



**CITY OF PLANO  
COUNCIL AGENDA ITEM**

<b>CITY SECRETARY'S USE ONLY</b>				
<input type="checkbox"/> Consent <input type="checkbox"/> Regular <input type="checkbox"/> Statutory				
Council Meeting Date:		01/10/11		
Department:		Accounting		
Department Head		Denise Tacke		
Agenda Coordinator (include phone #): <b>Andrea Cockrell x5116</b>				
<b>CAPTION</b>				
A Resolution of the City Council of the City of Plano, Texas, accepting the findings and opinions of the Annual Audit; authorizing the City Manager, or in his absence the Director of Finance, to publish the results thereof; and providing an effective date				
<b>FINANCIAL SUMMARY</b>				
<input checked="" type="checkbox"/> NOT APPLICABLE <input type="checkbox"/> OPERATING EXPENSE <input type="checkbox"/> REVENUE <input type="checkbox"/> CIP				
FISCAL YEAR: <b>2010-11</b>	<b>Prior Year (CIP Only)</b>	<b>Current Year</b>	<b>Future Years</b>	<b>TOTALS</b>
Budget	0	0	0	<b>0</b>
Encumbered/Expended Amount	0	0	0	<b>0</b>
This Item	0	0	0	<b>0</b>
BALANCE	0	0	0	<b>0</b>
<b>FUND(S):</b>				
<b>COMMENTS:</b> This item has no fiscal impact.				
<b>SUMMARY OF ITEM</b>				
It is recommended that the City Council formally accept the annual financial report and that authorization be given for publication of a summary of the 2009-10 financial audit in the City's official newspaper as required by Section 3.14 of the City Charter.				
List of Supporting Documents: Comprehensive Annual Financial Report			Other Departments, Boards, Commissions or Agencies	

**A Resolution of the City Council of the City of Plano, Texas, accepting the findings and opinions of the Annual Audit; authorizing the City Manager, or in his absence the Director of Finance, to publish the results thereof; and providing an effective date.**

**WHEREAS**, Section 3.14 of the City Charter requires that "At the close of each fiscal year a complete audit shall be made by a duly licensed Public Accountant . . ."; and

**WHEREAS**, the City Council has been presented the Comprehensive Annual Financial Report (CAFR) for Fiscal Year 2009-10, a copy of which has been filed with the City Secretary, available for public inspection, and incorporated herein by reference (hereinafter called "CAFR"); and

**WHEREAS**, upon full review and consideration of the CAFR, and the included opinion of the City's duly appointed auditors, Grant Thornton LLP, the City Council is of the opinion that the requirements of the Charter have been satisfied.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PLANO, TEXAS, THAT:**

**Section I.** The findings and opinions of the CAFR have been reviewed by the City Council of the City of Plano, and are hereby in all things accepted.

**Section II.** The City Manager, or in his absence, the Director of Finance, is hereby instructed to publish the results of the CAFR and all other documents in connection therewith on behalf of the City of Plano, as provided in Section 3.14 of the City Charter.

**Section III.** This Resolution shall become effective from and after its passage.

**DULY PASSED AND APPROVED** this the 10<sup>th</sup> day of January, 2011.

\_\_\_\_\_  
Phil Dyer, MAYOR

ATTEST:

\_\_\_\_\_  
Diane Zucco, CITY SECRETARY

APPROVED AS TO FORM:

\_\_\_\_\_  
Diane C. Wetherbee, CITY ATTORNEY

**CITY OF PLANO, TEXAS**

**Comprehensive Annual Financial Report**

**FOR FISCAL YEAR ENDED SEPTEMBER 30, 2010**

**Prepared By:**

**Accounting Division**

**Director of Finance – Denise Tacke  
Controller – Andrea Cockrell**

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Jonathan Davis  
Jillyann Eastham  
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Allison Friloux  
Pam Hanks  
Debbie Hartwell  
Tara Lopez  
Denise McCord  
Elsa Pasanen  
Rebecca Sides  
Crystal Swiere  
Valerie Tidwell**



**CITY OF PLANO, TEXAS  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010  
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December 30, 2010

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

The Comprehensive Annual Financial Report (CAFR) of the City of Plano, Texas (the City), for the year ended September 30, 2010, is submitted in accordance with Section 3.14 in the City Charter.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Grant Thornton LLP has issued an unqualified (“clean”) opinion on the City of Plano’s financial statements for the year ended September 30, 2010. The independent auditors’ report is located in the beginning of the financial section of the CAFR.

This letter of transmittal is designed to compliment Management’s Discussion and Analysis (MD&A) and should be read in conjunction with it. The City’s MD&A can be found immediately following the independent auditors’ report and provides a narrative introduction, overview and analysis of the basic financial statements.

### ***City of Plano Profile***

The City of Plano is the largest city in Collin County, located in the southwest corner of the county, approximately 20 miles north of downtown Dallas. There are currently 72.1 square miles of land in the City’s corporate boundary.

The City was incorporated on June 2, 1873, under the provisions of H.B. 901 of the Texas Legislature. It was subsequently chartered on June 10, 1961, and operates under a Council-Manager form of government. The City Council is comprised of a Mayor and seven members and is responsible for enacting ordinances, resolutions, and regulations governing the City, as well as appointing the members of various statutory and advisory boards, the City Manager, City Attorney, and a Municipal Judge. The City Manager is the chief administrative officer of the government and is responsible for the enforcement of laws and ordinances, the appointment and supervision of the Deputy City Managers, Assistant City Manager, and heads of departments, and the performance of functions within the municipal organization.

Financial reporting of the entity (the government) includes all the funds of the primary government (i.e., the City of Plano as legally defined), as well as all of its component units. Component units are legally separate entities for which the primary government is financially accountable. The government provides a full range of services including police and fire protection, environmental health, sanitation services, community development, building inspection, traffic control, parks and libraries, the construction and operation of water, sewer, drainage, environmental waste services, streets and infrastructure, and convention, tourism, and cultural events.

Discretely presented component units are legally separate entities and are not part of the primary government's operations. Accordingly, the Plano Economic Development Board and the two Tax Increment Financing units are reported discretely using proprietary fund accounting. The Plano Housing Authority, a related organization, is not a part of this report as the City's accountability does not extend beyond appointing the Board.

### ***Local Economy***

Plano, a 1994 All-America City, is a community that offers exceptional housing, award-winning schools and a dynamic business climate, all of which are strong factors in the success of the City's economy. The City continues to benefit from other favorable conditions associated with Plano including a stable, diverse economic base and a desirable location for work and living.

Since 2000, Plano's population grew an estimated 18.8% to 263,800 in 2009. According to the North Texas Council of Governments, Plano's population on January 1, 2010 was 265,000. According to residential development projections by the City's planning department it is projected to grow to 276,000 by 2020.

The United States Census Bureau announced Plano retained its status as the most affluent large city in September 2009 with a median household income of \$85,003. The City had the highest income and lowest poverty level for cities with populations of more than 250,000.

In October 2010, *Forbes* named Plano *America's Safest City* based on low violent crime and fatal traffic accident data. *Forbes* had previously packaged Plano with the Dallas Metropolitan Area to give it a 5<sup>th</sup> place ranking as one of the big "Best Cities for Jobs" and 32<sup>nd</sup> of all 336 cities compared in April 2009.

The "2010 Bundle Report: Spending by Cities" placed Plano 5<sup>th</sup> of 100 cities reviewed. Plano households were estimated to have spent on average \$56,738 each in 2009.

"*U.S. News and World Report*" in August 2009 selected Plano as one of *America's 10 Best Places to Grow Up*. Plano was lauded for its outstanding school district, great park system and comfortable lifestyle. That same year Plano was listed among *RelocateAmerica's TOP 100 Places to Live*.

Plano remains one of only a few cities in the United States receiving an "AAA" Bond Rating, the highest possible bond rating from Moody's Investor Service, Standard & Poor's and Fitch IBCA. In issuing their ratings, they lauded the City of Plano for its quality of fiscal management as well as its diverse economic development and corporate headquarter relocation and retention success.

Given Plano's continued pro-business attitude and enthusiastic accommodation of industry, the City continues to prosper economically. The following categories represent key factors that impact Plano's economic and financial success:

#### **Property Tax Revenues**

Property tax revenues are the City's largest source of funding. Due to commercial and residential development in Plano and despite a recent national and county trend towards decreased valuations, tax collections totaled \$122.5 million for fiscal year 2010, an increase of 1% from the prior year. According to the Collin County Appraisal District, Plano property appraisals decreased 5.8% for 2010 on property tax estimates.

## Sales Tax Revenues

After property tax revenues, the General Fund's second largest revenue source is sales tax generated from a variety of businesses operating in the City of Plano. Sales tax collections are produced primarily from Plano's sizeable retail base including two major shopping malls, 70 shopping centers, The Shops at Legacy, Historic Downtown Plano with Dallas Area Rapid Transit (DART) light rail access, as well as hundreds of specialty shops and major retailers throughout the City.

Sales tax allocations to the City totaled \$58.7 million from October 2009 through September 2010, an increase of 4.62% over fiscal year 2009.

## Employment

A strong business atmosphere, coupled with a highly-educated and motivated workforce, continue to draw diverse companies to relocate to Plano. The three largest job sectors are retail and wholesale trade, services, and manufacturing. According to the U.S. Census Bureau, 53% of Plano residents have a bachelor's degree or higher. The unemployment rate in Plano from January through September 2010 ranged from 6.9 percent to 7.5 percent. The U.S. Census Bureau also reports that one third of Plano's population is 25 to 44 years old.

Plano's large businesses, employing 1000+, include Alcatel-Lucent, AT&T, Bank of America Home Loans, Capital One, CIGNA, Dell, Dr. Pepper Snapple Group, Ericsson, Frito-Lay, HP Enterprise Services, JCPenney, Medical Center of Plano and PepsiCo. Employing 500-999, companies having significant operations in Plano include AEGON DMS, CA, CROSSMARK, Denbury Resources, Flextronics, Huawei Technologies USA, Intuit, McAfee, Rent-A-Center, Samsung Telecommunications America, St. Jude Medical Neuromodulation Division, Texas Instruments and XO Communications. This type of environment creates a broad range of employment opportunities for Plano and area residents and creates a significant business component to the local tax base.

## Job Growth

The following businesses relocating and expanding into Plano from October 2009 through September 2010 have increased the number and scope of job opportunities and brought a variety of services to the community:

**99 Ranch Market**, a California-based Asian grocer, opened a 62,500 square foot store and employs 75 people in its first Texas store.

**Alliance Data Systems**, a leading provider of loyalty-marketing solutions, relocated its corporate headquarters and 265 employees to Plano into 84,260 square feet at One Legacy Circle.

**Atmos Energy** constructed a 48,600 square feet center where it will employ 89 people by the end of 2012. The \$7.7 million facility is used for employee training and emergency dispatch and was built to achieve Leadership in Energy and Environmental Design Silver Certifications by the U.S. Green Building Council.

**Axxys Technologies**, a provider of managed IT services, relocated its headquarters into 3,900 square feet in Granite Park III. Employing 14 employees and growing, the company delivers support for network design, security, monitoring, virtualization, unified communications and backup/disaster recovery solutions.

