
Net pension obligation	-	56,713
Net other postemployment benefits obligation	-	-
Bonds and certificates of obligation	-	11,415,000
Unamortized premiums and deferred losses on bonds	1,027	297,183
Water contract obligations	-	7,170,420
Total Noncurrent Liabilities	1,371,446	19,437,422
Total Liabilities	1,830,522	21,151,735
NET POSITION		
Net investment in capital assets	3,809,964	18,257,218
Restricted for debt service	-	729,431
Unrestricted	5,640,748	9,039,143
Total Net Position	$ 9,450,712	$ 28,025,792

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

Net position of business type activities

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

Exhibit A-7

	Nonmajor Enterprise Fund	Total Enterprise Funds	Governmental Activities Total Internal Service Funds
	-	1,340,929	-
	-	446,708	-
	-	80,888	-
	1,003	57,716	1,586
	-	-	779,936
	-	11,415,000	-
	-	298,210	-
	-	7,170,420	-
	1,003	20,809,871	781,522
	2,053	22,984,310	987,899
	36,384	22,103,566	2,178,236
	-	729,431	-
	133,654	14,813,545	5,749,380
	$ 170,038	$ 37,646,542	$ 7,927,616
		(360,629)	
		$ 37,285,913	

CITY OF PLAINVIEW, TEXAS

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

Year Ended September 30, 2014

	Business-type Activities	
	Solid Waste Management Fund	Water and Sewer Fund
OPERATING REVENUE		
Charges for services	$ 2,949,538	$ 7,538,997
Other revenue	58,705	16,716
Total Operating Revenues	3,008,243	7,555,713
OPERATING EXPENSES		
Personnel services - salaries and wages	608,861	1,116,368
Personnel services - employee benefits	289,281	501,244
Purchased professional & technical services	257,218	627,368
Purchased property services	222,282	818,361
Other operating expenses	161,628	1,207,963
Supplies	308,146	589,700
Depreciation and amortization	544,815	1,141,334
Total Operating Expenses	2,392,231	6,002,338
Operating Income (Loss)	616,012	1,553,375
NONOPERATING REVENUES (EXPENSES)		
Gain (loss) on sale of property	42,356	(92,975)
Investment earnings	13,317	24,613
Bond premium accretion	1,371	26,998
Interest expense	(4,398)	(741,191)
Refunding loss amortization	-	(19,503)
Total Nonoperating Revenues (Expenses)	52,646	(802,058)
Income Before Contributions and Transfers	668,658	751,317
CONTRIBUTIONS AND TRANSFERS		
Capital contributions	-	84,220
Transfers in	10,543	15,062
Transfers out	(320,514)	(390,794)
Total Contributions and Transfers	(309,971)	(291,512)
Change in Net Position	358,687	459,805
Net Position - Beginning of Year	9,092,025	27,565,987
Net Position - End of Year	$ 9,450,712	$ 28,025,792

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

Change in net position of business type activities

The accompanying notes are an integral part of these financial statements

		Governmental Activities
Nonmajor Enterprise Fund	Total Enterprise Funds	Total Internal Service Funds
$ 7,781	$ 10,496,316	$ 2,303,736
1,270	76,691	731,865
9,051	10,573,007	3,035,601
10,622	1,735,851	24,013
3,918	794,443	14,795
-	884,586	5,953
18,882	1,059,525	66,521
1,959	1,371,550	2,609,191
8,112	905,958	23,464
3,074	1,689,223	554,146
46,567	8,441,136	3,298,083
(37,516)	2,131,871	(262,482)
-	(50,619)	(26,819)
219	38,149	11,863
-	28,369	-
-	(745,589)	-
-	(19,503)	-
219	(749,193)	(14,956)
(37,297)	1,382,678	(277,438)
-	84,220	-
31,000	56,605	551,506
-	(711,308)	(143,131)
31,000	(570,483)	408,375
(6,297)	812,195	130,937
176,335	36,834,347	7,796,679
$ 170,038	$ 37,646,542	$ 7,927,616
	(51,385)	
	$ 760,810	

CITY OF PLAINVIEW, TEXAS
Statement of Cash Flows - Proprietary Funds
Year Ended September 30, 2014

	Business-type Activities	
	Solid Waste Management Fund	Water and Sewer Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from user charges	$ 2,917,037	$ 7,482,428
Cash from operating transactions - other funds	-	-
Cash payments to employees for services	(909,096)	(1,623,176)
Cash payments for goods and services	(904,034)	(3,211,489)
Other operating cash receipts	58,705	16,716
Net Cash Provided (Used) by Operating Activities	1,162,612	2,664,479
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Increase (decrease) in deposits and escrow held	-	39,810
Transfers to other funds	(320,514)	(390,794)
Transfers from other funds	160,543	15,062
Net Cash (Used) Provided by Noncapital Financing Activities	(159,971)	(335,922)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of capital assets	(711,356)	(510,307)
Principal paid on long-term debt	(239,999)	(1,419,663)
Interest paid on long-term debt	(5,098)	(743,210)
Proceeds from the sale of capital assets	297,999	5,933
Net Cash Used by Capital and Related Financing Activities	(658,454)	(2,667,247)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(8,852)	(11,349)
Interest on investments	13,347	24,773
Net Cash Provided by Investing Activities	4,495	13,424
Net (Decrease) Increase in Cash and Restricted Cash	348,682	(325,266)
Cash and Cash Equivalents - October 1	2,933,588	7,978,878
Cash and Cash Equivalents - September 30	$ 3,282,270	$ 7,653,612

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

	Nonmajor Enterprise Fund	Total Enterprise Funds	Governmental Activities Total Internal Service Funds
	$ 7,781	$ 10,407,246	$ -
	-	-	2,302,084
	(14,487)	(2,546,759)	(46,778)
	(29,560)	(4,145,083)	(2,604,378)
	1,270	76,691	731,865
	(34,996)	3,792,095	382,793
	-	39,810	-
		(711,308)	(143,131)
	31,000	206,605	1,506
	31,000	(464,893)	(141,625)
	-	(1,221,663)	(296,466)
	-	(1,659,662)	-
	-	(748,308)	-
	-	303,932	-
	-	(3,325,701)	(296,466)
	-	(20,201)	(7,453)
	219	38,339	11,940
	219	18,138	4,487
	(3,777)	19,639	(50,811)
	139,359	11,051,825	3,211,934
	$ 135,582	$ 11,071,464	$ 3,161,123

CITY OF PLAINVIEW, TEXAS
Statement of Cash Flows - Proprietary Funds - continued
Year Ended September 30, 2014

	Business-type Activities - Enterprise Funds	
	Solid Waste Management Fund	Water and Sewer Fund
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income (loss)	$ 616,012	$ 1,553,375
Adjustments to reconcile operating income to net cash		
Provided (used) by operating activities		
Depreciation and amortization	544,815	1,141,334
Landfill closure/postclosure	61,794	-
(Increase) decrease in operating assets and liabilities:		
Accounts receivable (net)	(32,501)	(56,569)
Inventories	-	15,600
Accounts payable	(16,554)	(48,507)
Wages payable	4,528	4,436
Net other postemployment benefits obligations	-	-
Net pension obligation	(17,616)	(10,959)
Accrued compensated absences	2,134	959
Interfund payables	-	64,810
Net Cash Provided (Used) by Operating Activities	$ 1,162,612	$ 2,664,479
RECONCILIATION OF TOTAL CASH AND CASH EQUIVALENTS		
Cash and cash equivalents - Statement of Net Position	$ 3,282,270	$ 3,596,681
Restricted Cash - Statement of Net Position	-	4,056,931
Total cash and cash equivalents	$ 3,282,270	$ 7,653,612
NONCASH CAPITAL & RELATED FINANCING ACTIVITY		
Capital assets contributed from private parties	$ -	$ 84,220
	$ -	$ 84,220

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

		Governmental Activities
Nonmajor Enterprise Fund	Total Enterprise Funds	Total Internal Service Funds
$ (37,516)	$ 2,131,871	$ (262,482)
3,074	1,689,223	554,146
-	61,794	-
-	(89,070)	(1,652)
88	15,688	2,820
(695)	(65,756)	3,044
50	9,014	(2,876)
-	-	94,898
3	(28,572)	-
-	3,093	(5,105)
-	64,810	-
$ (34,996)	$ 3,792,095	$ 382,793
$ 135,582	$ 7,014,533	$ 3,161,123
-	4,056,931	-
$ 135,582	$ 11,071,464	$ 3,161,123
$ -	$ 84,220	$ -
$ -	$ 84,220	$ -

PLAINVIEW, TX

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Note 1: Summary of Significant Accounting Policies

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

Reporting Entity

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

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

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

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

Basis of Presentation

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

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

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

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

Note 1: Summary of Significant Accounting Policies – continued

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

The City reports the following major governmental fund:

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

The City reports the following major enterprise funds:

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

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

In addition, the City reports the following fund type:

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

Measurement Focus, Basis of Accounting

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

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

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

Note 1: Summary of Significant Accounting Policies – continued

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

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

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

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

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

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

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

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

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

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

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

Note 1: Summary of Significant Accounting Policies – continued

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

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

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

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

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

Fund balance - Details of constraints on fund balances of governmental funds at September 30, 2014 are as follows:

Nonspendable:	General Fund	Other Governmental Funds	Total Governmental Funds
Inventories	$ 48,866	$	$ 48,866
Restricted to:			
Tourism		625,654	625,654
PEG fund		12,331	12,331
Law Enforcement		65,203	65,203
Municipal Court		62,789	62,789
Assigned to:			
Capital Improvement	1,632,804		1,632,804
Street Improvement	301,432		301,432
Economic Development	1,181,714		1,181,714
Unassigned	12,569,280		12,569,280
	$ 15,734,096	$ 765,977	$ 16,500,073

Note 1: Summary of Significant Accounting Policies – continued

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

Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact. All amounts reported as Nonspendable at September 30, 2014 are nonspendable in form. The City has not reported any amounts that are legally or contractually required to be maintained intact.

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

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

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

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

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

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

Note 2: Deposits and Investments

Custodial Credit Risk for Deposits: State law requires governmental entities to contract with financial institutions in which funds will be deposited to secure those deposits with insurance or pledged securities with a fair value equaling or exceeding the amount on deposit at the end of each business day. The pledged securities must be in the name of the governmental entity and held by the entity or its agent. Since the City complied with this law for the year ended September 30, 2014, it had no custodial credit risk for deposits.

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

Note 2: Deposits and Investments – continued

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

As of September 30, 2014, and for the year then ended, the City had the following investments:

Investment Type		Fair Value	Percentage of Total	Credit Rating		Investment Maturity Less than 1 Year
TexPool	$	100,309	0.49%	AAAm	$	100,309
Certificate of Deposits		20,571,711	99.51%	N/A		20,571,711
Total Portfolio	$	20,672,020	100.00%		$	20,672,020

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

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

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

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

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

Note 3: Receivables

The receivables detailed below are reported net of allowances for doubtful accounts in the fund financial statements as of September 30, 2014:

	General Fund	Nonmajor Governmental Funds	Solid Waste Management Fund	Water and Sewer Fund	Internal Service Funds	Total
Receivables:						
Taxes	$ 1,086,136	$ 39,376	$ -	$ -	$ -	$ 1,125,512
Accounts	305,999	-	427,344	1,166,050	186,370	2,085,763
Fines	658,595	-	-	-	-	658,595
Grants	45,848	10,511	-	-	-	56,359
Interest	1,305	-	434	2,059	362	4,160
Gross receivables	2,097,883	49,887	427,778	1,168,109	186,732	3,930,389
Less: allowance for uncollectibles	(820,976)	-	(1,941)	(5,663)	-	(828,580)
Net total receivables	$ 1,276,907	$ 49,887	$ 425,837	$ 1,162,446	$ 186,732	$ 3,101,809

Note 4: Interfund Balances and Activity

Due To and From Other Funds

Due To Fund	Due From Fund	Amount	Purpose
Internal service fund	General fund	$ 400,000	Short-term loans
Internal service fund	Solid waste mgmt. fund	150,000	Short-term loans
		$ 550,000	

Transfers To and From Other Funds

Transfer From	Transfer To	Amount	Purpose
General fund	Internal service fund	$ 400,000	Health insurance
Water and sewer fund	General fund	30,000	Economic development
Water and sewer fund	General fund	360,794	Transfer in lieu of franchise fees
Solid waste mgmt. fund	General fund	25,000	Service center operations
Solid waste mgmt. fund	General fund	145,514	Transfer in lieu of franchise fees
Solid waste mgmt. fund	Internal service fund	150,000	Health insurance
Nonmajor governmental fund	Nonmajor busn. type activities	31,000	Theatre arts
Nonmajor governmental fund	General fund	113,529	Economic development
Internal service fund	General fund	66,772	Health insurance
Internal service fund	Nonmajor governmental fund	502	Health insurance
Internal service fund	Nonmajor governmental fund	502	Health insurance
Internal service fund	Solid waste mgmt. fund	10,543	Health insurance
Internal service fund	Water and sewer fund	15,062	Health insurance
Internal service fund	Internal service fund	1,506	Health insurance
Internal service fund	General fund	48,244	Property purchsed with insurance
		$ 1,398,968	

Note 5: Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents consisted of the following at September 30, 2014:

Nonmajor governmental funds		
Special revenue funds cash	$	723,588
		723,588
Water and Sewer Fund		
Debt Service	$	762,851
Customer Deposits / Escrow		446,708
Capital Projects (Unspent Bond Proceeds)		2,847,372
		4,056,931

Note 6: Capital Assets

Capital asset activity for the period ended September 30, 2014 was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Governmental Activities				
Capital assets not being depreciated				
Land	$ 550,702	$ 1,500	$ -	$ 552,202
Construction in progress	13,333	9,200	-	22,533
Total capital assets not being depreciated	564,035	10,700	-	574,735
Capital assets being depreciated				
Building and improvements	3,794,958	19,550	(10,646)	3,803,862
Machinery and equipment	8,589,527	434,993	(315,958)	8,708,562
Infrastructure	15,565,984	14,090	-	15,580,074
Total capital assets being depreciated	27,950,469	468,633	(326,604)	28,092,498
Less accumulated depreciation for:				
Building and improvements	(2,158,557)	(108,086)	7,496	(2,259,147)
Machinery and equipment	(5,694,773)	(701,138)	289,515	(6,106,396)
Infrastructure	(11,906,014)	(357,786)	-	(12,263,800)
Total accumulated depreciation	(19,759,344)	(1,167,010)	297,011	(20,629,343)
Capital assets being depreciated, net	8,191,125	(698,377)	(29,593)	7,463,155
Governmental activities capital assets, net	$ 8,755,160	$ (687,677)	$ (29,593)	$ 8,037,890

Note 6: Capital Assets – continued

	Beginning Balance	Additions	Retirements	Ending Balance
Business-Type Activities				
Capital assets not being depreciated				
Land	$ 529,367	$ -	$ -	$ 529,367
Construction in progress	3,420,302	350	(3,407,006)	13,646
Total capital assets not being depreciated	3,949,669	350	(3,407,006)	543,013
Capital assets being depreciated				
Building and improvements	2,662,470	5,728	-	2,668,198
Machinery and equipment	6,417,944	127,721	(454,858)	6,090,807
Improvements and system	39,715,459	4,579,440	(145,025)	44,149,874
Total capital assets being depreciated	48,795,873	4,712,889	(599,883)	52,908,879
Less accumulated depreciation for:				
Building and improvements	(2,066,927)	(27,792)	-	(2,094,719)
Machinery and equipment	(3,774,376)	(520,097)	199,214	(4,095,259)
Improvements and system	(16,934,131)	(992,397)	45,770	(17,880,758)
Total accumulated depreciation	(22,775,434)	(1,540,286)	244,984	(24,070,736)
Capital assets being depreciated, net	26,020,439	3,172,603	(354,899)	28,838,143
Business-type activities capital assets, net	$ 29,970,108	$ 3,172,953	$ (3,761,905)	$ 29,381,156

Depreciation was charged to functions as follows:

Governmental Activities	
General government - administration	$ 31,699
General government - other	2,866
Public safety	181,629
Public works	249,924
Health	1,469
Recreation and culture	145,277
Depreciation for capital assets of internal service funds is allocated to various functions based on usage of the assets	554,146
	$ 1,167,010
Business-type Activities	
Solid Waste Management Fund	$ 544,815
Water and Sewer Fund	992,397
Theatre Arts	3,074
	$ 1,540,286

Note 7: Other Assets

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

	Water and Sewer Fund
Water Supply Contract Costs	$ 12,659,718
(Less) Accumulated Amortization	(2,411,517)
Water Supply Contract Costs, net	$ 10,248,201

Note 8: Long-Term Obligations

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the period ended September 30, 2014 are as follows:

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Governmental Activities					
Compensated Absences	$ 969,201	$ -	$ (37,289)	$ 931,912	$ 4,554
Net Pension Obligation	740,514	1,060,597	(1,139,529)	661,582	-
Net OPEB Obligation	685,049	188,506	(93,619)	779,936	-
Total Governmental Activities	$ 2,394,764	$ 1,249,103	$ (1,270,437)	$ 2,373,430	$ 4,554
Business-Type Activities					
Certificates of Obligation and bonds	$ 13,815,000	$ -	$ (1,190,000)	$ 12,625,000	$ 1,210,000
Bond premium, net	326,579	-	(28,369)	298,210	-
Subtotal	14,141,579	-	(1,218,369)	12,923,210	1,210,000
Water contract obligations	8,123,989	-	(469,663)	7,654,326	483,906
Accrued landfill closure / postclosure costs	1,279,135	61,794	-	1,340,929	-
Compensated Absences	83,263	3,093	-	86,356	5,468
Net Pension Obligation	82,307	272,359	(296,950)	57,716	-
Total Business-Type Activities	$ 23,710,273	$ 337,246	$ (1,984,982)	$ 22,062,537	$ 1,699,374

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

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

Note 8: Long-Term Obligations – continued

Debt service requirements for long-term debt as of September 30, 2014 are as follows:

Year Ended September 30,	Bonds Payable and Water Contract Obligations Principal	Interest	Total
2015	$ 1,693,906	$ 752,340	$ 2,446,246
2016	1,495,415	698,603	2,194,018
2017	1,537,865	646,598	2,184,463
2018	1,648,857	592,059	2,240,916
2019	1,618,173	531,509	2,149,682
2020-2024	6,708,888	1,801,418	8,510,306
2028-2029	4,615,142	675,771	5,290,913
2030	961,080	29,854	990,934
	$ 20,279,326	$ 5,728,152	$ 26,007,478

Long-term debt interest cost incurred for Business-type Activities for the year ended September 30, 2014 was as follows:

Interest charged to expense	$ 745,584
Interest capitalized	59,370
Total interest incurred	$ 804,954

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

Refunding Bonds and Tax and Revenue Certificates of Obligation

While the 2009 General Obligation Refunding Bonds and the 2008 and 2010 Tax and Revenue Certificates of Obligation are secured by ad valorem taxes levied by the City, the City intends to service the debts entirely from the net revenues of the Enterprise Funds. Accordingly, the liabilities for the debt are recorded in the Business-type Activities rather than the Governmental Activities of the City.

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

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

Details pertaining to the outstanding Certificates of Obligation and Bonds as of September 30, 2014 are as follows:

Description	Purpose	Maturity	Interest Rates	Balance
2008 Tax and Revenue Certificates of Obligation	Landfill cell and water and sewer system improvements	3/1/2015	3.50%	$ 245,000
2009 General Obligation Refunding Bonds	Refunding - waste water treatment plant bonds	3/1/2021	2.0 to 3.625%	4,505,000
2010 Tax and Revenue Certificates of Obligation	Water and sewer system improvements	3/1/2030	3.0 to 3.8%	7,875,000
				$ 12,625,000

Note 8: Long-Term Obligations – continued

Continuing Disclosure

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

Surface Water Supply Contract Obligations

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

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

Description	Maturity	Interest Rates	Balance
Refunding Series 2005 (CUA)	2/15/2020	3.0% to 5.0%	$ 820,200
Refunding Series 2010 (CUA)	2/15/2020	3.0% to 3.5%	170,513
Refunding Series 2010 (BUREC)	10/1/2018	3.0% to 5.0%	277,136
Refunding Series 2012	2/15/2025	4.50%	1,628,175
Series 2006	2/15/2027	4.25 to 5.0%	1,346,974
Series 2009	2/15/2029	4.16%	646,110
Series 2011	2/15/2031	3.0% to 5.0%	2,765,218
			$ 7,654,326

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, 2014:

Costs of operations	$	216,536
Water pumping and chemical costs		387,574
Debt service		851,414
Total	$	1,455,524

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, 2014 are as follows:

Capitalized contract costs	$	12,659,718
Accumulated amortization		(2,411,517)
Net unamortized costs	$	10,248,201

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

Note 8: Long-Term Obligations – continued

The financial statements of CRMWA as of September 30, 2014, and for the year then ended, reflect the following:

	9/30/2014
Assets:	
Current assets	$ 27,622,634
Noncurrent assets	527,305,969
Deferred Outflows of Resources:	
Deferred charge on refunding	546,674
Liabilities:	
Current liabilities	15,008,583
Noncurrent liabilities	197,707,969
Net Position:	
Net investment in capital assets	129,107,249
Restricted	198,205,403
Unrestricted	15,446,073
Total Net Position	342,758,725
Operating revenues	14,230,630
Operating expenses	(17,072,854)
Nonoperating revenues and expenses, net	176,571
Increase (decrease) in net position	(2,665,653)

Note 9: Employee Retirement Benefits

Texas Municipal Retirement System

Plan Description:

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

TMRS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information (RSI) for TMRS; the report also provides detailed explanations of the contributions, benefits and actuarial methods and assumptions used by the System. This report may be obtained from TMRS' website at www.TMRS.com.

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

	Plan Year 2013	Plan Year 2014
Employee deposit rate	7%	7%
Matching ratio (city to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service retirement eligibility (expressed as age / years of service)	60/5, 0/25	60/5, 0/25
Updated Service Credit	100% Repeating, Transfers	100% Repeating, Transfers
Annuity Increase (to retirees)	70% of CPI Repeating	70% of CPI Repeating

Note 9: Employee Retirement Benefits – continued

Contributions:

Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) cost method (EAN was first used in the December 31, 2013 valuation; previously the Projected Unit Credit actuarial cost method had been used.) This rate consists of the normal cost contribution rate and the prior service cost contribution rate, which is calculated to be a level percent of payroll from year to year. The normal cost contribution rate for an employee is the contribution rate which, if applied to a member's compensation throughout their period of anticipated covered service with the municipality, would be sufficient to meet all benefits payable on their behalf. The salary-weighted average of the individual rates is the total normal cost rate. The prior service contribution rate amortizes the unfunded (overfunded) actuarial liability (asset) over the applicable period for that city. Both the normal cost and prior service contribution rates include recognition of projected impact of annually repeating benefits, such as Updated Service Credits and Annuity Increases.

The City contributes to the TMRS plan at an actuarially determined rate. Both the employees and the City make contributions monthly. Since the City needs to know its contribution rate in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that serves as the basis for the rate and the calendar year when the rate goes into effect (i.e, the December 31, 2013 valuation will determine the contribution rate beginning January 1, 2015.)

The annual pension cost and net pension obligation/(asset) as of September 30, 2014 are as follows:

Annual required contribution (ARC)	$	879,284
Interest on net pension obligation		20,950
Adjustment to ARC		(18,839)
Annual pension cost (expense)		881,395
Contributions made		(984,278)
Increase (decrease) in net pension obligation		(102,883)
Net pension obligation - beginning of year		299,291
Net pension obligation - end of year	$	196,408

Trend Information

For Year Ending		Annual Pension Cost		Actual Contribution Made	Percentage of APC Contributed		Net Pension Obligation
9/30/2012	$	904,606	$	960,398	106.2%	$	400,949
9/30/2013		908,753		1,010,411	111.2%		299,291
9/30/2014		881,395		984,278	111.7%		196,408

The required contribution rates for fiscal year 2014 were determined as part of the December 31, 2011 and 2012 actuarial valuations. Additional information as of the latest actuarial valuation, December 31, 2013, is as follows:

Valuation Date	12/31/2011	12/31/2012	12/31/2013
Actuarial Cost Method	Projected Unit Credit	Projected Unit Credit	Entry Age Normal
Amortization Method	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll
GASB 25 Equivalent Single Amortization Period	26.3 Years - Closed Period	25.2 Years - Closed Period	23.0 Years - Closed Period
Amortization Period for new gains / losses	30 years	30 years	30 years
Asset Valuation Method	10-year smoothed Market	10-year smoothed Market	10-year smoothed Market
Actuarial Assumptions:			
Investment Rate of Return*	7.0%	7.0%	7.0%
Projected Salary Increases*	Varies by age and service	Varies by age and service	Varies by age and service
* Includes Inflation at	3.0%	3.0%	3.0%
Cost-of-living Adjustments	2.1%	2.1%	2.1%

Note 9: Employee Retirement Benefits – continued

Funded Status and Funding Progress:

In October 2013, the TMRS Board approved actuarial changes in (a) the funding method from Projected Unit Credit to Entry Age Normal, (b) the post-retirement morality assumptions used in calculating liabilities and contribution rates and in the development of the Annuity Purchase Rate factors, and (c) the amortization policy. The actuarial changes were effective with the December 31, 2013 actuarial valuation. For a complete description of the new actuarial cost method and assumptions, please see the December 31, 2013 *TMRS Comprehensive Annual Financial Report (CAFR).*

The funded status as the December 31, 2013, the most recent actuarial valuation date is presented as follows:

		12/31/2013
Actuarial value of assets	$	31,517,971
Actuarial accrued liability (AAL)	$	36,804,054
Funded ratio		85.6%
Unfunded (over-funded) AAL (UAAL)	$	5,286,083
Covered Payroll	$	5,628,799
UAAL as a percentage of covered payroll		93.9%

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

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

Firemen's Relief and Retirement Fund:

Plan Description

The Board of Trustees of the Firemen's Relief and Retirement Fund of Plainview, Texas (the Plan) is the administrator of a single-employer defined benefit pension plan. The Board of Trustees consists of three firemen elected by the members, two citizens elected by the board, and the City Mayor and Finance Director serving as ex-officio members. Substantially all firefighters in the Plainview Fire Department are covered by the Plan. The plan is not subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA) and was amended effective October 1, 2009. The table below summarizes the membership of the Plan included in the actuarial valuation as of December 31, 2013, which is the date of the latest actuarial valuation.

Retirees and beneficiaries currently receiving benefits	31
Vested terminated members	4
Active members:	
Vested	10
Nonvested	26
Total membership	71

Note 9: Employee Retirement Benefits – continued

Firemen's Relief and Retirement Fund:- continued

The Plan provides service retirement, death, disability, and withdrawal benefits. These benefits fully vest after 20 years of credited service with partial vesting available with 10 years of service. Members hired before October 1, 1994 may retire at age 50 with 20 years of service. Members hired on or after October 1, 1994 may retire at age 53 with 20 years of service. As of the December 31, 2013 actuarial valuation date, the Plan provided a monthly normal service retirement benefit, payable in a joint and two-thirds to spouse form of annuity, equal to 63.75% of "highest 60-month average salary", plus a "longevity" benefit equal to $78 per month for each whole year of service in excess of 20 years, subject to a 15 year maximum. There is no provision for automatic postretirement benefit increases. The Plan has the authority to provide, and has in the past provided for, ad hoc postretirement benefit increases. The benefit provisions of this plan are authorized by the Texas Local Fire Fighter's Retirement Act (TLFFRA). TLFFRA provides the authority and procedure to amend benefit provisions.

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

Schedule of Actuarial Liabilities and Funding Progress:

Actuarial valuation date		12/31/2013
Actuarial value of assets	$	5,262,382
Actuarial accrued liability	$	13,493,203
Percentage funded		39.0%
Unfunded (over-funded) actuarial accrued liability (UAAL)	$	8,230,821
Annual covered payroll	$	1,763,300
UAAL as a percentage of covered payroll		466.8%

		9/30/2014
Annual required contribution (ARC)	$	699,572
Firefighter contribution		(260,133)
Interest on net pension obligation		38,621
Amortization adjustment on ARC		(26,500)
Total annual pension cost (APC)		451,560
Contributions made		(456,181)
Increase (decrease) in net pension obligation		(4,621)
Net pension obligation (NPO) at the beginning of year		523,530
NPO at the end of year	$	518,909

Trend Information

For Year Ending	Annual Pension Cost	Net Employer Contribution	Percentage of APC Contributed	Net Pension Obligation
9/30/2012	$ 454,163	$ 329,078	72.5%	$ 421,972
9/30/2013	465,268	363,710	78.2%	523,530
9/30/2014	451,560	456,181	101.0%	518,909

Currently active members are required to contribute 14% of covered pay. For the fiscal year ended September 30, 2014, the employees contributed $260,133 in addition to the employer 21.45% matching contribution shown above.

Note 9: Employee Retirement Benefits – continued

Actuarial assumptions were as follows:

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

Other Retirement and Miscellaneous Benefits

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

Note 10: Health Care Coverage

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

All claims against the City were filed with a third party administrator, who investigates and processes the claims and provides administrative claims payment services for the plan. For the period through December 31, 2014 the City contracted with Texas Municipal League (TML) for processing services and PPO contracts with doctors and hospitals. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Changes in the City's recorded claim liability were as follows:

Year Ending	Beginning Balance	Claims and Changes in Estimates	Claims Payments	Ending Balance
9/30/2012	$ 22,693	$ 1,166,398	$ (1,055,672)	$ 133,419
9/30/2013	133,419	1,450,506	(1,450,460)	133,465
9/30/2014	133,465	2,074,177	(2,034,115)	173,527

The City contributes $585 per month per employee to the Plan, which includes comprehensive health care coverage. Employees, at their option, authorize payroll withholdings to pay contributions for dependent coverage. In accordance with state statute, the City was protected against unanticipated catastrophic individual or aggregate loss by stop-loss coverage. Excess loss coverage was provided TML with individual limits established at $50,000 per participant but not to exceed a maximum point of attachment of $1,950,000 per participant for the policy period. The aggregate stop loss insurance provides that in no event shall the City's point of attachment be less than $1,073,601. Aggregate stop loss payments shall not exceed $1,000,000.