**Denbury Resources** leased 325,000 square feet in The Campus at Legacy as it relocated its corporate headquarters to the Legacy business park in 2010. It will initially house 500 employees, but with the acquisition of Encore in March 2010, employees now located in Fort Worth will relocate to Plano. Denbury is one of the largest independent oil companies in the United States.

**Dr. Kracker**, a cracker, biscuit and flatbread manufacturer, relocated its headquarters and bakery into 60,500 square feet in the Research/Technology Crossroads business park. Initial employment includes 30 people with plans to add 20 by the end of 2012. Dr. Kracker's products are made with organic whole grains and seeds.

**Huawei Technologies (USA)**, a Shenzhen, China-based global provider of next-generation mobile convergence and end-to-end wireless technology, completed its expansion and relocated additional 375 full-time associates to Plano. In 2009, Huawei leased 103,150 square feet on Tennyson Parkway for its U.S. Sales and Marketing headquarters. Huawei also occupies 24,000 square feet on Alma Drive for its research and development operations.

**Intertek** relocated its Commercial and Electrical division and 30 employees into 94,600 square feet in the 10<sup>th</sup> Street Business Park. It is a provider of safety services to many producers of textiles, toys, electronics, building, heating, pharmaceuticals, petroleum, food, minerals and cargo scanning. Intertek plans to expand its Plano office to 50 employees.

**New York Life Insurance**, a *Fortune 100* company, relocated its office to Plano into 11,380 square feet in the One Legacy Town Center. It oversees company recruiting, training and development, as well as sales productions in the Midwestern U.S.

**Seasons 52** opened its first Texas location in The Shops at Legacy in September 2010. Employing approximately 100 people, the 10,000 square foot restaurant is managed by award-winning Chef Clifford Pleau.

**Tektronix, Inc.** relocated its 450 employees to Plano into 185,000 square feet in the Wilcox Center on President George Bush Highway. The building was awarded LEED certification at the Gold level by the U.S. Green Building Council. Tektronix, Inc. supplies test, measurement and monitoring technology for computer, broadband and cellular applications.

**Pizza Hut and YUM! Restaurants International** broke ground in February 2010 for the new world-class corporate headquarters. Pizza Hut will relocate approximately 600 employees to Legacy business park where it purchased 21 acres. A three-story, 160,000 square foot office complex is under construction.

### ***Long-Term Financial Planning***

The City's responsiveness to emerging economic challenges and its long-term planning have been key factors in maintaining its fiscal health. Although economic forecasts for Plano and the region remain favorable, residential build-out and the stagnation of the national and local economy continue to affect the City. In 2007 the City established its Core Business Matrix, a program to address the challenges and opportunities that Plano will face as it transitions from a growing to a maturing community.

The City-wide 2010-11 combined budget appropriations of \$396,419,680 reflect a decrease of \$4.2 million, or 1.1% under the FY 2009-10 re-estimated budget. The 2010-11 budget for total General Fund revenues is estimated at \$202,869,179 which is \$3.3 million below the 2009-10 re-estimated budget. The 2010-11 total appropriations for General Fund expenditures is \$216,987,225, \$1.8 million lower than the 2009-10 Re-Estimate Budget.

Funding for Capital Reserves will be accomplished by transferring \$1.2 million from the Water and Sewer Fund, \$10.5 million from the General Fund and a one-time transfer of \$433,351 from the Property Management Fund. The Capital Reserve funding is a factor for maintaining the City's AAA bond ratings.

Of the \$47.7 million budgeted for General Obligation capital expenditures in 2010-11, \$9.8 million pertains to municipal facilities, \$15.8 million for parks and recreation and \$18.2 million for street improvements and enhancements.

The Equipment Replacement Fund provides resources for the purchase of equipment and the replacement of worn-out equipment which in turn minimize budgetary impacts. Scheduled depreciation charges from user departments on vehicles and capital equipment are collected in the fund. Reserve funds then are used to purchase new equipment as needed. Fiscal Year 2010-11 Equipment Replacement Fund projected revenues total \$7.9 million and includes \$7.3 million in depreciation transfers, \$225,000 in interest income, and \$360,000 from equipment auction revenues.

A General Obligation bond sale of \$21.4 million is included for mid-year 2010-11 and includes one interest payment of \$497,550. The sale will fund the renovation of Pecan Hollow golf course and Carpenter recreation center, the Aquatic Center, Fire Station #13, land acquisitions and several major street projects.

To offset increased expenditures to the North Texas Municipal Water District (NTMWD), water rates increased 6.0% effective November 1, 2010.

## ***Relevant Financial Policies***

Financial Policies. During fiscal year 1990-91, the City Council Finance Subcommittee developed written policies detailing financial goals and guidelines for the City. These included policies for accounting, budgeting, capital improvements, asset management, revenue management, risk management, and fund balance/reserve levels. The City Council adopted these policies in July 1991. During fiscal year 2000, the financial policies were reviewed and updated with the revised financial policies being adopted by City Council in November 2000.

Accounting Procedures and Budgetary Controls. The City's accounting records for general governmental funds are maintained on a modified accrual basis, with 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 water and sewer utility and other proprietary activities are maintained on the accrual basis.

Budgetary control is maintained at the fund level, and encumbrances are entered at the time a purchase order is issued. Open encumbrances are recorded as reservations of fund balance as of September 30 of each year, and the subsequent year's budget is increased to reflect these encumbrances. Unspent and unencumbered appropriations lapse at the end of the fiscal year.

The budgetary process begins each year with the preparation of both current and proposed year revenue estimates by the City's financial management staff and expenditure estimates by each City department. Budgets are reviewed by the Director of Budget & Research. The City Manager makes final decisions and submits a recommended budget, or "Program of Service," to the City Council. The proposed budget is reviewed extensively by the City Council, a process which includes a Charter-mandated public hearing, in addition to work sessions which are open to the public. The City Charter requires adoption of the City budget by no later than September 15 of each fiscal year.

While the budget is developed and controlled at the departmental level, appropriations are made at the fund level. An ordinance establishes the budget for operating expenditures, debt service payments, and interfund transfers, while a separate ordinance establishes the property tax rate.

As part of each year's budget development process, departments are required to update expenditure estimates for the current fiscal year. These estimates are reviewed by the Director of Budget & Research, the City Manager, and the City Council concurrent with review of the proposed budget. (The "re-estimated" current year budget is used as a working budget for the last half of the current fiscal year.) This re-estimated budget may require a supplemental appropriation and, if so, such supplemental appropriation is approved by ordinance adopted by the City Council prior to the end of the current fiscal year.

During the course of the fiscal year, expenditure controls are maintained by each department head with overall review exercised by the Director of Budget & Research and the City Manager. Monthly departmental expenditure reports are generated by an automated management accounting system and provide expenditure totals and encumbrances at the line-item level for the most recently completed month, as well as a year-to-date total, and an actual versus planned rate of expenditure. Major expenditure requests are reviewed by the Budget & Research Department prior to the encumbrance of funds.

Constant review of revenue and expenditure trends is maintained with specific responsibility assigned to the Director of Budget & Research. Recommendations for corrective action are made to the City Manager (and to the City Council, if appropriate) as needed to ensure the integrity of the adopted budget.

The City's Finance Department publishes a Comprehensive Monthly Finance Report (CMFR) directed at providing internal and external users with the general awareness of the City's financial positions and economic activity. The CMFR includes a Financial Summary section reporting the performances of the major operating funds and a status report of the City's capital projects, an Economic Analysis section summarizing key economic indicators and an in-depth review with graphic illustrations, and an Investment Report section describing investment activity, interest earnings and the City's portfolio. The highlights of each month's CMFR are presented to the City Council.

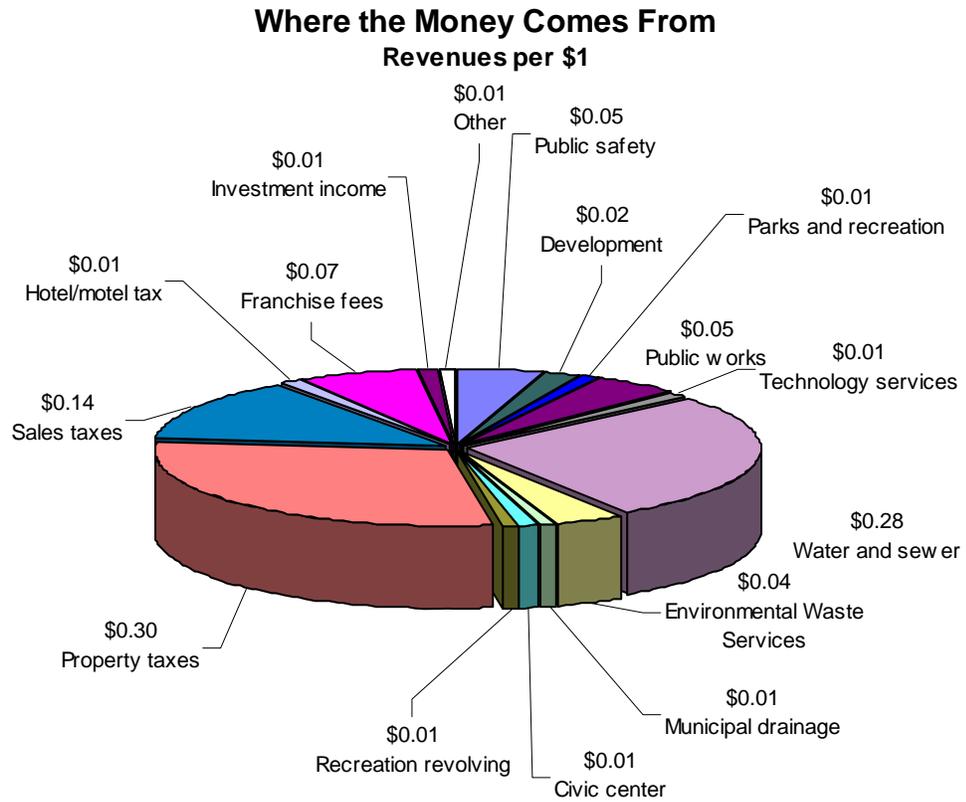
Recognizing the value of internal control, an internal audit program has been in place since 1988. An Internal Audit Committee provides oversight and the Internal Audit Department conducts the program. This program serves to enhance controls to safeguard the City's assets and provide a reasonable assurance of proper recording of financial transactions, which, due to the changing complexity of the organization, requires greater attention.

### ***Major Initiatives***

The City of Plano's fiscal year 2009-10 budget reflected continued strength in the City's dynamic economy. The significant projects from the Community Investment Program for 2009-10 included the Environmental Education Center, Emergency Operations Center, Fire Station #12, Radio Tower infrastructure project, Carpenter Recreation Center expansion, and the Animal Services building expansion.