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

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

Note 11: Other Postemployment Benefits

Plan Participants:

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

Normal Retirement Benefit Eligibility are as follows:

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

Health Care Benefits Provided by Plan are as follows:

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

Duty and Non-Duty Death in Service Retirement Benefits:

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

Non-Duty Disabled Retirement Benefits:

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

Duty Disabled Retirement Benefits:

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

Benefits for Spouses of Retired Employees:

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

Retiree Opt-Out:

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

Note 11: Other Postemployment Benefits – continued

Schedule of Monthly Premiums:

Category	Monthly Premium	Paid By:
Retiree (under 65)	$ 585	Retiree
Active Employee	585	City
Spouse	431	Employee
1 Child	253	Employee
2+ Children	350	Employee
Full Family	717	Employee
COBRA	597	Former employee

Funding Policy and Annual OPEB Cost:

The City's annual other post employment benefits (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameter of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The City currently funds the plan on a pay-as-you-go basis. The City had its first OPEB actuarial valuation performed for the fiscal year beginning October 1, 2008 as required by GASB. The City's annual OPEB cost for the year ended September 30, 2014 is as follows:

Annual required contribution (ARC)	$ 186,240
Interest on OPEB obligation	30,827
Adjustment to ARC	(28,561)
Annual OPEB cost at end of year	188,506
Net employer contributions	(93,619)
Increase in net OPEB obligation	94,887
Net OPEB obligation at beginning of year	685,049
Net OPEB obligation at end of year	$ 779,936

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ended September 30, 2014 and the preceding two fiscal years were as follows:

Fiscal Year Ended	Net Employer Contributions	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation	Annual Required Contribution	Percentage of ARC Contributed
9/30/2012	$ 122,733	$ 291,983	42.0%	$ 612,654	$ 291,983	42.0%
9/30/2013	239,287	311,682	76.8%	685,049	311,682	76.8%
9/30/2014	93,619	188,506	49.7%	779,936	188,506	49.7%

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

	12/31/2013
Actuarial value of assets	$ -
Actuarial accrued liability (AAL)	$ 2,102,393
Funded ratio	0.0%
Unfunded (over-funded) AAL (UAAL)	$ 2,102,393

Note 11: Other Postemployment Benefits – continued

Under the reporting parameters, the City's retiree health care plan is 0% funded with an estimated actuarial accrued liability exceeding actuarial assets by $2,102,393 at December 31, 2013, which is the date of the last actuarial valuation.

Actuarial methods and assumptions:

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

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

Actuarial assumptions were as follows:

Inflation rate	3% per year
Investment rate of return	4.5%, net of expenses
Actuarial cost method	Projected Unit Credit Cost Method
Amortization method	Level as a percentage of employee payroll
Amortization period	30 years, open period
Salary growth rate	3.0% per year
Healthcare cost trend rate	Initial rate of 7.5% declining to an ultimate rate of 4.5% after 12 years

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

Note 12: Risk Management

The City is exposed to various risks of loss related to torts, theft, damage or destruction of assets, error and omission, injuries to employees, and natural disasters. During fiscal year 2013, the City obtained general liability coverage at a cost that is considered to be economically justifiable by joining together with other governmental entities in the State as a member of the Texas Municipal League Intergovernmental Risk Pool (TML). TML is a self-funded pool operating as a common risk management and insurance program. The City pays an annual premium to TML for the aforementioned insurance coverage.

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

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

The City is generally self-insured for physical damage to vehicles. An Internal Service Fund provides group health insurance for City employees. The City has a maximum annual retention of $2,147,202 under its contract with TML for group health insurance.

Note 13: Contingencies and Litigation

Contingencies:
The City participates in grant programs which are governed by various regulations and rules of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the City has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the 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 $1,340,929 reported as landfill closure and postclosure care liability as of September 30, 2014, represents the cumulative amount reported to date based on the use of 21.37 percent of the estimated capacity of the landfill. The City will recognize the remaining estimated cost of closure and postclosure of $4,933,892 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2014. 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 $1,340,929 as of September 30, 2014.

Note 15: Investment in Joint Venture

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

Year Ending Date		12/31/2013
Total current assets	$	116,570
Total property and equipment		1,879,422
Total current liabilities		5,893
Net position invested in capital assets		1,879,422
Unrestricted net position		110,677
Total net position		1,990,099
Total operating revenues		65,518
Total operating expenses		(94,290)
Net increase (decrease) in net position		(28,772)
City's 50% share of increase (decrease) in net position		(14,386)

Note 15: Investment in Joint Venture – continued

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

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

Transactions with the Plainview/Hale County Airport for the year ended September 30, 2014 included those related to routine water, sewer and solid waste utility services. The City's interest in the joint venture is accounted for using the equity method.

Note 16: Upcoming Accounting Pronouncements

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

The City will fully analyze the impact of this new Statement prior to the effective dates.

Note 17: Construction Commitments

During fiscal year 2011, the City issued $8.685 million of 2010 Tax and Revenue Certificates of Obligation (2010 Certificates of Obligation) for various Business-type Activities capital projects. Using a portion of the proceeds from the 2010 Certificates of Obligation during fiscal year 2012, the City completed the relocation and replacement of water and sewer lines in conjunction with TxDOT's reconstruction of Highway 70, a major thoroughfare of the City. During fiscal year 2013 an emergency generator was purchased for the waste water treatment plant and work was nearly completed on the water tower project. At September 30, 2014 the City had $2.8 million of remaining unspent bond proceeds from this issuance. These funds will be used for the anticipated costs to complete the lift station for $1,400,000 and other projects allowed by the bond covenants and approved by the City Council.

Note 18: Subsequent Events

In November 2014 the Canadian River Municipal Water Authority (CRMWA) issued Subordinate lien Contract Revenue Refunding Bonds, Series 2014 in the amount of $42,165,000 with interest rates ranging from 2% - 5%. The proceeds were used to advance refund $32,670,000 of outstanding Contract Revenue Bonds, Series 2006 which had interest rates ranging from 4.25% - 5.25% and to current refund $12,605,000 of outstanding Contract Revenue Refunding Bonds, Series 2005 which had interest rates ranging from 3% - 5%. The net proceeds of $48,491,932 (including a $6,326,932 premium less $529,819 in underwriting fees and other issuance costs) were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds. The CRMWA has refunded these bond issues to reduce its total debt service payments over the next 12 years by $5,157,098 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of $4,468,378. The City of Plainview's portion of the principal is $1,820,215and interest $524,499 for a total of 4.239% of the total debt payments.

Required Supplementary Information

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF PLAINVIEW, TEXAS
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget to Actual - General Fund
Year Ended September 30, 2014

	Budgeted Amounts		Actual GAAP Basis
	Original	Final	
REVENUES			
Taxes			
Property taxes	$ 4,565,500	$ 4,565,500	$ 4,653,088
General sales and use tax	3,590,000	3,590,000	3,864,922
Selective sales and use tax	30,000	30,000	28,308
Franchise tax	1,295,000	1,295,000	1,463,657
Penalty and interest on taxes	71,000	71,000	91,107
Licenses and permits	56,750	56,750	76,469
Intergovernmental revenue and grants	186,835	186,835	190,514
Charges for services	595,145	595,145	734,498
Fines and forfeitures	333,010	333,010	330,427
Investment earnings	41,000	41,000	31,154
Rents and royalties	360	360	360
Other revenue	919,080	919,080	114,378
Total Revenues	11,683,680	11,683,680	11,578,882
EXPENDITURES			
Current			
General government - administration			
City council	58,200	58,200	(1,363)
City manager	286,830	286,830	105,507
Nondepartmental	1,420,620	1,448,365	420,578
Legal	235,720	266,720	100,922
Finance	70,720	72,420	(58,502)
Human resources	71,305	71,305	68,641
Civil service	239,925	239,925	210,376
Property tax appraisal / collection	100,500	100,500	94,513
Total general government - admin	2,483,820	2,544,265	940,672
General government - other			
Municipal court	148,470	148,470	144,183
Community development	143,110	143,110	61,912
Code enforcement	259,075	259,075	227,173
Main Street	100,860	100,885	14,901
Airport	5,000	5,000	
Total general government - other	656,515	656,540	448,169
Health			
City-county health department	140,400	143,225	140,331
Health OPHP/LPHS (BRHLO)	82,415	82,415	67,768
Health TDH-IMM	169,070	169,070	161,705
Total Health	391,885	394,710	369,804

Exhibit B-1

Adjustments to Budget Basis	Actual Budget Basis	Variance with Final Budget
$	$ 4,653,088	$ 87,588
	3,864,922	274,922
	28,308	(1,692)
	1,463,657	168,657
	91,107	20,107
	76,469	19,719
	190,514	3,679
	734,498	139,353
	330,427	(2,583)
	31,154	(9,846)
	360	-
823,780	938,158	19,078
823,780	12,402,662	718,982
55,565	54,202	3,998
181,740	287,247	(417)
	420,578	1,027,787
129,375	230,297	36,423
127,005	68,503	3,917
	68,641	2,664
	210,376	29,549
	94,513	5,987
493,685	1,434,357	1,109,908
	144,183	4,287
	61,912	81,198
	227,173	31,902
77,630	92,531	8,354
		5,000
77,630	525,799	130,741
	140,331	2,894
	67,768	14,647
	161,705	7,365
-	369,804	24,906

CITY OF PLAINVIEW, TEXAS
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget to Actual - General Fund
Year Ended September 30, 2014

	Budgeted Amounts		Actual
	Original	Final	GAAP Basis
EXPENDITURES - continued			
Current - continued			
Public safety			
Police	3,548,900	3,636,160	3,379,805
Fire	3,309,565	3,359,830	3,220,652
Traffic control	197,335	205,495	141,723
Emergency operations center	18,700	18,700	9,537
Street lighting	190,000	194,000	193,423
Animal control	152,090	153,990	147,906
Total public safety	7,416,590	7,568,175	7,093,046
Public works			
Public works - general	218,575	218,575	(115,635)
Street cleaning	183,690	183,690	151,364
Streets - other	729,360	729,360	670,461
Building operations	95,470	95,470	94,369
Custodial services	-	-	1,003
Total public works	1,227,095	1,227,095	801,562
Recreation and culture			
Parks	743,115	789,015	689,818
Swimming pool	24,500	24,500	22,107
Library	416,055	454,652	434,594
Total Parks and Recreation	1,183,670	1,268,167	1,146,519
Capital outlay	9,500	50,890	115,254
Total Expenditures	13,369,075	13,709,842	10,915,026
Excess of Revenues Over (Under) Expenditures	(1,685,395)	(2,026,162)	663,856
Other Financing Sources (Uses)			
Transfers in	496,110	496,110	621,324
Transfers out	(30,000)	(630,000)	(630,000)
Total Other Financing Sources (Uses)	466,110	(133,890)	(8,676)
Change in Fund Balance	(1,219,285)	(2,160,052)	655,180
Fund Balance - October 1	11,962,966	11,962,966	11,962,966
Fund Balance - September 30	$ 10,743,681	$ 9,802,914	$ 12,618,146

Adjustments to Budget Basis	Actual Budget Basis	Variance with Final Budget
	3,379,805	256,355
	3,220,652	139,178
	141,723	63,772
	9,537	9,163
	193,423	577
	147,906	6,084
-	7,093,046	475,129
252,465	136,830	81,745
	151,364	32,326
	670,461	58,899
	94,369	1,101
-	1,003	(1,003)
252,465	1,054,027	173,068
	689,818	99,197
	22,107	2,393
	434,594	20,058
-	1,146,519	121,648
	115,254	(64,364)
823,780	11,738,806	1,971,036
-	663,856	2,690,018
	621,324	125,214
	(630,000)	-
-	(8,676)	125,214
-	655,180	2,815,232
-	11,962,966	-
$ -	$ 12,618,146	$ 2,815,232

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

Required Supplementary Information

Schedule of Funding Progress - Pension and OPEB Plans

Year Ended September 30, 2014

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
TEXAS MUNICIPAL RETIREMENT SYSTEM PENSION PLAN:						
12/31/11	$ 27,413,374	$ 32,602,292	$ 5,188,918	84.1%	$ 5,611,418	92.5%
12/31/12	29,313,307	33,885,138	4,571,831	86.5%	5,656,134	80.8%
12/31/13	31,517,971	36,804,054	5,286,083	85.6%	5,628,799	93.9%
FIREMEN'S RELIEF AND RETIREMENT FUND PENSION PLAN:						
12/31/09	$ 4,458,483	$ 11,352,123	$ 6,893,640	39.3%	$ 1,660,058	415.3%
12/31/11	4,969,795	12,699,308	7,729,513	39.1%	1,624,361	475.8%
12/31/13	5,262,382	13,493,203	8,230,821	39.0%	1,763,300	466.8%
CITY OF PLAINVIEW RETIREE HEALTH CARE OPEB PLAN:						
12/31/09	$ -	$ 3,036,824	$ 3,036,824	0.0%	N/A	N/A
12/31/11	-	3,965,033	3,965,033	0.0%	N/A	N/A
12/31/13	-	2,102,393	2,102,393	0.0%	N/A	N/A

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

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

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

Change in Fund Balance Exhibit B-1	$	655,180
Investment earnings		5,018
General government - administration		(80,138)
Intergovernmental grants		5,000
Capital outlay		(9,200)
Net transfers		398,529
Change in Fund Balance Exhibit A-5	$	974,389

Note B: Budgetary Process

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

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

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

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

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

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

6. During the year, the budget was amended as necessary. The following budget amendments were significant for the General Fund: the budget was amended to provide for a $400,000 transfer to the Health Insurance Fund and for a $200,000 transfer to the Capital Improvement Fund.