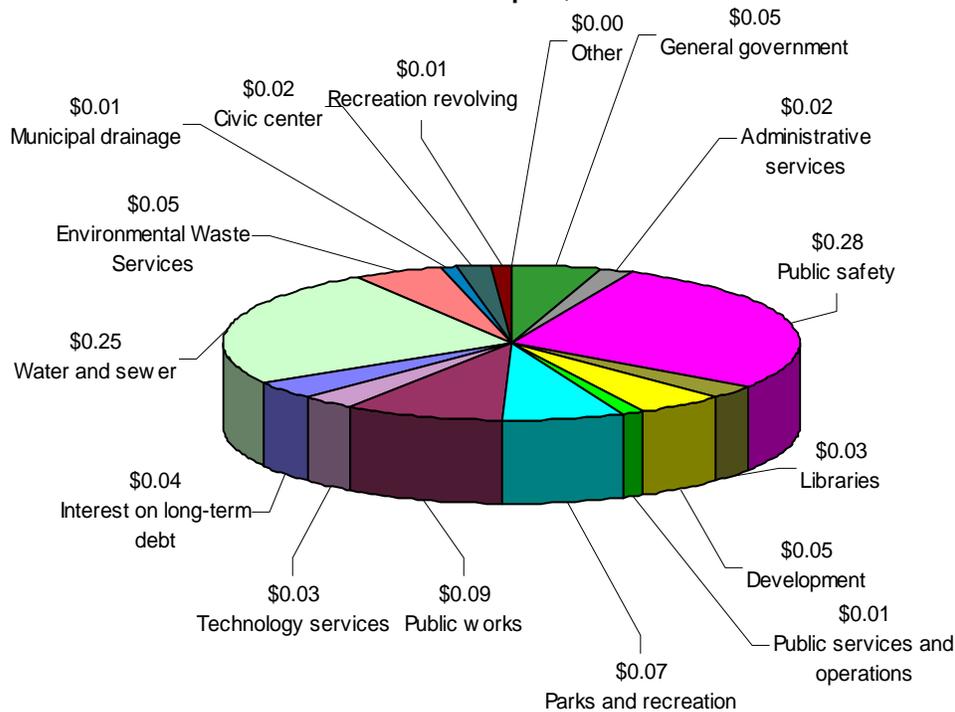
The City budgeted \$5.0 million for economic development incentives in order to remain competitive with surrounding neighboring cities. Fiscal year 2010 was the fourth year that two-cents of the property tax rate was dedicated for these incentives. The fiscal year 2010 property tax rate was a slight increase over the prior year from .4735 to .4886 cents (\$.3284 General Fund and \$.1602 Debt Service).

The following chart depicts the sources and uses of the City's financial breakout as of fiscal year end 2010:



## Where the Money Goes

Cost per \$1



### ***Awards and Acknowledgements***

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Plano for its CAFR for the Fiscal Year ended September 30, 2009. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

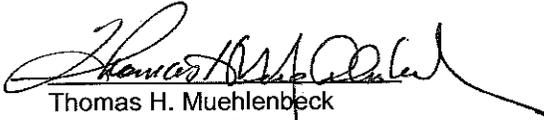
In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized CAFR whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. The City of Plano has received a Certificate of Achievement for the last twenty-nine consecutive years (Fiscal Years ended 1981-2009). We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

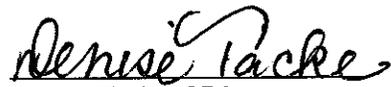
Many persons are responsible for the preparation of this report, and for the maintenance of records upon which it is based. Appreciation is expressed to the City employees throughout the organization, especially those employees of the Accounting Department who were instrumental in the successful completion of this report. Certain individuals worked many extra hours and exhibited extraordinary effort in ensuring the accuracy and timeliness of this report, and their contribution to this effort is greatly appreciated.

Our appreciation is also extended to the Mayor and members of the City Council for providing the resources necessary to maintain the integrity of the City's financial affairs.

Respectfully submitted,



Thomas H. Muehlenbeck  
CITY MANAGER



Denise Tacke, CPA  
DIRECTOR OF FINANCE



Andrea Cockrell, CPA  
CONTROLLER



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Plano  
Texas

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
September 30, 2009

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director





**CITY OF PLANO, TEXAS**  
**ELECTED OFFICIALS AND ADMINISTRATIVE OFFICERS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010**

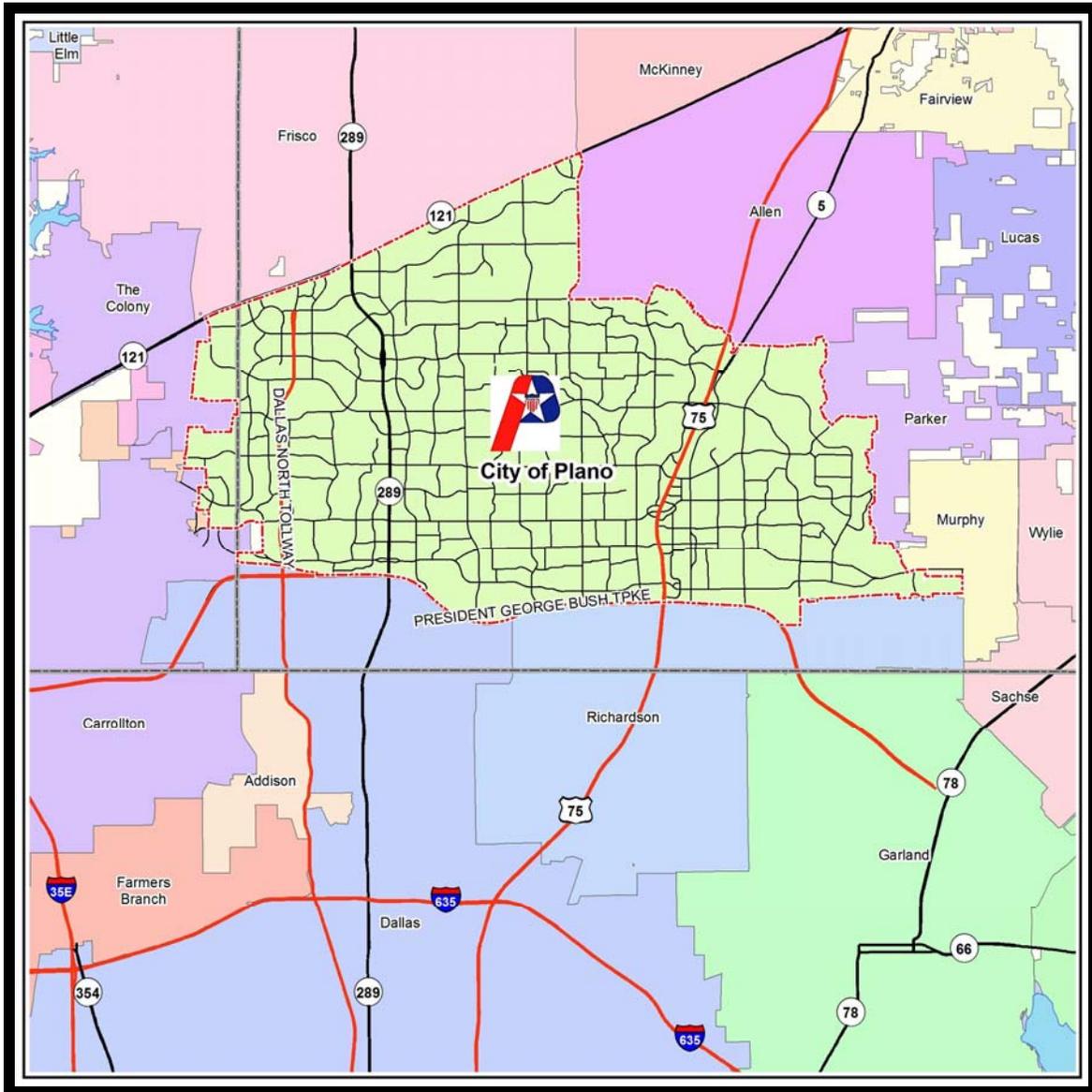
**Elected Officials**

<u>City Council</u>	<u>Term Expires</u>
Phil Dyer Mayor Place 6	May, 2012
Lee Dunlap Mayor Pro Tem Place 8	May, 2012
Pat Miner Deputy Mayor Pro Tem Place 1	May, 2011
Ben Harris Place 2	May, 2012
André Davidson Place 3	May, 2011
Lissa Smith Place 4	May, 2012
Harry LaRosiliere Place 5	May, 2011
Jean Callison Place 7	May, 2011

**Administrative Officers**

<u>Name</u>	<u>Position</u>
Thomas H. Muehlenbeck	City Manager
Denise Tacke, CPA	Director of Finance
Andrea Cockrell, CPA	Controller

# The City of Plano and Surrounding Areas







## Independent Auditor's Report

Audit • Tax • Advisory  
**Grant Thornton LLP**  
1717 Main Street, Suite 1500  
Dallas, TX 75201-4667  
T 214.561.2300  
F 214.561.2370  
[www.GrantThornton.com](http://www.GrantThornton.com)

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Plano, Texas (the "City"), as of and for the year ended September 30, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America established by the American Institute of Certified Public Accountants and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Plano, Texas, as of September 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2010 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 effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 3 through 14, the Schedule of Pension Trust – Texas Municipal Retirement System Funding Progress and Contributions, the Schedule of Pension Trust – Retirement Security Plan Funding Progress and Contributions and the Schedule of OPEB Trust – Postemployment Benefits 115 Trust Funding Progress and Contributions on page 69 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The combining fund financial statements, individual nonmajor fund financial statements, and individual fund budgetary comparison schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section, capital assets used in the operation of governmental funds schedules, and statistical section, as listed in the table of contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

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

Dallas, Texas  
December 30, 2010

**CITY OF PLANO, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2010**

Our discussion and analysis of the City of Plano's financial performance provides an overview and analysis of the City's financial activities for the fiscal year ended September 30, 2010. Please read it in conjunction with the accompanying transmittal letter and the accompanying basic financial statements. All amounts, unless otherwise indicated, are expressed in millions of dollars.

**FINANCIAL HIGHLIGHTS**

- The City's net assets of governmental activities increased \$25.7 million or 3.2 percent primarily due to increased capital grants and contributions which increased capital assets by approximately \$22.8 million. Net assets of the City's business-type activities increased as a result of this year's operations by \$14.2 million or 3.4 percent, with an increase in capital assets of \$2.3 million.
- The City of Plano's total net assets increased by \$39.9 million, or 3.3 percent, during the current fiscal year. In addition to the increase in capital assets, ad valorem tax revenue increased over the prior year by \$2.5 million. This is attributable to a slight increase in the property tax rate of 1.51 cents over the prior year to 48.86 cents per \$100 of assessed property value. Sales tax revenue also increased \$2.6 million as a result of a slight improvement in the economy as well as improved consumer confidence. Franchise fee revenue decreased \$1.55 million due to the expiration of the Verizon franchise in the current year along with lower natural gas prices and the overall slowing economy. Investment income decreased \$1.2 million due to lower interest rates.
- As of September 30, 2010, the City of Plano's governmental funds reported combined ending fund balances of \$174.5 million, a decrease of \$14.9 million in comparison with the prior fiscal year.
- At the end of the current fiscal year, the unreserved and undesignated fund balance for the general fund increased \$2.8 million to \$34.5 million. This amount is approximately 17.4 percent of total general fund expenditures.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

Management's discussion and analysis is intended to serve as an introduction to the City of Plano's basic financial statements. The City of Plano's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements**

The government-wide financial statements are designed to provide readers with a broad overview of the City of Plano's finances, in a manner similar to private-sector business. The statement of net assets presents information on all of the City of Plano's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City of Plano is improving or deteriorating. The Statement of Net Assets combines and consolidates governmental funds current financial resources (short-term spendable resources) with capital assets and long-term obligations. In order to assess the overall health or financial condition of the City, other non-financial factors should also be taken into consideration. These include changes in the City's property tax base and the condition of the City's infrastructure (i.e. roads, drainage improvements, storm and sewer lines, etc.).