7. All budget appropriations lapse at year end.

PLAINVIEW, TX
explore the opportunities

Combining Statements &
Budget Comparisons

COMBINING STATEMENTS AND BUDGETARY COMPARISONS

CITY OF PLAINVIEW, TEXAS
Combining Balance Sheet
General Funds
September 30, 2014

	General Fund	Capital Improvement Fund	Street Improvement Fund
ASSETS			
Cash and cash equivalents	$ 3,192,432	$ 1,127,756	$ 301,432
Investments	9,364,136	504,965	-
Interest receivable	1,222	83	-
Accounts receivable (net)	239,649	-	-
Taxes receivable (net)	990,105	-	-
Due from other governments	45,848	-	-
Inventories	48,866	-	-
Total Assets	$ 13,882,258	$ 1,632,804	$ 301,432
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities			
Accounts payable	$ 298,072	$ -	$ -
Wages payable	203,612	-	-
Due to other funds	400,000	-	-
Compensated absences payable	4,524	-	-
Total Liabilities	906,208	-	-
Deferred Inflows of Resources			
Unavailable revenue			
Property taxes	222,615	-	-
Fines and fees	98,789	-	-
Emergency Medical Services	36,500	-	-
Total Deferred Inflows of Resources	357,904	-	-
Fund Balances			
Nonspendable	48,866	-	-
Assigned	-	1,632,804	301,432
Unassigned	12,569,280	-	-
Total Fund Balance	12,618,146	1,632,804	301,432
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 13,882,258	$ 1,632,804	$ 301,432

Economic Development Fund		Total General Funds	
$	1,181,714	$	5,803,334
	-		9,869,101
	-		1,305
	-		239,649
	-		990,105
	-		45,848
	-		48,866
$	1,181,714	$	16,998,208
$	-	$	298,072
	-		203,612
	-		400,000
	-		4,524
	-		906,208
	-		222,615
	-		98,789
	-		36,500
	-		357,904
	-		48,866
	1,181,714		3,115,950
	-		12,569,280
	1,181,714		15,734,096
$	1,181,714	$	16,998,208

CITY OF PLAINVIEW, TEXAS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balance - General Funds
Year Ended September 30, 2014

	General Fund	Capital Improvement Fund	Street Improvement Fund
REVENUES			
Taxes:			
Property taxes	$ 4,653,088	$ -	$ -
Sales and use taxes	3,864,922	-	-
Selective sales and use taxes	28,308	-	-
Franchise tax	1,463,657	-	-
Penalty and interest on taxes	91,107	-	-
Licenses and permits	76,469	-	-
Intergovernmental revenue and grants	190,514		-
Charges for services	734,498	-	-
Fines and fees	330,427	-	-
Investment earnings	31,154	2,768	480
Rents and royalties	360	-	-
Contributions and donations	-	5,000	-
Other revenue	114,378	-	-
Total Revenues	11,578,882	7,768	480
EXPENDITURES			
Current			
General government - administration	940,672	21,673	-
General government - other	448,169	-	-
Public safety	7,093,046	-	-
Public works	801,562	-	-
Health	369,804	-	-
Recreation and culture	1,146,519	-	-
Capital outlay	115,254	-	9,200
Total Expenditures	10,915,026	21,673	9,200
Excess (Deficiency) of Revenue over Expenditures	663,856	(13,905)	(8,720)
OTHER FINANCING SOURCES (USES)			
Transfers in	621,324	200,000	-
Transfers out	(630,000)	-	-
Total Other Financing Sources (Uses)	(8,676)	200,000	-
Net Change in Fund Balance	655,180	186,095	(8,720)
Fund Balance - October 1	11,962,966	1,446,709	310,152
Fund Balance - September 30	$ 12,618,146	$ 1,632,804	$ 301,432

Economic Development Fund	Elimination	Total General Funds
$ -	$ -	$ 4,653,088
-	-	3,864,922
-	-	28,308
-	-	1,463,657
-	-	91,107
-	-	76,469
-	-	190,514
-	-	734,498
-	-	330,427
1,770	-	36,172
-	-	360
-	-	5,000
-	-	114,378
1,770	-	11,588,900
58,465	-	1,020,810
-	-	448,169
-	-	7,093,046
-	-	801,562
-	-	369,804
-	-	1,146,519
-	-	124,454
58,465	-	11,004,364
(56,695)	-	584,536
198,529	(230,000)	789,853
-	230,000	(400,000)
198,529	-	389,853
141,834	-	974,389
1,039,880	-	14,759,707
$ 1,181,714	$ -	$ 15,734,096

CITY OF PLAINVIEW, TEXAS
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2014

	Hotel - Motel Occupancy Tax Fund	Economic Development Revolving Loan Fund	Police Seizure Fund	Federal Shared Forfeited Fund
ASSETS				
Taxes receivable	$ 29,136	$ -	$ -	$ -
Due from other governments	-	-	-	-
Restricted cash and cash equivalents	596,518	-	60,060	5,143
Total Assets	$ 625,654	$ -	$ 60,060	$ 5,143
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	$ -	$ -	$ -	$ -
Wages payable	-	-	-	-
Compensated absences payable	-	-	-	-
Total Liabilities	-	-	-	-
Fund Balances				
Restricted	625,654	-	60,060	5,143
Total Fund Balances	625,654	-	60,060	5,143
TOTAL LIABILITIES AND FUND BALANCE	$ 625,654	$ -	$ 60,060	$ 5,143

Police Pending Seizures Fund	RSVP Fund	Municipal Court Security Fee Fund	Municipal Court Technology Fund	PEG Fund	HRA Home RSP 2011 Fund	Total Nonmajor Governmental Funds
$ -	$ -	$ -	$ -	$ 10,240	$ -	$ 39,376
-	5,500	-	-	-	5,011	10,511
646	1,352	15,052	47,737	2,091	(5,011)	723,588
$ 646	$ 6,852	$ 15,052	$ 47,737	$ 12,331	$ -	$ 773,475
$ 646	$ 5,227	$ -	$ -	$ -	$ -	$ 5,873
-	1,595	-	-	-	-	1,595
-	30	-	-	-	-	30
646	6,852	-	-	-	-	7,498
-	-	15,052	47,737	12,331	-	765,977
-	-	15,052	47,737	12,331	-	765,977
$ 646	$ 6,852	$ 15,052	$ 47,737	$ 12,331	$ -	$ 773,475

CITY OF PLAINVIEW, TEXAS
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
Year Ended September 30, 2014

	Hotel - Motel Occupancy Tax Fund	Economic Development Revolving Loan Fund	Police Seizure Fund	Federal Shared Forfeited Fund
REVENUE				
Selective sales and use tax	$ 296,899	$ -	$ -	$ -
Intergovernmental revenue and grants	-	-	-	-
Fines, forfietures and fees	-	-	705	-
Investment earnings	799	95	-	-
Contributions and donations	-	-	-	-
Other revenue	805	67,552	-	2,725
Total Revenues	298,503	67,647	705	2,725
EXPENDITURES				
Current				
General government - administration	181,399	-	-	-
General government - other	-	-	-	-
Public safety	-	-	2,044	-
Capital outlay	-	-	2,481	-
Total Expenditures	181,399	-	4,525	-
Excess (Deficiency) of Revenues over Expenditures	117,104	67,647	(3,820)	2,725
OTHER FINANCING SOURCES (USES)				
Transfers in	502	-	-	-
Transfers out	(31,000)	(113,529)	-	-
Total Other Financing Sources (Uses)	(30,498)	(113,529)	-	-
Net Change in Fund Balance	86,606	(45,882)	(3,820)	2,725
Fund Balance - October 1	539,048	45,882	63,880	2,418
Fund Balance - September 30	$ 625,654	$ -	$ 60,060	$ 5,143

Police Pending Seizures Fund	RSVP Fund	Municipal Court Security Fee Fund	Municipal Court Technology Fund	PEG Fund	HRA Home RSP 2011 Fund	Total Nonmajor Governmental Funds
$ -	$ -	$ -	$ -	$ -	$ -	$ 296,899
-	67,914	-	-			67,914
-	-	8,000	10,587	11,170	-	30,462
-	-	-	-	3	-	897
-	13,873	-	-	-	-	13,873
-	4	-	-	-	1,643	72,729
-	81,791	8,000	10,587	11,173	1,643	482,774
-	-	-	-	-	1,643	183,042
-	81,332	-	455	-	-	81,787
-	-	-	-	-	-	2,044
-	961	39,380	-	-	-	42,822
-	82,293	39,380	455	-	1,643	309,695
-	(502)	(31,380)	10,132	11,173	-	173,079
-	502	-	-	-	-	1,004
-	-	-	-	-	-	(144,529)
-	502	-	-	-	-	(143,525)
-	-	(31,380)	10,132	11,173	-	29,554
-	-	46,432	37,605	1,158	-	736,423
$ -	$ -	$ 15,052	$ 47,737	$ 12,331	$ -	$ 765,977

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

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Hotel-Motel Occupancy Tax Fund
Year Ended September 30, 2014

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget
	Original	Final		
REVENUE				
Selective sales and use tax	$ 250,000	$ 250,000	$ 296,899	$ 46,899
Investment earnings	650	650	799	149
Other revenue	-	-	805	805
Total Revenues	250,650	250,650	298,503	47,853
EXPENDITURES				
Current				
General government - administration	221,730	255,730	181,399	74,331
Capital outlay	2,000	2,000	-	2,000
Total Expenditures	223,730	257,730	181,399	76,331
Excess (Deficiency) of Revenue over Expenditures	26,920	(7,080)	117,104	124,184
OTHER FINANCING SOURCES (USES)				
Transfer in	-	-	502	502
Transfers out	(31,000)	(31,000)	(31,000)	-
Total Other Financing Sources (Uses)	(31,000)	(31,000)	(30,498)	502
Net Change in Fund Balance	(4,080)	(38,080)	86,606	124,686
Fund Balance - October 1	539,048	539,048	539,048	-
Fund Balance - September 30	$ 534,968	$ 500,968	$ 625,654	$ 124,686

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

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Economic Development Revolving Loan Fund
Year Ended September 30, 2014

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget
	Original	Final		
REVENUE				
Investment earnings	$ -	$ -	$ 95	$ 95
Other revenue	-	-	67,552	$ 67,552
Total Revenues	-	-	67,647	67,647
EXPENDITURES				
Current				
General government - administration	139,000	139,000	-	139,000
Total Expenditures	139,000	139,000	-	139,000
Excess (Deficiency) of Revenue over Expenditures	(139,000)	(139,000)	67,647	206,647
OTHER FINANCING SOURCES (USES)				
Transfer out	-	(113,530)	(113,529)	1
Total Other Financing Sources (Uses)	-	(113,530)	(113,529)	1
Net Change in Fund Balance	(139,000)	(252,530)	(45,882)	206,648
Fund Balance - October 1	45,882	45,882	45,882	-
Fund Balance - September 30	$ (93,118)	$ (206,648)	$ -	$ 206,648

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

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Police Seizure Fund
Year Ended September 30, 2014

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget
	Original	Final		
REVENUE				
Intergovernmental revenue and grants	$ -	$ -	$ -	$ -
Fines, forfeitures and fees	4,000	4,000	705	(3,295)
Total Revenues	4,000	4,000	705	(3,295)
EXPENDITURES				
Current				
Public safety	5,235	5,235	2,044	3,191
Capital outlay	50,000	50,000	2,481	47,519
Total Expenditures	55,235	55,235	4,525	50,710
Excess (Deficiency) of Revenue over Expenditures	(51,235)	(51,235)	(3,820)	47,415
Fund Balance - October 1	63,880	63,880	63,880	-
Fund Balance - September 30	$ 12,645	$ 12,645	$ 60,060	$ 47,415

CITY OF PLAINVIEW, TEXAS
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Federal Shared Forfeited Fund
Year Ended September 30, 2014

Exhibit D-4

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget
	Original	Final		
REVENUE				
Other revenue	$ -	$ -	$ 2,725	$ 2,725
Total Revenues	-	-	2,725	2,725
EXPENDITURES				
Current				
General government - administration				
Capital outlay	2,420	2,420	-	2,420
Total Expenditures	2,420	2,420	-	2,420
Excess (Deficiency) of Revenue over Expenditures	(2,420)	(2,420)	2,725	5,145
Fund Balance - October 1	2,418	2,418	2,418	-
Fund Balance - September 30	$ (2)	$ (2)	$ 5,143	$ 5,145

CITY OF PLAINVIEW, TEXAS **Exhibit D-5**

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - RSVP Fund
Year Ended September 30, 2014

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget
	Original	Final		
REVENUE				
Intergovernmental revenue and grants	$ 68,315	$ 68,315	$ 67,914	$ (401)
Contributions and donations	25,925	25,925	13,873	(12,052)
Other revenue	-	-	4	4
Total Revenues	94,240	94,240	81,791	(12,449)
EXPENDITURES				
Current				
General government - other	94,240	94,240	81,332	12,908
Capital outlay	-	-	961	(961)
Total Expenditures	94,240	94,240	82,293	11,947
Excess (Deficiency) of Revenue over Expenditures	-	-	(502)	(502)
OTHER FINANCING SOURCES (USES)				
Transfer in	-	-	502	502
Total Other Financing Sources (Uses)	-	-	502	502
Net Change in Fund Balance	-	-	-	-
Fund Balance - October 1	-	-	-	-
Fund Balance - September 30	$ -	$ -	$ -	$ -

Exhibit D-6

CITY OF PLAINVIEW, TEXAS
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Municipal Court Security Fee Fund
Year Ended September 30, 2014

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget
	Original	Final		
REVENUE				
Fines, forfeitures and fees	$ 7,000	$ 7,000	$ 8,000	$ 1,000
Total Revenues	7,000	7,000	8,000	1,000
EXPENDITURES				
Current				
General government - other	48,500	48,500	-	48,500
Capital outlay	-	-	39,380	(39,380)
Total Expenditures	48,500	48,500	39,380	9,120
Excess (Deficiency) of Revenue over Expenditures	(41,500)	(41,500)	(31,380)	10,120
Fund Balance - October 1	46,432	46,432	46,432	-
Fund Balance - September 30	$ 4,932	$ 4,932	$ 15,052	$ 10,120

CITY OF PLAINVIEW, TEXAS

Exhibit D-7

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Municipal Court Technology Fund
Year Ended September 30, 2014

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget
	Original	Final		
REVENUE				
Fines, forfeitures and fees	$ 8,500	$ 8,500	$ 10,587	$ 2,087
Total Revenues	8,500	8,500	10,587	2,087
EXPENDITURES				
Current				
General government - other	1,000	1,000	455	545
Capital outlay	38,000	38,000	-	38,000
Total Expenditures	39,000	39,000	455	38,545
Excess (Deficiency) of Revenue over Expenditures	(30,500)	(30,500)	10,132	40,632
Fund Balance - October 1	37,605	37,605	37,605	-
Fund Balance - September 30	$ 7,105	$ 7,105	$ 47,737	$ 40,632

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

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - PEG Fund
Year Ended September 30, 2014

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget
	Original	Final		
REVENUE				
Fines, forfeitures and fees	$ 800	$ 800	$ 11,170	$ 10,370
Investment earnings	-	-	3	3
Total Revenues	800	800	11,173	10,373
EXPENDITURES				
General government - administration	1,200	1,200	-	1,200
Total Expenditures	1,200	1,200	-	1,200
Excess (Deficiency) of Revenue over Expenditures	(400)	(400)	11,173	11,573
Fund Balance - October 1	1,158	1,158	1,158	-
Fund Balance - September 30	$ 758	$ 758	$ 12,331	$ 11,573

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

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - HRA - HOME RSP 2011
Year Ended September 30, 2014

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget
	Original	Final		
REVENUE				
Other revenues	$ -	$ -	1,643	$ 1,643
Total Revenues	-	-	1,643	1,643
EXPENDITURES				
General government - administration	-	-	1,643	(1,643)
Total Expenditures	-	-	1,643	(1,643)
Excess (Deficiency) of Revenue over Expenditures	-	-	-	-
Fund Balance - October 1	-	-	-	-
Fund Balance - September 30	$ -	$ -	$ -	$ -

CITY OF PLAINVIEW, TEXAS **Exhibit D-10**

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Capital Improvement Fund
Year Ended September 30, 2014

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget
	Original	Final		
REVENUE				
Intergovernmental revenue and grants	$ -	$ -	$ 5,000	$ 5,000
Investment earnings	2,250	2,250	2,768	518
Total Revenues	2,250	2,250	7,768	5,518
EXPENDITURES				
Current				
General government - administration	105,000	105,000	21,673	83,327
Capital outlay	1,005,000	1,005,000	-	1,005,000
Total Expenditures	1,110,000	1,110,000	21,673	1,088,327
Excess (Deficiency) of Revenue over Expenditures	(1,107,750)	(1,107,750)	(13,905)	1,093,845
OTHER FINANCING SOURCES (USES)				
Transfer in	-	200,000	200,000	-
Total Other Financing Sources (Uses)	-	200,000	200,000	-
Net Change in Fund Balance	(1,107,750)	(907,750)	186,095	1,093,845
Fund Balance - October 1	1,446,709	1,446,709	1,446,709	-
Fund Balance - September 30	$ 338,959	$ 538,959	$ 1,632,804	$ 1,093,845

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

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Street Improvement Fund
Year Ended September 30, 2014

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget
	Original	Final		
REVENUE				
Investment earnings	$ 700	$ 700	$ 480	$ (220)
Total Revenues	700	700	480	(220)
EXPENDITURES				
Current				
Public works	-	-	-	-
Capital outlay	150,000	150,000	9,200	140,800
Total Expenditures	150,000	150,000	9,200	140,800
Excess (Deficiency) of Revenue over Expenditures	(149,300)	(149,300)	(8,720)	140,580
Fund Balance - October 1	310,152	310,152	310,152	-
Fund Balance - September 30	$ 160,852	$ 160,852	$ 301,432	$ 140,580

CITY OF PLAINVIEW, TEXAS **Exhibit D-12**

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Economic Development Fund
Year Ended September 30, 2014

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget
	Original	Final		
REVENUE				
Investment earnings	$ 1,500	$ 1,500	$ 1,770	$ 270
Total Revenues	1,500	1,500	1,770	270
EXPENDITURES				
Current				
General government - administration	130,000	130,000	58,465	71,535
Total Expenditures	130,000	130,000	58,465	71,535
Excess (Deficiency) of Revenue over Expenditures	(128,500)	(128,500)	(56,695)	71,805
OTHER FINANCING SOURCES (USES)				
Transfer in	85,000	198,530	198,529	(1)
Total Other Financing Sources (Uses)	85,000	198,530	198,529	(1)
Net Change in Fund Balance	(43,500)	70,030	141,834	71,804
Fund Balance - October 1	1,039,880	1,039,880	1,039,880	-
Fund Balance - September 30	$ 996,380	$ 1,109,910	$ 1,181,714	$ 71,804

CITY OF PLAINVIEW, TEXAS
Combining Statement of Net Position
Internal Service Funds
September 30, 2014

	Unemployment Compensation Fund	Equipment Replacement Fund	Property Insurance Fund
ASSETS			
Current Assets:			
Cash and cash equivalents	$ 91,870	$ 836,972	$ 1,045,964
Investments	-	1,211,084	807,444
Interest receivable	-	123	119
Accounts receivable, net	-	-	3,472
Due from other funds	-	-	-
Inventories	-	-	-
Total current assets	91,870	2,048,179	1,856,999
Noncurrent Assets:			
Capital assets:			
Depreciable, net	-	2,164,567	-
Total noncurrent assets	-	2,164,567	-
Total Assets	91,870	4,212,746	1,856,999
LIABILITIES			
Current Liabilities:			
Accounts payable	3,006	12,600	7,745
Total current liabilities	3,006	12,600	7,745
Noncurrent Liabilities:			
Noncurrent portion of long-term liabilities			
Net pension obligation	-	-	-
Net other postemployment benefits obligation	-	-	-
Total noncurrent liabilities	-	-	-
Total Liabilities	3,006	12,600	7,745
NET POSITION			
Investment in capital assets	-	2,164,567	-
Unrestricted	88,864	2,035,579	1,849,254
Total Net Position	$ 88,864	$ 4,200,146	$ 1,849,254

Health Insurance Fund	Cafeteria Plan Fund	Service Center Fund	Total Internal Service Funds
$ 1,037,243	$ 33,604	$ 115,470	$ 3,161,123
777,122	-	-	2,795,650
120	-	-	362
182,898	-	-	186,370
550,000	-	-	550,000
-	-	43,774	43,774
2,547,383	33,604	159,244	6,737,279
-	-	13,669	2,178,236
-	-	13,669	2,178,236
2,547,383	33,604	172,913	8,915,515
176,487	2,939	3,600	206,377
176,487	2,939	3,600	206,377
-	-	1,586	1,586
779,936	-	-	779,936
779,936	-	1,586	781,522
956,423	2,939	5,186	987,899
-	-	13,669	2,178,236
1,590,960	30,665	154,058	5,749,380
$ 1,590,960	$ 30,665	$ 167,727	$ 7,927,616

CITY OF PLAINVIEW, TEXAS
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Funds
Year Ended September 30, 2014

	Unemployment Compensation Fund	Equipment Replacement Fund	Property Insurance Fund
OPERATING REVENUES			
Charges for services	$ 10,079	$ 528,830	$ 100,890
Other revenue	-	-	3,472
Total Operating Revenues	10,079	528,830	104,362
OPERATING EXPENSES			
Personnel services - salaries and wages	-	-	-
Personnel services - employee benefits	-	-	-
Purchased professional & technical services	650	-	-
Purchased property services	-	40,623	-
Other operating expenses	9,457	-	61,878
Supplies	-	-	-
Depreciation and amortization	-	537,941	-
Total Operating Expenses	10,107	578,564	61,878
Operating Income (Loss)	(28)	(49,734)	42,484
NONOPERATING REVENUES (EXPENSES)			
Loss on disposition of property	-	(26,565)	-
Investment earnings	-	4,290	3,741
Total Nonoperating Revenues (Expenses)	-	(22,275)	3,741
Income (Loss) Before Transfers	(28)	(72,009)	46,225
Transfer in	-	-	-
Transfers out	-	-	(48,244)
Total Transfers	-	-	(48,244)
Change in Net Position	(28)	(72,009)	(2,019)
Net Position - October 1	88,892	4,272,155	1,851,273
Net Position - September 30	$ 88,864	$ 4,200,146	$ 1,849,254

Health Insurance Fund	Cafeteria Plan Fund	Service Center Fund	Total Internal Service Funds
$ 1,585,786	$ 36,193	$ 41,958	$ 2,303,736
727,891	502	-	731,865
2,313,677	36,695	41,958	3,035,601
-	-	24,013	24,013
-	-	14,795	14,795
5,303	-	-	5,953
-	-	25,898	66,521
2,492,522	36,193	9,141	2,609,191
-	-	23,464	23,464
-	-	16,205	554,146
2,497,825	36,193	113,516	3,298,083
(184,148)	502	(71,558)	(262,482)
-	-	(254)	(26,819)
3,819	13	-	11,863
3,819	13	(254)	(14,956)
(180,329)	515	(71,812)	(277,438)
550,000	-	1,506	551,506
(94,887)	-	-	(143,131)
455,113	-	1,506	408,375
274,784	515	(70,306)	130,937
1,316,176	30,150	238,033	7,796,679
$ 1,590,960	$ 30,665	$ 167,727	$ 7,927,616

CITY OF PLAINVIEW, TEXAS
Combining Statement of Cash Flows
Internal Service Funds
Year Ended September 30, 2014

	Unemployment Compensation Fund	Equipment Replacement Fund	Property Insurance Fund
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash from operating transactions - other funds	$ 10,079	$ 528,830	$ 229,149
Cash payments to employees for services	-	-	-
Cash payments for goods and services	(9,254)	(58,017)	(83,443)
Other operating cash receipts	-	-	3,472
Net Cash Provided (Used) by Operating Activities	825	470,813	149,178
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from other funds	-	-	-
Transfers to other funds	-	-	(48,244)
Net Cash (Used) Provided by Noncapital Financing Activities	-	-	(48,244)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	-	(296,466)	-
Net Cash (Used) by Capital and Related Financing Activities	-	(296,466)	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments	-	(3,178)	(2,131)
Interest on investments	-	4,310	3,766
Net Cash Provided (Used) by Investing Activities	-	1,132	1,635
Net Increase (Decrease) in Cash and Cash Equivalents	825	175,479	102,569
Cash and Cash Equivalents - October 1	91,045	661,493	943,395
Cash and Cash Equivalents - September 30	$ 91,870	$ 836,972	$ 1,045,964

Health Insurance Fund	Cafeteria Plan Fund	Service Center Fund	Total Internal Service Funds
$ 1,409,617	$ 36,193	$ 88,216	$ 2,302,084
-	-	(46,778)	(46,778)
(2,359,916)	(36,190)	(57,558)	(2,604,378)
727,891	502	-	731,865
(222,408)	505	(16,120)	382,793
-	-	1,506	1,506
(94,887)	-	-	(143,131)
(94,887)	-	1,506	(141,625)
-	-	-	(296,466)
-	-	-	(296,466)
(2,144)	-	-	(7,453)
3,851	13	-	11,940
1,707	13	-	4,487
(315,588)	518	(14,614)	(50,811)
1,352,831	33,086	130,084	3,211,934
$ 1,037,243	$ 33,604	$ 115,470	$ 3,161,123

CITY OF PLAINVIEW, TEXAS
Combining Statement of Cash Flows
Internal Service Funds
Year Ended September 30, 2014

	Unemployment Compensation Fund	Equipment Replacement Fund	Property Insurance Fund
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating income (loss)	$ (28)	$ (49,734)	$ 42,484
Adjustments to reconcile operating income to net cash Provided (used) by operating activities			
Depreciation and amortization	-	537,941	-
(Increase) decrease in operating assets and liabilities:			
Accounts receivable (net)	-	-	128,259
Inventories	-	-	-
Accounts payable	853	(17,394)	(21,565)
Wages payable	-	-	-
Net other postemployment benefits obligation	-	-	-
Accrued compensated absences	-	-	-
Net Cash Provided (Used) by Operating Activities	$ 825	$ 470,813	$ 149,178

Health Insurance Fund	Cafeteria Plan Fund	Service Center Fund	Total Internal Service Funds
$ (184,148)	$ 502	$ (71,558)	$ (262,482)
-	-	16,205	554,146
(176,169)	-	46,258	(1,652)
-	-	2,820	2,820
43,022	3	(1,875)	3,044
-	-	(2,876)	(2,876)
94,887	-	11	94,898
-	-	(5,105)	(5,105)
$ (222,408)	$ 505	$ (16,120)	$ 382,793

PLAINVIEW, TX

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**Capital Assets -
Governmental Funds**

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

Schedule of Capital Assets Used in the Operation
Of Governmental Funds by Sources*
September 30, 2014

Capital Assets Used in the Operation of Governmental Funds:				
Land			$	552,202
Buildings				3,310,523
Improvements other than buildings				15,580,074
Machinery and equipment				2,867,148
Construction in progress				22,533
Total			$	22,332,480
Investment in Capital Assets:				
Acquired prior to October 1, 1990			$	10,355,790
Acquired after September 30, 1990				
General fund				
General revenues	$	2,492,551		
Capital improvements		3,751,762		
Street improvements		4,489,917		
Special revenue funds				
Hotel/Motel tax fund		550,250		
Police seizure		24,449		
Homeland security grant		333,527		
RSVP fund		4,751		
SECO grant		84,346		
Justice assistance grant		134,936		
Criminal justice division equipment grant		10,186		
Municipal court security fund		55,861		
Municipal court technology fund		44,154		
				11,976,690
Total			$	22,332,480

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

Exhibit F-2

CITY OF PLAINVIEW, TEXAS

Schedule of Capital Assets Used in the Operation
Of Governmental Funds by Function and Activity*
For the Year Ended September 30, 2014

	Land	Buildings	Improvements Other Than Buildings
From General Fund			
General government	$ 448,904	$ 346,552	$ 7,265,414
Police		247,675	10,500
Fire / EMS		257,252	10,423
Traffic and Safety			64,810
Animal control		149,754	11,739
Civil defense	10,500	168,599	
Engineering			
Street		16,223	
Recreation		50,490	497,145
Library		326,136	
Health			
Capital improvement fund	70,215	1,161,040	2,339,966
Street improvement fund	18,503		5,380,076
Total General Fund	548,122	2,723,721	15,580,073
From Special Revenue Funds			
Hotel/Motel tax fund	$ 4,080	$ 506,969	
Police seizure fund			
Homeland security grant			
RSVP fund			
SECO grant		73,640	
Justice assistance grant			
Criminal justice division equipment grant			
Municipal court security fund		6,193	
Municipal court technology fund			
Total Special Revenue Funds	$ 4,080	$ 586,802	$ -
Total	$ 552,202	$ 3,310,523	$ 15,580,073

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

Machinery and Equipment		Construction in Progress		Total	
$	179,907			$	8,240,777
	282,909				541,084
	510,490				778,165
	216,432				281,242
	5,082				166,575
	8,958				188,057
	8,848				8,848
	380,240				396,463
	295,124				842,759
	128,694				454,830
	30,244				30,244
	167,208		13,333.00		3,751,762
	1,435		9,200		5,409,214
	2,215,571		22,533		21,090,020
$	39,201			$	550,250
	24,449				24,449
	333,527				333,527
	4,751				4,751
	10,706				84,346
	134,936				134,936
	10,186				10,186
	49,668				55,861
	44,154				44,154
$	651,578	$	-	$	1,242,460
$	2,867,149	$	22,533	$	22,332,480

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

Schedule of Changes in Capital Assets Used in the Operation
Of Governmental Funds by Function and Activity*
For the Year Ended September 30, 2014

	Capital Assets 9/30/13	Additions (Deletions)	Capital Assets 9/30/14
From General Fund			
General government	$ 8,238,758	$ 2,019	$ 8,240,777
Police	540,009	1,075	541,084
Fire / EMS	813,908	(35,743)	778,165
Traffic and safety	281,242		281,242
Animal control	179,345	(12,770)	166,575
Civil defense	188,057		188,057
Engineering	8,848		8,848
Street	396,463		396,463
Recreation	807,518	35,241	842,759
Library	436,622	18,208	454,830
Health	30,244		30,244
Capital improvements	3,751,762		3,751,762
Street improvements	5,385,924	23,290	5,409,214
Total General Fund	$ 21,058,700	$ 31,320	$ 21,090,020
From Special Revenue Funds			
Hotel/Motel tax fund	$ 550,250		$ 550,250
Police seizure fund	21,968	2,481	24,449
Homeland security grant	333,527		333,527
LLEBG grant	27,208	(27,208)	-
RSVP fund	4,858	(107)	4,751
SECO grant	84,346		84,346
Justice assistance grant	134,936		134,936
Criminal justice division equipment grant	10,186		10,186
Municipal court security fund	16,481	39,380	55,861
Municipal court technology fund	44,154	-	44,154
Total Special Revenue Funds	$ 1,227,914	$ 14,546	$ 1,242,460
Total	$ 22,286,614	$ 45,866	$ 22,332,480