**City of Plano, Texas  
Management's Discussion and Analysis (continued)  
September 30, 2010**

The Statement of Activities presents information showing how the City's net assets changed during the most recent fiscal year. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but not used vacation leave). Both the statement of net assets and the statement of activities are prepared utilizing the accrual basis of accounting as opposed to the modified accrual basis used in governmental fund financial statements.

In the Statement of Net Assets and the Statement of Activities, the City is divided into three types of activities:

- Governmental activities – Most of the City's basic services are reported here, including police, fire, libraries, development, public services and operations, parks and recreation, public works, technology services and general administration. Property taxes, sales taxes and franchise fees finance most of these activities.
- Business-type activities – The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's water and sewer system, environmental waste system, municipal drainage system, civic center, municipal golf course, property management activity, recreation revolving activities and downtown center development activity are reported as business-type activities.
- Component units – The City includes three separate legal entities in its report – the Economic Development Board, TIF (tax incremental financing unit) mall and TIF East Side. Although legally separate, these "component units" are important because the City is financially accountable for them.

## **Reporting the City's Most Significant Funds**

### **Fund Financial Statements**

The fund financial statements provide detailed information about the most significant funds – not the City as a whole. Some funds are required to be established by state law and by bond covenants. However, the City Council establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. The City's two primary fund types – governmental and proprietary – utilize different accounting methods.

- Governmental funds – The majority of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method identified as the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. By comparing information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements, readers may better understand the long-term impact of the government's near-term financing decisions. The relationships or differences between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds are detailed in a reconciliation following the fund financial statements.

The City of Plano maintains twenty individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund, capital reserve fund, municipal facilities fund, and street improvements fund, all of which are considered to be major funds. Data from the other fifteen governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

- Proprietary funds – The City charges customers for the services it provides, whether to outside customers or to other units within the City. These services are generally reported in proprietary funds. Proprietary funds are reported in the same way all activities are reported in the Statement of Net Assets and the Statement of Activities. In fact, the City's enterprise funds (a type of proprietary funds) are identical to the business-type activities reported in the government-wide statements but provide more detail and additional information, such as cash flows. The internal service funds (the other type of proprietary funds) are utilized to report activities that provide supplies and services for the City's other programs and activities, such as the City's municipal warehouse, the City's self insurance funds and equipment maintenance function. Because these services benefit governmental and business type functions, they have been included in both the governmental and business-type activities in the government-wide financial statements.

The City of Plano maintains eight individual enterprise funds. The City uses enterprise funds to account for its water and sewer, environmental waste, civic center, municipal drainage, municipal golf course, property management, downtown center development, and recreation revolving activities. The proprietary fund financial statements provide separate information for the water and sewer, environmental waste services and municipal drainage functions. All are considered major funds of the City. Data from the remaining five enterprise funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor business-type funds is provided in the form of combining statements elsewhere in this report.

## **The City as Trustee**

### **Reporting the City's Fiduciary Responsibilities**

The City is the trustee, or fiduciary, for its employee's pension plan and post-employment retiree health benefits as well as certain amounts held on behalf of developers, property owners and others. All of the City's fiduciary activities are reported in separate Statements of Fiduciary Net Assets and Changes in Fiduciary Net Assets. Activities of these funds are excluded from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purpose.

### **Other Information**

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension and health benefits to the employees.

## **THE CITY AS A WHOLE – Government-Wide Financial Analysis**

The City's combined net assets were \$1.26 billion as of September 30, 2010. This analysis focuses on the net assets (table 1) and changes in general revenues (table 2) and changes in net assets (table 3) of the City's governmental and business-type activities.

By far the largest portion of the City's net assets (82.0 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment) 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 cannot be used to liquidate these liabilities.

City of Plano, Texas  
Management's Discussion and Analysis (continued)  
September 30, 2010

**Table 1**  
**Net Assets**  
(In Millions)

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total Primary Government</b>	
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
Current and other assets	\$ 292	\$ 292	\$ 81	\$ 70	\$ 373	\$ 362
Capital assets	956	933	386	384	1,342	1,317
Total assets	1,248	1,225	467	454	1,715	1,679
Long-term debt outstanding	376	384	31	31	407	415
Other liabilities	42	37	9	10	51	47
Total liabilities	418	421	40	41	458	462
Net assets:						
Invested in capital assets, net of related debt	664	729	367	383	1,031	1,112
Restricted	4	3	40	4	44	7
Unrestricted	162	72	20	26	182	98
Total net assets	\$ 830	\$ 804	\$ 427	\$ 413	\$ 1,257	\$ 1,217

**Governmental Activities**

The City's general revenues increased when compared to the prior year by \$2.3 million or 1.1 percent. The primary reason for this increase was higher sales tax revenues of \$2.6 million, as a result of slight improvement in the economy as well as improved consumer confidence. In addition, property tax revenue increased \$2.5 million over the prior year and is attributable to a 1.51 cent increase in the property tax rate. The assessed value of the property in the City decreased by \$278.1 million, or 1.1 percent, as compared to the prior year. Franchise fees decreased \$1.6 million due to the expiration of the Verizon franchise in the current year, lower natural gas prices and the overall slowing economy. Additionally, a decrease of \$1.2 million in investment income occurred in the current year due to lower interest rates. The overall increases in the City's general revenues are detailed below (Table 2).

**Table 2**  
**General Revenues**  
(in Thousands)

	<b>2010</b>	<b>2009</b>	<b>Increase (decrease)</b>
Property taxes	\$ 129,741	\$ 127,265	\$ 2,476
Sales taxes	58,653	56,065	2,588
Mixed drink taxes	1,104	997	107
Other taxes	78	119	(41)
Franchise fees	22,361	23,995	(1,634)
Investment Income	3,473	4,633	(1,160)
Total general revenues	\$ 215,410	\$ 213,074	\$ 2,336

Governmental and Business-type activities increased the City's net assets by \$39.9 million in 2010. The key elements of this increase are as follows:

City of Plano, Texas  
Management's Discussion and Analysis (continued)  
September 30, 2010

**Table 3**  
**Changes in Net Assets**  
**(in Thousands)**

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenues:						
Program revenues:						
Charges for services	\$ 33,708	\$ 32,374	\$143,696	\$134,896	\$177,404	\$167,270
Operating grants and contributions	6,859	7,431	60	340	6,919	7,771
Capital grants and contributions	20,766	10,939	3,722	5,128	24,488	16,067
General revenues:						
Property taxes	129,741	127,265	-	-	129,741	127,265
Sales taxes	58,653	56,065	-	-	58,653	56,065
Other taxes	1,182	1,116	4,099	3,952	5,281	5,068
Franchise fees	22,361	23,995	6,286	6,199	28,647	30,194
Investment income	3,473	4,633	532	604	4,005	5,237
Total revenues	276,743	263,818	158,395	151,119	435,138	414,937
Expenses:						
General government	18,439	14,360	-	-	18,439	14,360
Administrative services	7,800	8,294	-	-	7,800	8,294
Police	66,061	65,225	-	-	66,061	65,225
Fire	43,655	44,280	-	-	43,655	44,280
Libraries	10,295	11,105	-	-	10,295	11,105
Development	18,945	19,929	-	-	18,945	19,929
Public services and operations	5,663	5,646	-	-	5,663	5,646
Parks and recreation	27,220	26,170	-	-	27,220	26,170
Public works	34,002	28,025	-	-	34,002	28,025
Technology services	13,806	14,009	-	-	13,806	14,009
Other	2,076	5,579	-	-	2,076	5,579
Interest on long-term debt	14,119	14,640	-	-	14,119	14,640
Water and sewer	-	-	97,546	96,353	97,546	96,353
Environmental waste services	-	-	21,163	21,355	21,163	21,355
Municipal drainage	-	-	4,051	3,843	4,051	3,843
Civic center	-	-	6,393	7,331	6,393	7,331
Municipal golf course	-	-	718	870	718	870
Property management	-	-	60	32	60	32
Recreation revolving	-	-	3,217	3,192	3,217	3,192
Downtown center development	-	-	48	48	48	48
Total expenses	262,081	257,262	133,196	133,024	395,277	390,286
Increase in net assets before transfers	14,662	6,556	25,199	18,095	39,861	24,651
Transfers	11,013	13,307	(11,013)	(13,307)	-	-
Increase in net assets	25,675	19,863	14,186	4,788	39,861	24,651
Net assets – October 1	804,457	784,594	413,063	408,275	1,217,520	1,192,869
Net assets – September 30	\$830,132	\$804,457	\$427,249	\$413,063	\$1,257,381	\$1,217,520

**City of Plano, Texas  
Management's Discussion and Analysis (continued)  
September 30, 2010**

The most significant governmental expense for the City was for police activity. Of a total \$66.1 million spent, personnel costs were \$55.5 million, an increase over the prior year by \$0.6 million. The largest increase in governmental activities expenses can be noted in public works and pertains to depreciation. The largest governmental activities revenue increase was capital grants and contributions which increased \$9.8 million. The increase is primarily due to an increase in the number of transportation grants as well as additional funding from Collin County through interlocal agreements.

**Business-type Activities**

Revenues of the City's business-type activities were \$158.4 million for the fiscal year ended September 30, 2010. Revenues increased approximately \$7.3 million or 4.8 percent as compared to the prior fiscal year. Expenses for the City's business-type activities increased slightly by \$0.2 million or 0.1 percent. The increase in net revenues is the result of several factors, including the following:

- The City's water and sewer system recorded charges for services of \$116.3 million, an increase of \$8.4 million or 7.8 percent from the prior year primarily due to a six percent water rate increase effective October 1, 2009. Expenses increased over the prior year by \$1.2 million or 1.2 percent.
- The City's environmental waste services activities operated with program expenses exceeding charges for services by \$5.5 million. The City's percentage of contractual payments to North Texas Municipal Water District (NTMWD) increased \$0.3 million over the prior year. Payment is based on allocation of tonnage between member cities. Recycling revenues increased \$0.4 million due to an increase in prices.
- The City's municipal drainage activity operated with charges for services exceeding expenses by \$1.1 million, compared to \$1.2 million in the prior year. The municipal drainage system recorded charges for services of \$5.2 million, a 2.2 percent increase from the prior year as a result of a review of customers' drainage accounts to ensure completeness of billing and subsequent modifications.
- The City's civic center activity operated with expenses exceeding charges for services by \$4.2 million as compared to \$4.9 million in the prior fiscal year. Charges for services are reported at \$2.2 million which is a decrease of \$0.3 million from the prior fiscal year. Hotel/motel tax revenue increased \$0.1 million as a result of an increased collection effort and various hotel/motel tax audits.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of the fiscal year 2010, the City had \$1.3 billion invested in a broad range of capital assets, including police and fire equipment, buildings, park facilities, roads, bridges, and water and sewer lines. (See Table 4.) This amount represents a net increase (including additions and deductions) of \$25.1 million over the prior fiscal year.