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

Debt Service Requirements

DEBT SERVICE REQUIREMENTS – SCHEDULES OF MATURITIES

Solid Waste Management Fund **Exhibit G-1**

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

Fiscal Year	Outstanding Debt Beginning of Year	Principal	Interest	Total
2015	$ 245,000	$ 245,000	$ 4,288	$ 249,288
Totals		$ 245,000	$ 4,288	$ 249,288
Annual Average Requirements		$ 245,000	$ 4,288	$ 249,288

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

General Obligation Refunding Bonds, Series 2009
Debt Service Requirements
Schedule of Maturities
2015-2021

Fiscal Year	Outstanding Debt Beginning of Year	Principal	Interest	Total
2015	$ 4,505,000	$ 585,000	$ 136,169	$ 721,169
2016	3,920,000	600,000	120,606	720,606
2017	3,320,000	620,000	103,056	723,056
2018	2,700,000	640,000	83,356	723,356
2019	2,060,000	660,000	61,406	721,406
2020	1,400,000	685,000	37,441	722,441
2021	715,000	715,000	12,513	727,513
Total		$ 4,505,000	$ 554,547	$ 5,059,547
Annual Average Requirements		$ 643,571	$ 79,221	$ 722,792

Proceeds used for construction of a Water Reclamation and Treatment Facility

Water and Sewer Utility Fund
Water Supply Contract Obilgation
Contract Revenue Bonds, Series 1999
and Series 2010 Refunding
(CRMWA Prepayment of USBR Debt)
Debt Service Requirements
Schedule of Maturities
2015-2018

Exhibit G-3

Fiscal Year	Outstanding Debt Beginning of Year	Principal	Interest	Total
2015	$ 277,136	$ 53,509	$ 8,872	$ 62,381
2016	223,627	55,276	7,267	62,543
2017	168,351	56,790	5,608	62,398
2018	111,561	111,561	3,905	115,466
Total		$ 277,136	$ 25,652	$ 302,788
Annual Average Requirements		$ 69,284	$ 6,413	$ 75,697

Water and Sewer Utility Fund

Exhibit G-4

Water Supply Contract Obilgation
Contract Revenue Bonds, Series 1999 Unrefunded Portion
and Series 2005 Refunding
(CRMWA Conjuctive Use Groundwater Supply Project)
Debt Service Requirements
Schedule of Maturities
2015-2020

Fiscal Year	Outstanding Debt Beginning of Year	Principal	Interest	Total
2015	$ 820,199	$ 150,750	$ 39,431	$ 190,181
2016	669,449	139,643	31,894	171,537
2017	529,806	146,644	24,912	171,556
2018	383,162	153,768	17,579	171,347
2019	229,394	160,893	10,805	171,698
2020	68,501	68,501	3,414	71,915
Total		$ 820,199	$ 128,035	$ 948,234
Annual Average Requirements		$ 136,700	$ 21,339	$ 158,039

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

Water Supply Contract Obilgation
Contract Revenue Bonds, Series 2005 Refunding Series 2012
(CRMWA Conjuctive Use Groundwater Supply Project)
Debt Service Requirements
Schedule of Maturities
2015-2025

Fiscal Year	Outstanding Debt Beginning of Year	Principal	Interest	Total
2015	$ 1,628,175	$ 24,116	$ 80,093	$ 104,209
2016	1,604,059	42,539	78,887	121,426
2017	1,561,520	44,250	77,266	121,516
2018	1,517,270	46,058	75,676	121,734
2019	1,471,212	48,110	73,561	121,671
2020	1,423,102	168,178	71,155	239,333
2021	1,254,924	260,856	62,746	323,602
2022	994,068	274,099	49,704	323,803
2023	719,969	288,100	35,998	324,098
2024	431,869	302,980	21,593	324,573
2025	128,889	128,889	6,444	135,333
Total		$ 1,628,175	$ 633,123	$ 2,261,298
Annual Average Requirements		$ 148,016	$ 57,557	$ 205,573

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

Water Supply Contract Obilgation
Contract Revenue Bonds, Series 2006
(CRMWA Conjuctive Use Groundwater Supply Project)
Debt Service Requirements
Schedule of Maturities
2015-2027

Fiscal Year	Outstanding Debt Beginning of Year	Principal	Interest	Total
2015	$ 1,346,974	$ 80,914	$ 67,349	$ 148,263
2016	1,266,060	84,982	63,303	148,285
2017	1,181,078	89,239	59,054	148,293
2018	1,091,839	93,685	54,592	148,277
2019	998,154	98,318	49,908	148,226
2020	899,836	103,251	44,992	148,243
2021	796,585	108,450	39,829	148,279
2022	688,135	113,838	34,407	148,245
2023	574,297	119,525	28,715	148,240
2024	454,772	125,588	22,739	148,327
2025	329,184	131,919	16,459	148,378
2026	197,265	138,438	9,863	148,301
2027	58,827	58,827	2,942	61,769
Total		$ 1,346,974	$ 494,152	$ 1,841,126
Annual Average Requirements		$ 103,613	$ 38,012	$ 141,625

Water and Sewer Utility Fund

Water Supply Contract Obilgation
Contract Revenue Bonds, Series 1999 Remainder
and Series 2010 Refunding
(CRMWA Conjuctive Use Groundwater Supply Project)
Debt Service Requirements
Schedule of Maturities
2015-2020

Exhibit G-7

Fiscal Year	Outstanding Debt Beginning of Year	Principal	Interest	Total
2015	$ 170,512	$ 27,582	$ 5,659	$ 33,241
2016	142,930	23,921	4,831	28,752
2017	119,009	24,564	4,114	28,678
2018	94,445	25,455	3,304	28,759
2019	68,990	44,701	2,413	47,114
2020	24,289	24,289	848	25,137
Total		$ 170,512	$ 21,169	$ 191,681
Annual Average Requirements		$ 28,419	$ 3,528	$ 31,947

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

Water Supply Contract Obilgation
Contract Revenue Bonds, Series 2009
(CRMWA Conjuctive Use Groundwater Supply Project)
Debt Service Requirements
Schedule of Maturities
2015-2029

Fiscal Year	Outstanding Debt Beginning of Year	Principal	Interest	Total
2015	$ 646,110	$ 31,312	$ 27,799	$ 59,111
2016	614,798	32,604	26,546	59,150
2017	582,194	33,896	25,242	59,138
2018	548,298	35,311	23,886	59,197
2019	512,987	36,910	22,474	59,384
2020	476,077	38,694	20,748	59,442
2021	437,383	40,540	18,813	59,353
2022	396,843	42,262	17,060	59,322
2023	354,581	43,923	15,370	59,293
2024	310,658	45,707	15,407	61,114
2025	264,951	47,675	11,746	59,421
2026	217,276	49,829	9,681	59,510
2027	167,447	52,166	7,488	59,654
2028	115,281	82,740	5,178	87,918
2029	32,541	32,541	1,465	34,006
Total		$ 646,110	$ 248,903	$ 895,013
Annual Average Requirements		$ 43,074	$ 16,594	$ 59,668

Water and Sewer Utility Fund
Tax and Waterworks and Sewer System Revenue
Certificates of Obligation, Series 2010
Debt Service Requirements
Schedule of Maturities
2015-2030

Fiscal Year	Outstanding Debt Beginning of Year	Principal	Interest	Total
2015	$ 7,875,000	$ 380,000	$ 251,855	$ 631,855
2016	7,495,000	395,000	240,230	635,230
2017	7,100,000	395,000	228,380	623,380
2018	6,705,000	410,000	216,305	626,305
2019	6,295,000	430,000	203,705	633,705
2020	5,865,000	430,000	190,805	620,805
2021	5,435,000	450,000	177,605	627,605
2022	4,985,000	465,000	163,880	628,880
2023	4,520,000	480,000	149,465	629,465
2024	4,040,000	515,000	133,785	648,785
2025	3,525,000	535,000	116,717	651,717
2026	2,990,000	550,000	98,540	648,540
2027	2,440,000	570,000	79,215	649,215
2028	1,870,000	600,000	58,440	658,440
2029	1,270,000	620,000	36,170	656,170
2030	650,000	650,000	12,350	662,350
Total		$ 7,875,000	$ 2,357,447	$ 10,232,447
Annual Average Requirements		$ 492,188	$ 147,340	$ 639,528

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

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

Water Supply Contract Obilgation
Subordinate Lien Contract Revenue Bonds, Series 2011
(CRMWA Conjuctive Use Groundwater Supply Project)
Debt Service Requirements
Schedule of Maturities
2015-2031

Fiscal Year	Outstanding Debt Beginning of Year	Principal	Interest	Total
2015	$ 2,765,220	$ 115,723	$ 130,825	$ 246,548
2016	2,649,497	121,447	125,039	246,486
2017	2,528,050	127,482	118,966	246,448
2018	2,400,568	133,019	113,456	246,475
2019	2,267,549	139,241	107,237	246,478
2020	2,128,308	145,338	101,218	246,556
2021	1,982,970	152,120	94,422	246,542
2022	1,830,850	159,524	86,970	246,494
2023	1,671,326	167,363	79,072	246,435
2024	1,503,963	175,762	70,704	246,466
2025	1,328,201	184,597	61,915	246,512
2026	1,143,604	193,805	52,686	246,491
2027	949,799	203,511	42,995	246,506
2028	746,288	213,154	33,381	246,535
2029	533,134	222,051	24,446	246,497
2030	311,083	232,379	14,065	246,444
2031	78,704	78,704	3,439	82,143
Total		$ 2,765,220	$ 1,260,836	$ 4,026,056
Annual Average Requirements		$ 162,660	$ 74,167	$ 236,827

PLAINVIEW, TX

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities										
Invested in capital assets, net of related debt	$ 7,702,738	$ 8,148,900	$ 7,922,852	$ 9,159,664	$ 9,088,340	$ 8,878,102	$ 8,917,698	$ 8,858,640	$ 8,755,160	$ 8,037,890
Restricted	627,451	673,728	762,030	885,322	858,657	708,954	719,471	809,694	736,423	765,977
Unrestricted	12,599,869	13,068,762	14,859,033	16,374,882	17,052,397	18,120,254	19,206,004	19,692,463	20,103,431	21,609,705
Total governmental activities net position	$ 20,930,058	$ 21,891,390	$ 23,543,915	$ 26,419,868	$ 26,999,394	$ 27,707,310	$ 28,843,173	$ 29,360,797	$ 29,595,014	$ 30,413,572
Business-type activities										
Invested in capital assets, net of related debt	$ 17,768,845	$ 18,330,951	$ 19,118,182	$ 19,280,212	$ 19,352,797	$ 19,454,647	$ 19,250,791	$ 19,844,796	$ 21,674,455	$ 22,103,566
Restricted	249,644	259,615	269,494	249,382	261,049	295,291	457,277	725,569	727,406	729,431
Unrestricted	7,379,322	8,198,944	8,782,742	9,824,587	10,700,804	11,878,515	13,940,331	15,460,905	14,123,242	14,452,916
Total business-type activities net position	$ 25,397,811	$ 26,789,510	$ 28,170,418	$ 29,354,181	$ 30,314,650	$ 31,628,453	$ 33,648,399	$ 36,031,270	$ 36,525,103	$ 37,285,913
Primary government										
Invested in capital assets, net of related debt	$ 25,471,583	$ 26,479,851	$ 27,041,034	$ 28,439,876	$ 28,441,137	$ 28,332,749	$ 28,168,489	$ 28,703,436	$ 30,429,615	$ 30,141,456
Restricted	877,095	933,343	1,031,524	1,134,704	1,119,706	1,004,245	1,176,748	1,535,263	1,463,829	1,495,408
Unrestricted	19,979,191	21,267,706	23,641,775	26,199,469	27,753,201	29,998,769	33,146,335	35,153,368	34,226,673	36,062,621
Total primary government net position	$ 46,327,869	$ 48,680,900	$ 51,714,333	$ 55,774,049	$ 57,314,044	$ 59,335,763	$ 62,491,572	$ 65,392,067	$ 66,120,117	$ 67,699,485

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Governmental activities										
General government	$ 1,340,761	$ 1,260,970	$ 1,204,382	$ 1,364,075	$ 1,814,265	$ 1,966,824	$ 1,762,080	$ 1,663,084	$ 2,216,373	$ 1,741,234
Public safety	5,056,519	5,298,067	5,570,288	5,975,267	6,174,194	6,498,010	6,857,257	7,195,991	7,222,195	7,259,542
Public works	1,155,224	1,249,822	1,193,044	1,197,307	1,234,289	1,200,917	965,223	1,417,063	1,139,508	1,050,131
Health	326,638	351,502	335,592	386,649	422,516	400,138	458,362	415,163	620,373	525,068
Recreation and culture	898,867	966,803	911,388	1,013,098	1,208,656	1,148,095	1,260,092	1,198,777	1,215,322	1,315,218
Total government activities expenses	8,778,009	9,127,164	9,214,694	9,936,396	10,853,920	11,213,984	11,303,014	11,890,078	12,413,771	11,891,193
Business-type activities										
Solid waste management	1,997,364	1,991,817	1,957,093	2,201,151	2,325,580	2,520,166	2,573,083	2,416,578	2,556,595	2,417,951
Water and sewer	4,682,119	5,170,010	5,025,576	5,379,624	5,573,408	5,226,035	5,634,722	6,087,341	6,169,041	6,765,124
Theatre arts	37,130	31,848	38,315	32,388	39,376	37,434	39,255	37,899	33,725	46,169
Total business-type activities expenses	6,716,613	7,193,675	7,020,984	7,613,163	7,938,364	7,783,635	8,247,060	8,541,818	8,759,361	9,229,244
Total primary government expenses	$ 15,494,622	$ 16,320,839	$ 16,235,678	$ 17,549,559	$ 18,792,284	$ 18,997,619	$ 19,550,074	$ 20,431,896	$ 21,173,132	$ 21,120,437
Program revenues										
Governmental activities										
Charges for services										
General government	$ 190,086	$ 181,134	$ 184,703	$ 205,781	$ 278,204	$ 260,553	$ 479,984	$ 400,227	$ 410,689	$ 426,245
Public safety	615,622	534,098	560,576	701,235	656,572	660,570	546,086	444,024	527,576	581,150
Public works	-	-	-	-	-	-	-	-	-	-
Health	127,251	134,345	120,623	140,023	148,168	139,729	147,724	141,787	122,711	119,701
Recreation and culture	49,900	52,729	48,969	53,713	54,780	54,859	44,073	45,166	45,071	46,425
Operating grants and contributions	407,355	263,039	277,027	294,822	414,022	499,170	400,536	361,486	284,691	271,801
Capital grants and contributions	290,667	86,062	35,628	-	11,205	146,896	240,810	283,519	35,000	19,591
Total governmental activities program revenues	1,680,881	1,251,407	1,227,526	1,395,574	1,562,951	1,761,777	1,859,213	1,676,209	1,425,738	1,464,913
Business-type activities										
Charges for services										
Solid waste management	2,412,223	2,434,545	2,591,363	2,731,076	2,904,631	2,999,883	2,905,358	3,101,968	2,975,870	2,949,538
Water and sewer	4,969,225	5,656,733	5,435,089	5,852,233	6,037,512	6,097,265	7,615,276	7,920,904	6,972,714	7,538,997
Theatre arts	14,457	11,320	21,449	20,158	22,941	22,697	21,163	9,940	7,106	7,781
Operating grants and contributions	220	1,000	-	1,000	1,000	-	-	-	-	-
Capital grants and contributions	167,927	79,296	11,390	-	40,562	58,000	-	128,755	242,851	84,220
Total business-type activities program revenues	7,564,052	8,182,894	8,059,291	8,604,467	9,006,646	9,177,845	10,541,797	11,161,567	10,198,541	10,580,536
Total primary government program revenues	$ 9,244,933	$ 9,434,301	$ 9,286,817	$ 10,000,041	$ 10,569,597	$ 10,939,622	$ 12,401,010	$ 12,837,776	$ 11,624,279	$ 12,045,449

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Net (expenses) / revenues										
Governmental activities	$ (7,097,128)	$ (7,875,757)	$ (7,987,168)	$ (8,540,822)	$ (9,290,969)	$ (9,452,207)	$ (9,443,801)	$ (10,213,869)	$ (10,988,033)	$ (10,426,280)
Business-type activities	847,439	989,219	1,038,307	991,304	1,068,282	1,394,210	2,294,737	2,619,749	1,439,180	1,351,292
Total primary government net expense	$ (6,249,689)	$ (6,886,538)	$ (6,948,861)	$ (7,549,518)	$ (8,222,687)	$ (8,057,997)	$ (7,149,064)	$ (7,594,120)	$ (9,548,853)	$ (9,074,988)
General revenues and other changes in net assets										
Governmental activities										
Taxes										
Property taxes	$ 3,213,515	$ 3,459,565	$ 3,751,688	$ 3,777,277	$ 4,072,569	$ 4,121,886	$ 4,269,904	$ 4,286,822	$ 4,377,687	$ 4,662,566
Sales taxes	3,024,917	3,066,386	3,428,684	3,523,496	3,489,461	3,533,785	3,688,408	3,790,688	3,829,054	3,864,922
Franchise taxes	874,602	1,012,923	923,477	1,391,824	1,151,056	1,393,606	1,397,897	1,347,673	1,344,875	1,463,657
Penalty and interest	60,141	57,051	60,334	61,680	75,689	75,093	75,788	86,664	83,552	91,107
Other taxes	246,688	249,567	292,902	322,021	282,371	296,271	318,044	341,798	349,135	325,207
Miscellaneous	109,604	99,221	30,416	39,827	66,226	107,740	70,018	137,196	328,539	145,607
Investment earnings	363,218	650,117	769,389	567,919	297,333	203,399	144,265	104,558	46,805	37,069
Special item	-	-	-	1,272,713	-	-	32,687	56,284	-	-
Transfers	276,625	242,260	382,803	460,018	435,790	428,343	605,683	579,810	862,603	654,703
Total governmental activities	8,169,310	8,837,090	9,639,693	11,416,775	9,870,495	10,160,123	10,602,694	10,731,493	11,222,250	11,244,838
Business-type activities										
Investment earnings	228,151	384,840	445,198	319,079	178,213	228,396	113,624	87,932	53,593	38,149
Miscellaneous	185,333	259,902	280,206	333,397	149,764	119,542	217,268	136,938	79,585	76,691
Special and extraordinary items	-	-	-	-	-	-	-	118,062	-	-
Gain on sale of capital assets	-	-	-	-	-	-	-	-	-	(50,619)
Transfers	(276,625)	(242,260)	(382,803)	(460,018)	(435,790)	(428,343)	(605,683)	(579,810)	(862,603)	(654,703)
Total business-type activities	136,859	402,482	342,601	192,458	(107,813)	(80,405)	(274,791)	(236,878)	(729,425)	(590,482)
Total primary government	$ 8,306,169	$ 9,239,572	$ 9,982,294	$ 11,609,233	$ 9,762,682	$ 10,079,718	$ 10,327,903	$ 10,494,615	$ 10,492,825	$ 10,654,356
Change in net position										
Governmental activities	$ 1,072,182	$ 961,333	$ 1,652,525	$ 2,875,953	$ 579,526	$ 707,916	$ 1,158,893	$ 517,624	$ 234,217	$ 818,558
Business-type activities	984,298	1,391,701	1,380,908	1,183,762	960,469	1,313,805	2,019,946	2,382,871	709,755	760,810
Total primary government	$ 2,056,480	$ 2,353,034	$ 3,033,433	$ 4,059,715	$ 1,539,995	$ 2,021,721	$ 3,178,839	$ 2,900,495	$ 943,972	$ 1,579,368

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General fund										
Nonspendable	$ 38,224	$ 44,973	$ 44,460	$ 49,183	$ 43,829	$ 40,223	$ 42,453	$ 42,022	$ 38,470	$ 48,866
Assigned	1,035,855	1,026,074	1,361,073	1,890,009	2,311,844	2,598,099	2,917,945	2,984,676	2,796,741	3,115,950
Unassigned	5,887,583	6,533,987	7,478,159	8,406,128	8,847,506	9,869,544	10,780,206	11,544,224	11,924,496	12,569,280
Total general fund	$ 6,961,662	$ 7,605,034	$ 8,883,692	$ 10,345,320	$ 11,203,179	$ 12,507,866	$ 13,740,604	$ 14,570,922	$ 14,759,707	$ 15,734,096
All other governmental funds										
Restricted	$ 154,005	$ 286,989	$ 249,385	$ 211,258	$ -	$ -	$ -	$ -	$ -	$ -
Restricted, reported in										
Special revenue funds:										
Hotel occupancy tax fund	197,332	239,413	293,598	394,591	410,710	434,157	483,846	568,494	539,048	625,654
Revolving loan fund	206,875	91,542	150,322	197,083	296,929	114,758	115,501	116,351	45,882	-
Police seizure funds	19,240	8,243	6,452	4,682	69,145	58,938	34,343	55,385	66,298	65,203
Local law enforcement block grants	7,605	-	-	-	-	-	-	-	-	-
RSVP fund	(339)	60	-	-	-	-	-	-	-	-
Court security fee fund	34,103	29,573	35,017	39,332	41,849	48,875	33,787	40,304	46,432	15,052
Court technology fee fund	8,291	11,614	20,555	31,467	40,024	52,226	51,994	29,160	37,605	47,737
TLSAC library grant fund	-	6,354	6,701	6,909	-	-	-	-	-	-
Home program grant fund	-	-	-	32,621	47,621	-	-	-	-	-
PEG fund									1,158	12,331
JAG law enforcement grant funds	-	-	-	-	3,210	-	-	-	-	-
Total all other governmental funds	$ 627,112	$ 673,788	$ 762,030	$ 917,943	$ 909,488	$ 708,954	$ 719,471	$ 809,694	$ 736,423	$ 765,977

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues										
Taxes (see Schedule 5)	$ 7,411,970	$ 7,854,623	$ 8,440,707	$ 9,067,033	$ 9,062,717	$ 9,417,000	$ 9,736,285	$ 9,900,447	$ 9,992,489	$ 10,397,981
Licenses and permits	76,844	57,398	50,425	48,800	47,497	53,328	93,757	81,473	65,776	76,469
Intergovernmental	533,698	264,301	268,840	288,410	400,704	618,872	387,245	351,219	273,780	258,428
Charges for services	690,488	606,311	605,751	742,441	636,325	654,049	732,318	627,144	614,684	734,498
Fines	215,528	238,595	258,696	305,692	440,657	402,484	387,513	314,082	341,591	360,889
Investment earnings	242,723	433,018	518,355	388,711	219,224	154,808	108,277	79,479	46,805	37,069
Rents and Royalties	360	360	360	360	360	360	360	360	360	360
Contributions and donations	4,736	4,988	8,186	6,412	20,319	15,234	13,291	10,267	45,911	18,873
Other revenues	105,531	26,368	25,774	40,527	8,134	58,472	70,018	137,196	328,539	187,107
Total revenues	9,281,878	9,485,962	10,177,094	10,888,386	10,835,937	11,374,607	11,529,064	11,501,667	11,709,935	12,071,674
Expenditures										
General Government	1,293,466	1,220,384	1,196,732	1,314,345	1,718,989	1,836,624	1,649,313	1,530,785	2,114,446	1,733,808
Public safety	4,982,170	5,157,281	5,478,839	5,828,529	5,953,304	6,062,813	6,389,636	6,696,344	6,893,442	7,095,090
Public works	832,083	833,754	814,880	830,318	910,141	904,783	662,859	1,142,860	897,896	801,562
Health	329,285	357,498	341,897	381,296	406,096	389,144	419,261	405,574	377,067	369,804
Recreation and Culture	845,895	928,456	886,163	955,160	1,036,580	995,397	1,085,960	1,030,000	1,047,655	1,146,519
Capital outlay	195,895	431,418	225,289	171,215	165,660	291,537	521,325	357,832	86,867	167,276
Total expenditures	8,478,794	8,928,791	8,943,800	9,480,863	10,190,770	10,480,298	10,728,354	11,163,395	11,417,373	11,314,059
Excess of revenues over (under) expenditures	803,084	557,171	1,233,294	1,407,523	645,167	894,309	800,710	338,272	292,562	757,615
Other financing sources (uses)										
Sale of property	-	2,037	802	-	100	-	-	-	-	-
Transfers in	437,625	716,847	863,804	1,000,018	1,158,347	1,017,904	1,395,280	785,769	563,932	790,857
Transfers out	(411,000)	(586,007)	(731,000)	(790,000)	(954,210)	(808,061)	(952,735)	(203,500)	(740,980)	(544,529)
Total other financing sources (uses)	26,625	132,877	133,606	210,018	204,237	209,843	442,545	582,269	(177,048)	246,328
Net change in fund balances	$ 829,709	$ 690,048	$ 1,366,900	$ 1,617,541	$ 849,404	$ 1,104,152	$ 1,243,255	$ 920,541	$ 115,514	$ 1,003,943
Debt service as a percentage of noncapital expenditures	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

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

Fiscal Year	Property	Sales & Use	Franchise	Occupancy	Mixed Beverage	Interest and Penalty	Total
2005	$ 3,205,622	$ 3,024,917	$ 874,602	$ 224,569	$ 22,119	$ 60,141	$ 7,411,970
2006	3,468,696	3,066,386	1,012,923	226,650	22,917	57,051	7,854,623
2007	3,735,310	3,428,684	923,477	265,952	26,950	60,334	8,440,707
2008	3,768,012	3,523,496	1,391,824	293,850	28,171	61,680	9,067,033
2009	4,064,140	3,489,461	1,151,056	252,042	30,329	75,689	9,062,717
2010	4,118,245	3,533,785	1,393,606	263,933	32,338	75,093	9,417,000
2011	4,256,148	3,688,408	1,397,897	282,670	35,374	75,788	9,736,285
2012	4,333,624	3,790,688	1,347,673	311,718	30,080	86,664	9,900,447
2013	4,385,873	3,829,054	1,344,875	321,718	27,417	83,552	9,992,489
2014	4,653,088	3,864,922	1,463,657	296,899	28,308	91,107	10,397,981
Percent Change 2005-2014	45.2%	27.8%	67.4%	32.2%	28.0%	51.5%	40.3%

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

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2005	$ 370,111,441	$ 265,003,476	$ 108,632,079	$ 106,244,000	$ 637,502,996	0.5049
2006	382,502,242	278,304,888	123,162,726	106,684,498	677,285,358	0.5149
2007	399,663,677	285,629,500	128,627,118	110,398,777	703,521,518	0.5349
2008	415,014,053	264,587,043	133,058,257	104,264,066	708,395,287	0.5342
2009	431,325,292	272,486,153	129,275,369	107,516,218	725,570,596	0.5685
2010	535,517,490	191,231,337	112,155,171	112,877,410	726,026,588	0.5685
2011	553,758,570	194,864,064	110,147,649	120,318,815	738,451,468	0.5785
2012	562,212,709	203,686,243	107,244,019	124,849,328	748,293,643	0.5785
2013	573,318,449	202,986,230	109,325,033	128,471,037	757,158,675	0.5785
2014	575,850,019	209,670,673	96,690,063	128,572,126	753,638,629	0.6185

Source: Hale County Appraisal District.

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

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

	City Direct Rates			Overlapping Rates		
	Operating & Maintenace	General Obligation Debt Service	Total Direct Rate	Plainview Independent School District	High Plains Water District	Hale County
2005	0.5049	-	0.5049	1.4500	0.00830	0.483205
2006	0.5149	-	0.5149	1.5000	0.00830	0.495219
2007	0.5349	-	0.5349	1.3700	0.00830	0.492519
2008	0.5342	-	0.5342	1.0400	0.00794	0.495219
2009	0.5685	-	0.5685	1.0400	0.00794	0.492100
2010	0.5685	-	0.5685	1.0400	0.00794	0.492100
2011	0.5785	-	0.5785	1.0400	0.00785	0.492100
2012	0.5785	-	0.5785	1.0400	0.00776	0.492100
2013	0.5785	-	0.5785	1.0400	0.00754	0.492100
2014	0.6185	-	0.6185	1.0400	0.00810	0.492100

Source: Hale County Appraisal District

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

	2014			2005		
	Taxable Assessed Value	Rank	Percent of Taxable Assessed Value	Taxable Assessed Value	Rank	Percent of Taxable Assessed Value
Wal-Mart - Inventory	$ 75,849,640	1	10.06	$ 86,865,140	1	13.63
Wal-Mart Distribution	14,050,270	2	1.86	15,914,730	2	2.50
Wal-Mart Stores	7,890,000	3	1.05	2,699,747	9	0.42
Wal-Mart Stores - Inventory	7,147,182	4	0.95	4,884,354	4	0.77
BNSF Railway	6,171,786	5	0.82	2,691,536	10	0.42
Excel Energy	5,982,862	6	0.79	6,585,632	3	1.03
Atmos Energy	4,379,620	7	0.58	3,092,686	7	0.49
Reagor Dykes Auto Company	4,141,740	8	0.55			
United Supermarkets	3,726,061	9	0.49			
Redi Marketing	3,297,447	10	0.44			
Archer Daniels Midland				3,835,504	6	0.60
Southwestern Bell				4,821,537	5	0.76
West Acres Limited Partnership				2,738,291	8	0.43
Total	$ 132,636,608		17.59	$ 134,129,157		21.05

Source: Hale County Appraisal District

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

Fiscal Year Ended Sept 30	Taxes Levied for the Fiscal Year	Adjustments	Total Adjusted Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections To Date	
				Amount	Percentage of Levy		Amount	Percentage of Adjusted Levy
2005	$ 3,217,884	$ (16,505)	$ 3,201,379	$ 3,125,829	97.14	$ 67,265	$ 3,193,094	99.74
2006	3,574,242	(95,501)	3,478,741	3,393,539	94.94	75,821	3,469,360	99.73
2007	3,762,550	(6,337)	3,756,213	3,667,112	97.46	80,227	3,747,339	99.76
2008	3,784,098	(20,102)	3,763,996	3,691,589	97.56	63,730	3,755,319	99.77
2009	4,124,614	(48,353)	4,076,261	3,969,938	96.25	90,590	4,060,528	99.61
2010	4,127,462	(2,675)	4,124,787	4,022,367	97.45	83,609	4,105,976	99.54
2011	4,271,943	(5,119)	4,266,824	4,162,047	97.43	86,124	4,248,171	99.56
2012	4,328,879	(10,933)	4,317,946	4,217,584	97.43	70,980	4,288,564	99.32
2013	4,380,163	(5,419)	4,374,744	4,274,369	97.58	49,542	4,323,911	98.84
2014	4,661,548	(2,440)	4,659,108	4,546,796	97.54	-	4,546,796	97.59

Source: Hale County Appraisal District

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

	Governmental Activities		Business-type Activities					
Fiscal Year	General Obligation Bonds	Certificates of Obligation Bonds	Certificates of Obligation Bonds	General Obligation Refunding Bonds	Water Authority Indebtedness	Total Primary Government	Percentage of Personal Income	Per Capita
2005	$ -	$ -	$ 8,685,000	$ 950,000	$ 4,942,495	$ 14,577,495	1.74%	$ 666
2006	-	-	8,315,000	485,000	6,603,975	15,403,975	1.82%	704
2007	-	-	7,925,000	-	6,372,024	14,297,024	1.69%	660
2008	-	-	9,065,000	-	6,106,514	15,171,514	1.69%	711
2009	-	-	1,570,000	6,875,000	5,821,287	14,266,287	1.51%	652
2010	-	-	1,155,000	6,720,000	6,379,585	14,254,585	1.38%	642
2011	-	-	9,625,000	6,180,000	6,062,818	21,867,818	2.13%	985
2012	-	-	9,330,000	5,635,000	8,713,148	23,678,148	2.26%	1,067
2013	-	-	8,740,000	5,075,000	8,123,989	21,938,989	2.07%	988
2014	-	-	8,120,000	4,505,000	7,654,326	20,279,326	n/a	914

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

Water authority indebtedness is the city's proportionate share of revenue bonds issued by the Canadian River Municipal Water Authority.