**Table 4**  
**Capital Assets at Year-end**  
**(Net of Depreciation, in Thousands)**

	Governmental Activities		Business-type Activities		Totals	
	2010	2009	2010	2009	2010	2009
Land	\$ 122,700	\$ 107,127	\$ 9,264	\$ 9,267	\$ 131,964	\$ 116,394
Buildings and improvements	171,801	104,133	324,744	309,418	496,545	413,551
Equipment	44,980	45,579	3,301	4,185	48,281	49,764
Construction in progress	54,820	175,665	20,839	42,481	75,659	218,146
Public Art	1,699	1,697	-	-	1,699	1,697
Infrastructure	559,988	498,946	-	-	559,988	498,946
Drainage improvements	-	-	28,003	18,494	28,003	18,494
<b>Totals</b>	<b>\$955,988</b>	<b>\$933,147</b>	<b>\$386,151</b>	<b>\$383,845</b>	<b>\$1,342,139</b>	<b>\$1,316,992</b>

This year's major additions included (in millions):

Widening Plano Parkway-Midway to west City limits	\$ 1.1
Widening Rasor-Ohio to S.H. 121	2.9
Acquisition of a community park south of Spring Creek Parkway along White Rock Creek	5.4
Acquisition of acreage for the south Central Community Park and other acquisitions at various locations throughout the City	8.8
Replacement of various sections of street and alley pavement	1.5
Arterial concrete repair throughout the City	1.6
Arterial joint sealing program	1.0
Completion of Fire Station No.12	2.0
Installation of wireless network throughout the City	1.3
Installation of new radio system infrastructure	12.2
Installation of new radio mobile data system	1.6
<b>Total</b>	<b>\$ 39.4</b>

The City's fiscal year 2011 General Obligation capital budget includes \$43.7 million for capital projects, principally for three major categories: municipal facilities, parks and recreation, and street improvements and enhancements. Estimated expenditures for municipal facilities are \$9.8 million including \$6.0 million for public safety and fire facilities and equipment. Also included in the budget is \$2.3 million for the Collin County Cultural Arts. Estimated expenditures for parks and recreation facilities are \$15.8 million including \$8.0 million for the Pecan Hollow Golf Course, \$1.8 million for the Chisholm Trail, \$1.5 million for the Aquatic Center renovations and \$1.85 million for trail connections. An additional \$1.2 million is planned for land acquisitions. The remaining funds for park improvements and recreation centers are for a variety of projects. The City plans to spend \$18.2 million on street improvements and enhancements including \$2.8 million to reconstruct Communications from Spring Creek to Tennyson, \$1.7 million to reconstruct 14<sup>th</sup> Street from Avenue K to Ridgewood Drive, \$1.7 million to construct the Douglas walkway, \$1.2 million to widen McDermott Road from Coit to Ohio, and \$1.0

**City of Plano, Texas  
Management's Discussion and Analysis (continued)  
September 30, 2010**

million for the Park Blvd/US 75 pedestrian crossing. The remaining street improvements and enhancements are for a variety of projects. An additional \$21.4 million will be required to support the entire 2010-11 general obligation capital improvement program.

More detailed information about the City's capital asset activity is presented in Note 4 to the financial statements.

**Debt**

At year-end, the City had \$363.8 million in bonds and tax anticipation notes outstanding as compared to \$368.9 million at the end of the prior fiscal year, a decrease of 1.4 percent – as shown in Table 5.

**Table 5  
Outstanding Debt, at Year-end  
(in Thousands)**

	Governmental Activities		Business-type Activities		Totals	
	2010	2009	2010	2009	2010	2009
General obligation bonds and tax anticipation notes (backed by the City)	\$ 336,476	\$ 341,592	\$ -	\$ -	\$ 336,476	\$ 341,592
Revenue bonds (backed by fee revenues)	-	-	27,283	27,338	27,283	27,338
<b>Totals</b>	<b>\$ 336,476</b>	<b>\$ 341,592</b>	<b>\$ 27,283</b>	<b>\$ 27,338</b>	<b>\$ 363,759</b>	<b>\$ 368,930</b>

During the current fiscal year, the City issued \$28.5 million in general obligation bonds, \$9.7 million in tax and revenue certificates of obligation and \$6.8 million in municipal drainage revenue bonds.

The City's general obligation bonds and tax notes continue to carry an "AAA" rating, the highest rating possible. This rating has been assigned to the City's tax-supported debt since February 2000, by Moody's Investors Service, Inc., Standard & Poor's and Fitch, Inc. The City's drainage revenue bonds carry an A1 and AA- ratings, as assigned by two of the national rating agencies. The City is permitted by Article XI, Section 5, of the State of Texas Constitution to levy taxes up to \$2.50 per \$100 of assessed valuation for general governmental services including the payment of principal and interest on general obligation long-term debt. The current ratio of tax-supported debt to assessed value of all taxable property is 1.32 percent.

The City maintains a self-insurance program for general liability, public officials' errors and omission, police professional liability, property loss and workers' compensation. Claims for property loss over \$100,000 per occurrence and for workers' compensation over \$500,000 per occurrence are covered by private insurance companies. The City has claims and judgments of \$5.5 million outstanding at year-end compared with \$7.7 million at the end of the prior fiscal year. \$3.6 million is related to property/liability losses which are in line with the prior year while \$1.9 million is related to health claims which are down \$2.1 million from the prior year. Other obligations include accrued vacation pay and sick leave. More detailed information about the City's long-term liabilities is presented in Note 6 to the financial statements.

## **THE CITY'S FUNDS**

At the close of the City's fiscal year on September 30, 2010, the governmental funds of the City reported a combined fund balance of \$174.5 million and the enterprise funds of the City reported combined net assets of \$417.7 million. Included in this year's total change in fund balance is a \$1.3 million decrease in the City's General Fund primarily due to decreases in franchise fees and intergovernmental revenues by \$1.7 million and \$2.2 million, respectively. Prior year intergovernmental revenues include \$2.1 million from TIF East Side as reimbursement for initial costs contributed by the City for the Courtyard Theater Project in FY 2001. In addition, other changes in fund balances should be noted:

- The City's Debt Service fund balance of \$1.2 million decreased from the prior year fund balance by \$2.1 million. Since fiscal year 2008-09, the allocation to the Debt Service portion of the ad valorem tax rate has increased to \$0.1602 from \$0.1467, a \$0.0135 increase. However, property tax revenues have fallen short of supporting the debt principal and interest charges.
- The City's Capital Reserve fund balance of \$43.1 million increased \$4.2 million over the prior year. This is due primarily to a decrease in capital outlay spending of \$4.8 million. The City spent \$8.8 million in capital outlay in the capital reserve fund as compared to \$13.6 million in the prior fiscal year.
- The City's Municipal Facilities fund balance of \$26.2 million decreased by \$8.4 million from the prior year. This is due primarily to an increase in capital outlay expenditures of \$6.2 million over the prior year.
- The City's Street Improvements fund balance of \$14.1 million increased by \$4.9 million from the prior year. Capital outlay expenditures of \$15.1 million decreased \$3.2 million as compared to \$18.3 million in the prior fiscal year. Additionally, contributions increased \$6.3 million over the prior year.
- The City's Water and Sewer fund net assets of \$385.2 million increased by \$12.1 million over the prior year. In the current fiscal year, total operating revenues increased by \$8.9 million due primarily to a six percent water rate increase.
- The City's Environmental Waste Services fund net assets increased slightly over the prior year by \$0.5 million to \$2.1 million.
- The City's Municipal Drainage fund net assets increased slightly over the prior year by \$0.9 million to \$20.0 million.

### **General Fund Budgetary Highlights**

With adjustments made during FY 2009-10, the actual on a budgetary basis expenditures were \$202.4 million compared to the re-estimated budget amount of \$209.0 million. Actual expenditures were \$16.7 million lower than the original budget implemented for fiscal year 2009-10 and \$11.3 million lower as compared to the re-estimate. Decreases were due to reductions by City departments in anticipation of budget shortfalls.

For FY 2009-10, the actual on a budgetary basis revenues were \$197.6 million as compared to the re-estimated budget amount and original budget amount of \$196.4 million and \$198.5 million, respectively. The primary reason for the increase in actual revenue compared to the re-estimated budget is related to a \$1.3 million variance in sales tax revenue as a result of a slight improvement in the economy as well as improved consumer confidence.

**City of Plano, Texas  
Management's Discussion and Analysis (continued)  
September 30, 2010**

The City of Plano has an actual on a budgetary basis General Fund balance of \$36.7 million as of the fiscal year end, compared to the re-estimated budget fund balance and original budget fund balance of \$28.8 million and \$32.5 million respectively. The variance in fund balance is primarily due to expenditure reductions by City departments in anticipation of budget shortfalls

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

Although the economy is a primary factor, City elected and appointed officials addressed many considerations when setting the fiscal year 2011 Budget, tax rates, and business-type activity fee structures. Financial forecasts in March 2010 projected a \$15.4 million General Fund budget deficit beginning in fiscal year 2010. In response, fees were increased for certain services and (98) full-time positions and (9) part-time positions were eliminated from the both the fiscal year 2009 and 2010 Budgets combined. A Core Business Matrix process prioritized core businesses, services and programs offered by the City and evaluated service level impacts and the amount of expenditures and revenues assigned to each core business. Budget reductions of \$14.0 million were identified from the fiscal year 2010 re-estimated budget and the 2011 budget including the elimination of a number of positions.

A primary reason for the budget deficit is a decrease of property values from the City's tax base for fiscal year 2011. According to the Collin County and the Denton County Central Appraisal Districts (CAD), total assessed property value for 2010-11 is \$24.7 billion which includes \$262.9 million of new property. Additionally, existing property values decreased by \$1.1 billion or 4.27%. This is the largest existing property value loss experienced in the City of Plano since 1993. The total change in value for fiscal year 2011 equals a decrease of \$826.3 million or 3.24%. The average home value as reported by the Collin County CAD is now \$245,802, down from \$249,679. In addition, the City of Plano offers Homestead, Disability and Over 65 Exemptions, and an ad valorem tax freeze on the residential homestead of citizens over 65 and disabled. Total exemptions account for \$5.2 billion in assessed property value, which equates to \$26.3 million in lost property tax revenue. Of this amount, \$779.9 thousand is lost due to the over 65 tax freeze.

The approved tax rate for 2011 remains constant from 2010 at 48.86 cents per \$100 valuation. The total tax rate includes an increase of 1.49 cents for debt service from 16.02 cents to 17.51 cents coupled with a 1.49 cents decrease for operation and maintenance (O&M) from 32.84 cents down to 31.35 cents. The increase in the debt service rate is to support the proposed capital improvement projects in 2011 which will require a G.O. bond sale in the amount of \$21.4 million. In order to keep the overall tax rate flat, the O&M rate decreased. Of the 48.86 cent tax rate, two-cents are solely dedicated for the Economic Development Incentive Program (EDIP), implemented by the City Council in fiscal year 2006-2007. The City continues to work to entice commercial entities to Plano and to provide economic development programs and redevelopment for all areas of the City.

The 2010-11 combined budget appropriation totals \$396.4 million for ten operating funds. This represents a decrease of \$5.8 million or 1.5 percent under the 2009-10 original budget. Ad valorem tax revenue is determined by two major factors: the total assessed values established by both the Central Appraisal District of Collin and Denton Counties and the tax rate established by the Plano City Council.

The City will continue its focus on protecting and expanding its revenue base. Like most Texas cities, Plano relies heavily on its local sales tax collections to provide the revenues necessary to meet citizen's expectations for demands for service. Since January 2008, Plano has experienced significant sales tax declines due to the economic downturn and growing competition from surrounding cities for sales tax dollars. For fiscal year 2010, however, the City experienced a slight increase and stabilization in sales tax collections compared to 2009 with seven (7) out of twelve (12) months reporting increases as compared to the same period last year. Sales-tax revenue projections of \$57.0 million in fiscal year 2011 do not take into consideration approximately \$1.5 million in 380 Agreements. Sales tax projections continue to be impacted by changes to the national economy, high

**City of Plano, Texas  
Management's Discussion and Analysis (continued)  
September 30, 2010**

fuel prices, weather conditions, loss of market share to surrounding communities, the annual Texas Legislative-initiated "Back-To-School" Sales Tax Holiday, and impending future legislation.

General Fund expenditures are expected to decrease by \$1.8 million or 0.8 percent from the 2009-10 re-estimated budget. Estimated salary and benefit savings of \$3.6 million is anticipated from the reduction of (31) full-time positions. The budget also includes a 2.5% attrition allowance and does not include a merit increase. Budget increases include \$880,000 in health insurance for rising health care costs. Other Post Employment Benefits contributions will decrease \$1.1 million due to a new actuarial study. Expected retiree payouts in FY 2010-11 are budgeted at \$2.5 million. Contribution rates for the Texas Municipal Retirement System (TMRS) increased on January 1, 2010 from 15.72% to 16.94%. The Retirement Security Plan (RSP) contribution rate will increase from 3.13% to 3.50%. Included in the 2010-11 General Fund budget is \$172,986 for capital improvement projects. In addition, a \$550,000 transfer from the Equipment Replacement Fund and a \$550,000 transfer from the Disaster Relief Fund will be made to the General Fund to balance the budget shortfall.

If these estimates are realized, the City's budgetary General Fund balance is expected to decrease from the re-estimated 2010 Budget by approximately \$14.1 million.

The Water and Sewer fund continues to be of concern in the City's business type activities. In fiscal year 2010, the City did not meet its 26.7 billion gallon water usage requirement as part of the take or pay contract with the North Texas Municipal Water District (NTMWD). The resulting cost impact for undelivered water was \$6.6 million. Lower revenues and increase charges from the NTMWD caused the City to increase water and sewer rates, the seventh increase since October 2006. The following recent rate decisions have been made regarding the City's business type activities:

- Revenue projections in 2010-11 increase water income by \$3.7 million, or 6.4% over the 2010 re-estimate. The water income revenue increase covers a 6% rate increase effective November 1, 2010 and reflects the water district's take-or-pay contracted purchase amount of 26.7 billion gallons. Using updated 3-year winter quarter averages for water and a November 1, 2010 rate increase of 6%, the 2010-11 Sewer revenues are projected to increase \$194,599, over the 2009-10 re-estimate.
- Total Environmental Waste Services revenues for 2010-11 are projected at \$22.2 million. Total 2009-10 budget re-estimated revenues were \$116,272 below the original budget due to decreases commercial franchise revenue, offset in part by higher recycling revenues. No rate adjustment will be required in 2011.
- A municipal drainage rate adjustment will not be required in 2010-11. The drainage rate for an average homeowner will continue to be \$3.30 per month, and non-residential rates will stay at .056 cents per 100 square feet of impervious area.
- Hotel/Motel tax receipts are projected to be \$3.9 million in fiscal year 2011. This represents a 12.2% decrease from the original budget and a 1% increase from the budget re-estimate. Reduction in revenue from original projections is related to the economic downturn. Although hotel occupancy rates have remained fairly stable, average room rates have decreased considerably. Civic Center fees are projected to be approximately \$2.0 million for 2010-11, a decrease of 23% from the original budget primarily due to the downturn in the economy and increased competition.
- Golf fees are projected to be \$68,000 in 2010-11, a decrease of 89% from the budget re-estimate due to golf course closure in FY 2010-11 for renovation.
- Recreation fees are projected to increase by \$320,242 over the original amount for 2010 to \$3.4 million and are projected down to \$3.0 million for 2011. The Recreation Revolving Fund is a compilation of over 30 activity budgets and fees are generated by various recreation classes.

**CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City Controller's Office, at City of Plano, 1520 Avenue K, Suite 370, Plano, TX 75074.

**CITY OF PLANO, TEXAS  
STATEMENT OF NET ASSETS  
AS OF SEPTEMBER 30, 2010**

	<b>Primary Government</b>			<b>Component Units</b>
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	
<b>ASSETS</b>				
Cash and cash equivalents	\$ 75,048,808	\$ 3,669,182	\$ 78,717,990	\$ 7,388,325
Investments	175,974,902	8,594,349	184,569,251	17,350,732
Receivables (net of allowance for uncollectibles)	19,949,510	21,228,892	41,178,402	33,058
Internal balances	(9,593,755)	9,593,755	-	-
Due from other governments	5,196,392	-	5,196,392	-
Inventories	910,396	-	910,396	-
Prepays and other assets	21,713,523	526,665	22,240,188	3,176
Restricted assets:				
Cash and cash equivalents	939,735	11,156,438	12,096,173	-
Investments	2,235,440	26,175,918	28,411,358	-
Receivables	6,361	74,478	80,839	-
Capital assets:				
Non-depreciable	179,218,884	30,103,008	209,321,892	110,629
Depreciable (net)	776,769,533	356,047,579	1,132,817,112	2,595,796
<b>Total Assets</b>	<b>1,248,369,729</b>	<b>467,170,264</b>	<b>1,715,539,993</b>	<b>27,481,716</b>
<b>LIABILITIES</b>				
Accounts payable	4,140,678	4,865,900	9,006,578	6,016
Accrued liabilities	6,572,170	495,684	7,067,854	6,528
Accrued interest payable	1,144,650	440,545	1,585,195	-
Contracts payable	13,839,203	142,166	13,981,369	-
Customer deposits	-	2,021,439	2,021,439	-
Unearned revenue	14,190,075	685,496	14,875,571	-
Due to other governments	1,207,793	-	1,207,793	-
Retainage payable	713,743	431,211	1,144,954	-
Seized assets payable	149,715	-	149,715	-
Non-current liabilities				
Due within one year:				
Compensated absences	4,735,663	380,463	5,116,126	828
Notes payable	-	-	-	2,201,610
Bonds and notes payable	28,696,656	3,142,233	31,838,889	-
Liability for insurance claims	4,199,450	-	4,199,450	-
Due in more than one year:				
Compensated absences	29,563,569	3,175,670	32,739,239	132,420
Bonds and notes payable	307,779,043	24,140,283	331,919,326	-
Liability for insurance claims	1,305,256	-	1,305,256	-
<b>Total Liabilities</b>	<b>418,237,664</b>	<b>39,921,090</b>	<b>458,158,754</b>	<b>2,347,402</b>
<b>NET ASSETS</b>				
Invested in capital assets (net of related debt)	663,597,387	367,024,467	1,030,621,854	2,706,425
Restricted for:				
Debt service	1,182,560	2,639,954	3,822,514	-
Unrestricted	165,352,118	57,584,753	222,936,871	22,427,889
<b>Total Net Assets</b>	<b>\$ 830,132,065</b>	<b>\$ 427,249,174</b>	<b>\$ 1,257,381,239</b>	<b>\$ 25,134,314</b>

The notes to the financial statements are an integral part of this statement.

CITY OF PLANO, TEXAS  
 STATEMENT OF ACTIVITIES  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010

Function/Program Activities	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government:</b>				
Governmental Activities:				
General government	\$ 18,438,819	\$ 1,394,826	\$ 881,428	\$ -
Administrative services	7,799,815	-	-	-
Police	66,061,326	15,429,740	1,287,634	246,554
Fire	43,654,787	3,882,667	121,345	-
Libraries	10,295,418	500,514	411,552	-
Development	18,945,171	3,990,274	2,508,621	-
Public services and operations	5,662,869	1,333,016	153,696	-
Parks and recreation	27,219,522	4,058,923	205,307	-
Public works	34,002,485	247,408	1,289,382	20,519,256
Technology services	13,806,148	2,870,243	-	-
Other	1,963,496	-	-	-
Interest on Long-Term Debt	14,119,411	-	-	-
Unallocated Depreciation	111,959	-	-	-
<b>Total governmental activities</b>	<b>262,081,226</b>	<b>33,707,611</b>	<b>6,858,965</b>	<b>20,765,810</b>
Business-type Activities:				
Water and sewer	97,546,366	116,516,442	-	3,721,845
Environmental waste services	21,163,351	15,616,880	60,194	-
Municipal drainage	4,051,080	5,161,087	-	-
Civic center	6,393,145	2,180,520	-	-
Municipal golf course	718,046	600,919	-	-
Property management	59,678	7,594	-	-
Recreation revolving	3,216,311	3,545,142	-	-
Downtown center development	47,918	68,128	-	-
<b>Total business-type activities</b>	<b>133,195,895</b>	<b>143,696,712</b>	<b>60,194</b>	<b>3,721,845</b>
<b>Total primary government</b>	<b>\$ 395,277,121</b>	<b>\$ 177,404,323</b>	<b>\$ 6,919,159</b>	<b>\$ 24,487,655</b>
<b>Component units:</b>				
Economic Development	\$ 3,652,655	\$ -	\$ 5,888,182	\$ -
TIF Mall	331,027	-	-	-
TIF East Side	2,420,563	-	-	-
<b>Total component units</b>	<b>\$ 6,404,245</b>	<b>\$ -</b>	<b>\$ 5,888,182</b>	<b>\$ -</b>

General revenues:  
 Property taxes  
 Sales taxes  
 Mixed drink taxes  
 Hotel/Motel tax  
 Other taxes  
 Franchise fees  
 Investment income  
 Transfers  
 Total general revenues and transfers  
 Change in net assets  
 Net assets - beginning  
 Net assets - ending

The notes to the financial statements are an integral part of this statement.