Personel income data for fiscal year 2014 is unavailable.

See Schedule of Demographic and Economic Statistics for Population data.

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

	General Bonded Debt Outstanding				
Fiscal Year	General Obligation Bonds	Certificates of Obligation Bonds	Total	Percentage of Actual TaxableValue of Property	Per Capita
2005	$ -	$ -	$ -	-	$ -
2006	-	-	-	-	-
2007	-	-	-	-	-
2008	-	-	-	-	-
2009	-	-	-	-	-
2010	-	-	-	-	-
2011	-	-	-	-	-
2012	-	-	-	-	-
2013	-	-	-	-	-
2014	-	-	-	-	-

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

Schedule 12
City of Plainview
Direct and Overlapping Governmental Activities Debt
As of September 30, 2014

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Debt repaid with property taxes			
Plainview Independent School District	$ -	65.69 %	$ -
County of Hale	-	42.21	-
Other debt			
Plainview Independent School District	920,003	65.69	604,350
County of Hale	-	42.21	-
Subtotal overlapping debt			604,350
City direct debt			-
Total direct and overlapping debt			$ 604,350

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

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

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

	Water and Sewer Revenue Bonds						Solid Waste Management Revenue Bonds					
	Utility	Less:	Net				Utility	Less:	Net			
Fiscal	Operating	Operating	Available	Debt Service			Service	Operating	Available	Debt Service		
Year	Revenues	Expenses	Revenue	Principal	Interest	Coverage	Charges	Expenses	Revenue	Principal	Interest	Coverage
2005	$ 5,043,446	$ 3,480,034	$ 1,563,412	$ 535,000	$ 448,814	1.59	$ 2,508,308	$ 1,563,551	$ 944,757	$ 270,000	$ 23,850	3.22
2006	5,731,970	3,981,831	1,750,139	556,000	424,376	1.79	2,527,008	1,597,849	929,159	279,000	17,100	3.14
2007	5,495,629	3,874,419	1,621,210	584,000	397,896	1.65	2,692,496	1,606,164	1,086,332	291,000	8,730	3.62
2008	5,912,084	4,241,912	1,670,172	410,000	371,511	2.14	2,858,367	1,742,492	1,115,875	-	-	-
2009	6,108,850	4,456,922	1,651,928	430,000	351,459	2.11	2,979,411	1,731,807	1,247,604	190,000	59,967	4.99
2010	6,193,488	4,192,542	2,000,946	605,000	325,464	2.15	3,125,995	1,887,998	1,237,997	205,000	44,012	4.97
2011	7,706,153	4,527,963	3,178,190	540,000	183,806	4.39	3,031,524	1,905,573	1,125,951	215,000	36,662	4.47
2012	7,964,800	4,915,329	3,049,471	615,000	724,655	2.28	3,194,854	1,757,067	1,437,787	225,000	28,963	5.66
2013	7,226,537	5,165,632	2,060,905	920,000	436,261	1.52	3,044,358	1,892,207	1,152,151	230,000	21,000	4.59
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

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

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

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

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

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

Calendar Year	City Population	County Population	County Personal Income	County Per Capita Personal Income	School Enrollment	County Unemployment Rate
2005	21,893	36,171	$ 836,282,000	$ 23,120	6,058	5.4%
2006	21,887	35,862	847,210,000	23,624	6,028	5.3%
2007	21,656	35,731	845,130,000	23,653	5,942	4.4%
2008	21,324	35,326	898,285,000	25,428	5,784	4.9%
2009	21,884	35,408	941,923,000	26,602	5,846	5.9%
2010	22,194	36,273	1,033,528,000	28,493	5,842	7.1%
2011	22,194	36,273	1,026,334,000	28,295	5,780	7.4%
2012	22,194	36,273	1,048,790,000	28,914	5,801	6.6%
2013	22,194	36,273	1,058,817,000	29,190	5,522	11.0%
2014	22,194	36,273	N/A	N/A	5,559	6.3%

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

Note: Personal income data for calendar year 2014 is unavailable.

Schedule 15
City of Plainview
Principal Employers *
Last Ten Years

2005	2006	2007	2008
Azteca Milling	Azteca Milling	Azteca Milling	Azteca Milling
Cargill Meat Solutions	Cargill Meat Solutions	Cargill Meat Solutions	Cargill Meat Solutions
Central Plains MHMR Center	Central Plains MHMR Center	Central Plains MHMR Center	Central Plains MHMR Center
City of Plainview	City of Plainview	City of Plainview	City of Plainview
Covenant Hospital	Covenant Hospital	Covenant Hospital	Covenant Hospital
Plainview Independent School District	Plainview Independent School District	Plainview Independent School District	Plainview Independent School District
Texas Department of Criminal Justice	Texas Department of Criminal Justice	Texas Department of Criminal Justice	Texas Department of Criminal Justice
United Supermarkets	United Supermarkets	United Supermarkets	United Supermarkets
Wal-Mart Associates	Wal-Mart Associates	Wal-Mart Associates	Wal-Mart Associates
Wayland Baptist University	Wayland Baptist University	Wayland Baptist University	Wayland Baptist University

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

2013	2014
Azteca Milling	Azteca Milling
Central Plains MHMR Center	Central Plains MHMR Center
City of Plainview	City of Plainview
Covenant Hospital	Covenant Hospital
Hale County	Hale County
Plainview Independent School District	Plainview Independent School District
Texas Department of Criminal Justice	Texas Department of Criminal Justice
United Supermarkets	United Supermarkets
Wal-Mart Associates	Wal-Mart Associates
Wayland Baptist University	Wayland Baptist University

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

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

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government										
City Manager	2	2	2	2	2	2	2	2	2	2
Legal	2	2	2	2	2	2	2	2	2	2
Finance	1	1	1	1	1	1	1	1	1	1
Human Resources	1	1	1	1	1	1	1	1	1	1
Civil Service	1	1	1	1	1	1	1			
Administrative Services								2	2	2
Muncipal Court	3	3	3	3	3	3	2	2	2	2
Community Development	2	2	2	2	2	2	2	2	2	2
Code Compliance	3	3	3	3	3	3	3	3	4	4
Main Street	1	1	1	1	1	1	1	1	1	1
RSVP	2	2	2	2	2	2	2	2	2	2
Public Safety										
Police	44	45	45	45	45	45	45	46	46	46
Fire / EMS	36	36	36	36	36	36	36	36	36	36
Traffic Control	4	3	3	3	3	3	3	3	3	3
Animal Control	2	2	2	2	2	2	2	2	2	2
Public Works										
Public Works	3	3	3	3	3	3	3	3	3	2
Street Cleaning	2	2	2	2	2	2	2	2	2	2
Street Department	7	7	7	7	7	7	7	7	5	5
Custodial Services	2	2	2	2	2	2	2	2	2	2
Health	6	6	6	7	7	7	7	7	6	6
Recreation and Culture										
Parks	12	12	12	12	12	12	11	11	11	11
Library	6	6	5	5	5	5	5	5	5	5

Convention and Tourism				1	1	1	1	1	1	1
Solid Waste Management										
Collection	11	11	11	11	11	11	11	11	11	11
Landfill	8	8	8	8	8	8	8	8	8	8
Recycling	1	1	1	1	1	1	1	1	1	1
Vector Mowing	1	1	1	1	1	1	1	1	1	1
Vector Spraying	1	1	1	1	1	1	1	1	1	1
Water & Sewer										
Utility Accounting	6	6	6	6	6	6	6	6	6	6
Meter Services	3	3	3	3	3	3	3	3	3	3
Water Production	7	7	7	7	7	7	7	7	7	7
Wastewater Treatment	5	5	5	5	5	5	5	5	5	5
Water Distribution	6	6	6	6	6	6	6	6	6	6
Water Collection	3	3	3	3	3	3	3	3	3	3
Service Center	5	5	4	4	4	4	4	4	3	3
Theatre Arts	1									
Total	200	199	197	199	199	199	197	199	196	195

Source: City of Plainview Annual Budget Personnel Summary

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

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

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General government										
Building permits issued	290	182	140	184	154	266	208	226	228	158
Building inspections	6,030	4,695	4,059	2,284	2,057	2,494	1,524	1,058	976	690
Public safety										
Police										
Calls for service	16,815	15,796	14,898	13,997	15,378	14,403	14,313	19,225	20,946	26,103
Citations issued	2,767	3,363	3,052	4,290	3,307	3,377	2,642	2,243	2,310	2,191
Arrests	1,474	1,493	1,570	1,712	1,659	1,593	1,594	1,346	1,309	1,285
Fire/EMS										
Ambulance calls	2,094	1,916	1,841	2,027	1,915	1,949	2,139	2,067	2,367	2,194
Fire calls	1,492	1,509	1,400	1,634	1,560	1,656	1,878	1,673	1,888	1,784
Inspections	400	400	237	96	122	137	45	86	168	119
Public works										
Street seal coating (lane miles)	49.53	36.17	25.32	23.08	19.97	21.18	-	23.39	12.12	15.83
Street patch material used (tons)	366.4	222.4	490.0	487.0	184.6	437.7	335.8	279.3	266.5	179.2
Health										
Immunizations	4,205	3,952	3,379	5,462	6,452	5,018	4,739	2,892	2,296	1,585
Inspections	302	300	302	288	156	253	231	243	284	290
Recreation and culture										
Parks										
Shelter house permits	156	173	177	216	192	235	303	294	306	227
Library										
Volumes in collection	51,512	46,763	50,661	52,109	48,244	53,593	46,473	52,566	53,358	54,788
Volumes borrowed	51,775	53,231	47,925	51,418	55,319	55,019	48,543	47,277	42,339	40,624
Visitors	88,286	89,781	85,545	88,993	92,247	93,761	83,630	76,541	71,643	71,592

Solid waste management										
Refuse collected (annual tonage)	29,243	27,461	29,218	28,317	31,200	31,200	28,099	27,789	20,535	22,458
Recyclables collected (annual tonage)	1,440	1,255	1,971	592	1,061	646	841	636	382	652
Water										
New connections	24	107	18	12	13	14	18	25	3	21
Main line repairs	103	97	103	86	124	124	72	112	163	160
Average daily production (thousands of gallons)	4,438	4,964	4,297	4,298	4,442	4,406	5,463	5,037	4,089	3,234
Peak daily production (thousands of gallons)	9,572	9,422	8,017	10,659	8,647	8,561	10,048	8,766	6,539	5,949
Wastewater										
Average daily sewage treatment (thousands of gallons)	2,020	2,090	2,200	2,000	1,800	1,928	1,560	1,510	1,566	1,320
Theatre										
Events scheduled	51	53	97	108	101	102	85	40	37	38
Attendees	8,061	5,703	10,554	13,623	10,622	10,665	9,760	5,280	5,611	4,262

Sources: Various city departments

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

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	22	22	22	22	22	24	24	21	23	23
Staff and detective units, SWAT Van	12	12	12	12	12	13	14	16	14	14
Fire/EMS										
Stations	3	3	3	3	3	3	3	3	3	3
Ambulances	4	4	4	4	4	4	4	4	4	4
Public works										
Paved streets (miles)	136	137	137	137	137	137	137	137	137	137
Streetlights	1,337	1,337	1,337	1,356	1,356	1,357	1,358	1,356	1,356	1,356
Traffic signals - City	7	7	7	7	7	7	7	7	7	7
Traffic signals - State	16	16	16	16	16	16	16	17	18	18
Recreation and culture										
Parks										
Developed parks acreage	286	286	286	286	286	286	286	286	286	286
Open spaces acreage	243	243	243	243	301	301	301	301	301	301
Playgrounds	14	14	14	14	14	14	14	14	14	14
Baseball/softball diamonds	19	19	19	19	19	21	21	21	21	21
Football/soccer fields	3	3	3	3	3	3	3	3	3	3
Multi-purpose athletic courts	6	6	6	6	6	6	6	6	6	6
Community centers, pavilions, covered tables	5	5	5	5	5	7	7	7	26	26
Library										
Internet access workstations	10	10	11	15	15	15	15	15	15	15

Solid waste management										
Residential collection trucks	3	3	3	3	3	3	3	3	3	3
Commercial collection trucks	2	2	2	2	2	2	2	2	2	2
Recyclables collection trucks	2	2	2	2	2	2	2	2	2	2
Landfill remaining capacity (thousands of cubic yards)	10,836	10,756	10,674	10,593	10,495	10,495	10,303	10,216	10,136	10,051
Water										
Water mains (miles)	193	201	201	201	201	208	208	197	197	197
Fire hydrants	745	745	745	745	747	731	736	736	744	744
Storage capacity (thousands of gallons)	7,590	7,590	7,590	7,590	7,590	7,590	7,590	7,590	9,590	8,340
Wastewater										
Collection lines (miles)	135	140	140	140	140	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

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Plainview, Texas (the City), as of and for the year ended September 30, 2014, 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 12, 2015.

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

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

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

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

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

Davis Kinard & Co, PC
Certified Public Accountants

Plainview, Texas
March 12, 2015