**Net (Expense) Revenue and Changes in Net Assets**

<b>Primary Government</b>			
<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>Component Units</b>
\$ (16,162,565)		\$ (16,162,565)	
(7,799,815)		(7,799,815)	
(49,097,398)		(49,097,398)	
(39,650,775)		(39,650,775)	
(9,383,352)		(9,383,352)	
(12,446,276)		(12,446,276)	
(4,176,157)		(4,176,157)	
(22,955,292)		(22,955,292)	
(11,946,439)		(11,946,439)	
(10,935,905)		(10,935,905)	
(1,963,496)		(1,963,496)	
(14,119,411)		(14,119,411)	
(111,959)		(111,959)	
<u>(200,748,840)</u>		<u>(200,748,840)</u>	
-	\$ 22,691,921	22,691,921	
-	(5,486,277)	(5,486,277)	
-	1,110,007	1,110,007	
-	(4,212,625)	(4,212,625)	
-	(117,127)	(117,127)	
-	(52,084)	(52,084)	
-	328,831	328,831	
-	20,210	20,210	
-	<u>14,282,856</u>	<u>14,282,856</u>	
<u>(200,748,840)</u>	<u>14,282,856</u>	<u>(186,465,984)</u>	
			\$ 2,235,527
			(331,027)
			<u>(2,420,563)</u>
			<u>(516,063)</u>
129,741,125	-	129,741,125	8,050,268
58,652,787	-	58,652,787	-
1,103,815	-	1,103,815	-
-	4,098,810	4,098,810	-
77,968	-	77,968	-
22,361,082	6,286,201	28,647,283	-
3,473,366	531,546	4,004,912	179,406
11,013,481	(11,013,481)	-	-
<u>226,423,624</u>	<u>(96,924)</u>	<u>226,326,700</u>	<u>8,229,674</u>
25,674,784	14,185,932	39,860,716	7,713,611
804,457,281	413,063,242	1,217,520,523	17,420,703
<u>\$ 830,132,065</u>	<u>\$ 427,249,174</u>	<u>\$ 1,257,381,239</u>	<u>\$ 25,134,314</u>

**CITY OF PLANO, TEXAS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
AS OF SEPTEMBER 30, 2010**

	<b>General</b>	<b>Debt Service</b>	<b>Capital Reserve</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 11,604,983	\$ 353,397	\$ 13,234,701
Investments	27,150,631	829,162	31,052,064
Receivables (net of allowance for uncollectibles)			
Taxes	11,836,461	545,352	-
Accounts	1,730,528	-	-
Notes	2,201,610	-	-
Accrued interest	77,250	2,359	88,350
Assessments	-	-	-
Other	-	-	-
Due from other funds	1,938,861	-	-
Due from other governments	55,185	-	-
Prepaid items and other assets	120,229	-	-
<b>Total Assets</b>	<b>56,715,738</b>	<b>1,730,270</b>	<b>44,375,115</b>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	2,462,298	-	-
Accrued liabilities	5,491,897	-	-
Contracts payable	-	-	1,085,652
Deferred revenue	7,292,447	545,351	-
Due to other funds	48,777	-	-
Due to other governments	19,742	9,764	-
Retainage payable	-	-	189,437
Seized assets payable	-	-	-
<b>Total Liabilities</b>	<b>15,315,161</b>	<b>555,115</b>	<b>1,275,089</b>
Fund Balance:			
Reserved for encumbrances in:			
General fund	4,604,162	-	-
Capital reserve fund	-	-	4,462,039
Municipal facilities	-	-	-
Street improvements	-	-	-
Capital project funds	-	-	-
Reserved for:			
Prepaid items and other assets	120,229	-	-
Notes receivable	2,201,610	-	-
Debt service	-	1,175,155	-
Capital reserve	-	-	38,637,987
Municipal facilities	-	-	-
Street improvements	-	-	-
Capital projects	-	-	-
Unreserved, designated in:			
Special revenue funds	-	-	-
Unreserved, undesignated in:			
General fund	34,474,576	-	-
Special revenue funds	-	-	-
Capital project funds	-	-	-
<b>Total Fund Balance</b>	<b>41,400,577</b>	<b>1,175,155</b>	<b>43,100,026</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 56,715,738</b>	<b>\$ 1,730,270</b>	<b>\$ 44,375,115</b>

The notes to the financial statements are an integral part of this statement.

<b>Municipal Facilities</b>	<b>Street Improvements</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 11,230,676	\$ 8,563,897	\$ 15,698,186	\$ 60,685,840
26,350,098	20,093,139	36,490,185	141,965,279
-	-	-	12,381,813
-	-	596,061	2,326,589
-	-	-	2,201,610
74,972	57,170	103,824	403,925
-	1,450,071	-	1,450,071
275	-	926,875	927,150
-	-	16,978	1,955,839
-	3,038,367	2,102,840	5,196,392
-	-	-	120,229
<u>37,656,021</u>	<u>33,202,644</u>	<u>55,934,949</u>	<u>229,614,737</u>
-	-	351,069	2,813,367
-	-	836,668	6,328,565
11,453,244	1,039,650	260,657	13,839,203
-	17,550,420	2,665,724	28,053,942
-	-	1,941,160	1,989,937
-	-	1,178,287	1,207,793
12,153	466,528	45,625	713,743
-	-	149,715	149,715
<u>11,465,397</u>	<u>19,056,598</u>	<u>7,428,905</u>	<u>55,096,265</u>
-	-	-	4,604,162
-	-	-	4,462,039
6,364,840	-	-	6,364,840
-	8,737,635	-	8,737,635
-	-	8,273,945	8,273,945
-	-	-	120,229
-	-	-	2,201,610
-	-	-	1,175,155
-	-	-	38,637,987
19,825,784	-	-	19,825,784
-	5,408,411	-	5,408,411
-	-	19,403,260	19,403,260
-	-	892,373	892,373
-	-	-	34,474,576
-	-	19,787,110	19,787,110
-	-	149,356	149,356
<u>26,190,624</u>	<u>14,146,046</u>	<u>48,506,044</u>	<u>174,518,472</u>
<u>\$ 37,656,021</u>	<u>\$ 33,202,644</u>	<u>\$ 55,934,949</u>	<u>\$ 229,614,737</u>

**CITY OF PLANO, TEXAS  
RECONCILIATION OF THE STATEMENT OF NET ASSETS  
OF GOVERNMENTAL FUNDS  
TO THE BALANCE SHEET  
AS OF SEPTEMBER 30, 2010**

Amounts reported for governmental activities in the statement of net assets are different because:

Total fund balance per balance sheet	\$ 174,518,472
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	922,082,731
Other long-term assets are not available to pay for current-period expenditures, and, therefore, are deferred in the funds.	35,235,011
Internal service funds are used by management to charge the costs of fleet management, property liability loss, health claims, office services and municipal warehouse to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	74,761,699
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(376,465,848)
Net assets of governmental activities	<u><u>\$ 830,132,065</u></u>

The notes to the financial statements are an integral part of this statement.



**CITY OF PLANO, TEXAS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	<u>General</u>	<u>Debt Service</u>	<u>Capital Reserve</u>	<u>Municipal Facilities</u>
<b>REVENUES</b>				
Taxes-				
Property taxes	\$ 81,571,898	\$ 39,740,619	\$ -	\$ -
Other taxes	59,176,584	-	-	-
Franchise fees	21,886,667	-	-	-
Fines and forfeitures	7,767,903	-	-	-
Contributions	-	-	680,000	-
Rollback taxes	-	-	63,296	-
Licenses and permits	5,763,535	-	-	-
Intragovernmental	8,211,958	-	-	-
Intergovernmental	727,762	-	40,000	-
Fees for services	10,847,217	-	-	-
Assessments	-	-	-	-
Investment income	822,854	284,605	474,163	412,107
Miscellaneous	927,312	246,554	4,900	3,000
Total revenues	<u>197,703,690</u>	<u>40,271,778</u>	<u>1,262,359</u>	<u>415,107</u>
<b>EXPENDITURES</b>				
Current operating:				
General government	384,114	-	-	-
Administrative services	7,901,744	-	-	-
Police	60,573,455	-	-	-
Fire	42,800,659	-	-	-
Libraries	9,694,994	-	-	-
Development	16,796,214	-	-	-
Public services and operations	4,785,710	-	-	-
Parks and recreation	19,909,716	-	-	-
Environmental waste services	-	-	-	-
Public works	5,592,600	-	-	-
Other	27,809,863	-	-	-
Capital outlay	1,511,225	-	8,770,247	20,354,128
Debt service:				
Principal retirement	-	27,650,000	-	-
Interest and fiscal charges	-	14,553,158	-	-
Total expenditures	<u>197,760,294</u>	<u>42,203,158</u>	<u>8,770,247</u>	<u>20,354,128</u>
Deficiency of revenues over expenditures	<u>(56,604)</u>	<u>(1,931,380)</u>	<u>(7,507,888)</u>	<u>(19,939,021)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of debt	-	-	-	11,000,000
Bond proceeds - refunding	-	16,633,613	-	-
Escrow payment - refunding	-	(16,777,204)	-	-
Premium on sale of bonds	-	-	-	145,487
Proceeds from sale of land	-	-	-	426,129
Transfers in	9,813,481	-	11,700,000	-
Transfers out	(11,100,430)	-	-	-
Total other financing sources (uses)	<u>(1,286,949)</u>	<u>(143,591)</u>	<u>11,700,000</u>	<u>11,571,616</u>
Net change in fund balances	(1,343,553)	(2,074,971)	4,192,112	(8,367,405)
Fund balances-beginning	42,744,130	3,250,126	38,907,914	34,558,029
Fund balances-ending	<u>\$ 41,400,577</u>	<u>\$ 1,175,155</u>	<u>\$ 43,100,026</u>	<u>\$ 26,190,624</u>

The notes to the financial statements are an integral part of this statement.

Street Improvements	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 121,312,517
-	-	59,176,584
-	-	21,886,667
-	3,145,010	10,912,913
9,806,070	205,842	10,691,912
-	-	63,296
-	-	5,763,535
-	-	8,211,958
3,384,011	3,084,369	7,236,142
-	2,921,872	13,769,089
88,375	-	88,375
274,572	616,303	2,884,604
111,866	105,110	1,398,742
<u>13,664,894</u>	<u>10,078,506</u>	<u>263,396,334</u>
-	8,015	392,129
-	-	7,901,744
-	4,716,275	65,289,730
-	183,476	42,984,135
-	231,825	9,926,819
-	2,898,095	19,694,309
-	848,483	5,634,193
-	-	19,909,716
-	88,202	88,202
-	-	5,592,600
-	-	27,809,863
15,052,846	19,138,922	64,827,368
-	-	27,650,000
-	-	14,553,158
<u>15,052,846</u>	<u>28,113,293</u>	<u>312,253,966</u>
<u>(1,387,952)</u>	<u>(18,034,787)</u>	<u>(48,857,632)</u>
6,110,000	5,505,000	22,615,000
-	-	16,633,613
-	-	(16,777,204)
157,151	141,590	444,228
-	-	426,129
-	384,772	21,898,253
-	(145,609)	(11,246,039)
<u>6,267,151</u>	<u>5,885,753</u>	<u>33,993,980</u>
4,879,199	(12,149,034)	(14,863,652)
9,266,847	60,655,078	189,382,124
<u>\$ 14,146,046</u>	<u>\$ 48,506,044</u>	<u>\$ 174,518,472</u>

**RECONCILIATION OF THE STATEMENT OF REVENUES  
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balance - total governmental funds	\$ (14,863,652)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	14,908,358
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	9,631,358
The issuance of long-term debt (e.g. bonds, tax anticipation notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	4,753,166
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	2,753,877
Internal service funds are used by management to charge the costs of fleet management, property liability loss, health claims, office services and municipal warehouse to individual funds. The net expenses of certain activities of internal service funds is reported within governmental activities.	8,494,414
Grant revenue included in the special revenue funds which are used for the benefit of business-type activities. The net expenses of certain activities are reported within the business-type activities.	(2,737)
Change in net assets of governmental activities	<u>\$ 25,674,784</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF PLANO, TEXAS**  
**GENERAL FUND - STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE-BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Adjustments- Budgetary Basis</u>	<u>Actual on a Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>				
<b>REVENUES:</b>						
Taxes-						
Property taxes	\$ 82,436,251	\$ 81,932,161	\$ 81,571,898	\$ (63,296)	\$ 81,508,602	\$ (423,559)
Other taxes	58,935,386	57,833,841	59,176,584	-	59,176,584	1,342,743
Franchise fees	22,197,743	21,522,622	21,886,667	-	21,886,667	364,045
Fines and forfeitures	8,297,385	7,837,264	7,767,903	-	7,767,903	(69,361)
Licenses and permits	4,127,062	5,641,718	5,763,535	-	5,763,535	121,817
Intragovernmental	8,211,958	8,211,958	8,211,958	-	8,211,958	-
Intergovernmental	716,747	749,759	727,762	-	727,762	(21,997)
Fees for services	11,212,405	10,841,313	10,847,217	-	10,847,217	5,904
Investment income	1,300,000	900,000	822,854	-	822,854	(77,146)
Miscellaneous	1,032,794	893,526	927,312	-	927,312	33,786
<b>Total Revenues</b>	<b>198,467,731</b>	<b>196,364,162</b>	<b>197,703,690</b>	<b>(63,296)</b>	<b>197,640,394</b>	<b>1,276,232</b>
<b>EXPENDITURES:</b>						
General government	488,276	540,542	384,114	81,586	465,700	74,842
Administrative services	8,453,711	8,396,331	7,901,744	119,027	8,020,771	375,560
Police	62,674,759	62,031,428	60,573,455	334,024	60,907,479	1,123,949
Fire	43,519,918	43,578,585	42,800,659	219,880	43,020,539	558,046
Libraries	9,794,588	9,898,944	9,694,994	184,672	9,879,666	19,278
Development	20,200,008	19,397,399	16,796,214	559,483	17,355,697	2,041,702
Public services and operations	4,892,493	4,950,868	4,785,710	7,209	4,792,919	157,949
Parks and Recreation	22,739,108	21,383,180	19,909,716	329,183	20,238,899	1,144,281
Public works	6,142,493	5,962,512	5,592,600	236,822	5,829,422	133,090
Other	29,393,240	30,314,880	27,809,863	1,500,610	29,310,473	1,004,407
Capital outlay	1,010,000	2,572,909	1,511,225	1,031,666	2,542,891	30,018
<b>Total Expenditures</b>	<b>209,308,594</b>	<b>209,027,578</b>	<b>197,760,294</b>	<b>4,604,162</b>	<b>202,364,456</b>	<b>6,663,122</b>
Deficiency Of Revenues (under) Expenditures	(10,840,863)	(12,663,416)	(56,604)	(4,667,458)	(4,724,062)	7,939,354
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in	11,277,493	9,813,481	9,813,481	-	9,813,481	-
Transfers out	(10,634,771)	(11,100,430)	(11,100,430)	-	(11,100,430)	-
<b>Total Other Financing Sources (Uses)</b>	<b>642,722</b>	<b>(1,286,949)</b>	<b>(1,286,949)</b>	<b>-</b>	<b>(1,286,949)</b>	<b>-</b>
Excess (Deficiency) Of Revenues And Other Sources Over Expenditures And Other Uses	(10,198,141)	(13,950,365)	(1,343,553)	(4,667,458)	(6,011,011)	7,939,354
FUND BALANCE, October 1	42,744,130	42,744,130	42,744,130	-	42,744,130	-
<b>FUND BALANCE, September 30</b>	<b>\$ 32,545,989</b>	<b>\$ 28,793,765</b>	<b>\$ 41,400,577</b>	<b>\$ (4,667,458)</b>	<b>\$ 36,733,119</b>	<b>\$ 7,939,354</b>

The notes to the financial statements are an integral part of this statement.

**CITY OF PLANO, TEXAS  
 ADJUSTMENTS TO REVENUES, EXPENDITURES AND OTHER  
 FINANCING USES FROM GAAP BASIS TO BUDGETARY BASIS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	Deficiency of Revenues and Other Sources Under Expenditures and Other Uses General Fund
GAAP basis	\$ (1,343,553)
Revenues:	
Decrease due to rolled back taxes	(63,296)
Expenditures:	
Increase due to encumbrances	(4,604,162)
Budgetary basis	\$ (6,011,011)

The notes to the financial statements are an integral part of this statement.



CITY OF PLANO, TEXAS  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
AS OF SEPTEMBER 30, 2010

Business-type Activities  
Enterprise Funds

	Water and Sewer	Environmental Waste Services	Municipal Drainage	Other Enterprise Funds	Total	Governmental Activities- Internal Service Funds
<b>ASSETS</b>						
Current assets:						
Cash and cash equivalents	\$ 718,715	\$ 528,180	\$ 1,190,648	\$ 1,231,639	\$ 3,669,182	\$ 14,362,968
Investments	1,680,722	1,237,722	2,793,571	2,882,334	8,594,349	34,009,623
Receivables (net of allowance for uncollectibles)						
Accounts	17,557,925	1,902,021	627,997	562,268	20,650,211	145,087
115 trust	-	-	-	-	-	16,500
Accrued interest	4,782	3,522	7,948	8,201	24,453	96,765
Other	854	550,823	-	2,551	554,228	-
Interfund receivable	134,409	-	-	-	134,409	-
Due from other funds	-	-	-	-	-	38,660
Inventories	-	-	-	-	-	910,396
Prepaid expenses & other assets	489,488	1,950	-	35,227	526,665	222,150
Restricted assets:						
Revenue bond debt service-						
Cash and cash equivalents	129,000	-	985,422	-	1,114,422	-
Investments	302,666	-	1,215,427	-	1,518,093	-
Accrued interest receivable	861	-	6,578	-	7,439	-
Revenue bond reserve fund-						
Investments	-	-	1,565,563	-	1,565,563	-
Revenue bond construction fund-						
Cash and cash equivalents	7,393,204	-	2,648,812	-	10,042,016	939,735
Investments	17,346,386	-	5,745,876	-	23,092,262	2,235,440
Accrued interest receivable	49,355	-	17,684	-	67,039	6,361
Total current assets	<u>45,808,367</u>	<u>4,224,218</u>	<u>16,805,526</u>	<u>4,722,220</u>	<u>71,560,331</u>	<u>52,983,685</u>
Advances to other funds	436,352	-	-	-	436,352	-
Capital assets:						
Land	4,884,695	-	53,812	4,325,479	9,263,986	62,522
Buildings	2,727,318	8,581	52,921	13,953,990	16,742,810	5,825,002
Improvements other than buildings	505,954,046	-	-	2,053,248	508,007,294	-
Equipment	12,919,745	6,995,801	264,643	2,247,236	22,427,425	39,673,352
Furniture and fixtures	208,643	53,028	8,124	466,460	736,255	118,046
Rolling equipment	114,195	133,694	-	-	247,889	50,545,544
Drainage improvements	-	-	32,140,124	-	32,140,124	-
Construction in progress	19,573,145	-	1,265,877	-	20,839,022	-
Less accumulated depreciation	<u>(197,059,781)</u>	<u>(6,899,714)</u>	<u>(4,415,173)</u>	<u>(15,879,550)</u>	<u>(224,254,218)</u>	<u>(62,318,780)</u>
Total capital assets (net of accumulated depreciation)	<u>349,322,006</u>	<u>291,390</u>	<u>29,370,328</u>	<u>7,166,863</u>	<u>386,150,587</u>	<u>33,905,686</u>
Total noncurrent assets	<u>349,322,006</u>	<u>291,390</u>	<u>29,370,328</u>	<u>7,166,863</u>	<u>386,150,587</u>	<u>33,905,686</u>
Total assets	<u>\$ 395,130,373</u>	<u>\$ 4,515,608</u>	<u>\$ 46,175,854</u>	<u>\$ 11,889,083</u>	<u>\$ 457,710,918</u>	<u>\$ 86,889,371</u>

The notes to the financial statements are an integral part of this statement.

(continued)

CITY OF PLANO, TEXAS  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
AS OF SEPTEMBER 30, 2010  
(continued)

Business-type Activities  
Enterprise Funds

	Water and Sewer	Environmental Waste Services	Municipal Drainage	Other Enterprise Funds	Total	Governmental Activities- Internal Service Funds
<b>LIABILITIES</b>						
Current liabilities:						
Accounts payable	\$ 4,024,771	\$ 337,852	\$ 346,912	\$ 156,365	\$ 4,865,900	\$ 1,327,311
Accrued liabilities	92,170	337,683	13,210	52,621	495,684	243,605
Deferred revenue	-	4,230	-	681,266	685,496	-
Due to other funds	1,215	1,769	123	690	3,797	765
Interfund payable	-	134,409	-	-	134,409	-
Accrued interest payable	-	1,517	-	-	1,517	-
Customer deposits	1,835,529	-	-	185,910	2,021,439	-
Liability for compensated absences	131,324	91,346	15,602	142,191	380,463	115,393
Liability for insurance claims	-	-	-	-	-	4,199,450
Total current liabilities	<u>6,085,009</u>	<u>908,806</u>	<u>375,847</u>	<u>1,219,043</u>	<u>8,588,705</u>	<u>5,886,524</u>
Current liabilities payable from restricted assets:						
Contracts payable	142,166	-	-	-	142,166	-
Current portion of long-term debt	1,309,233	-	1,833,000	-	3,142,233	-
Accrued interest payable	6,254	-	432,774	-	439,028	-
Retainage payable	402,126	-	29,085	-	431,211	-
Total current liabilities payable from restricted assets	<u>1,859,779</u>	<u>-</u>	<u>2,294,859</u>	<u>-</u>	<u>4,154,638</u>	<u>-</u>
Total current liabilities	<u>7,944,788</u>	<u>908,806</u>	<u>2,670,706</u>	<u>1,219,043</u>	<u>12,743,343</u>	<u>5,886,524</u>
Noncurrent liabilities:						
Advance from other funds	-	436,352	-	-	436,352	-
Bonds payable	772,953	-	23,367,330	-	24,140,283	-
Liability for compensated absences	1,601,585	1,042,351	126,377	405,357	3,175,670	843,046
Liability for insurance claims	-	-	-	-	-	1,305,256
Total noncurrent liabilities	<u>2,374,538</u>	<u>1,478,703</u>	<u>23,493,707</u>	<u>405,357</u>	<u>27,752,305</u>	<u>2,148,302</u>
Total liabilities	<u>10,319,326</u>	<u>2,387,509</u>	<u>26,164,413</u>	<u>1,624,400</u>	<u>40,495,648</u>	<u>8,034,826</u>
<b>NET ASSETS</b>						
Invested in capital assets (net of related debt)	347,239,820	291,390	12,326,394	7,166,863	367,024,467	33,905,686
Restricted for:						
Debt service	432,527	-	2,207,427	-	2,639,954	-
Unrestricted	37,138,700	1,836,709	5,477,620	3,097,820	47,550,849	44,948,859
<b>Total Net Assets</b>	<u>\$ 384,811,047</u>	<u>\$ 2,128,099</u>	<u>\$ 20,011,441</u>	<u>\$ 10,264,683</u>	<u>\$ 417,215,270</u>	<u>\$ 78,854,545</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF PLANO, TEXAS  
 RECONCILIATION OF THE STATEMENT OF NET ASSETS  
 OF PROPRIETARY FUNDS  
 TO THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS  
 AS OF SEPTEMBER 30, 2010**

Amounts reported for business type activities in the statement of net assets are different because:

Total net assets of proprietary funds	\$ 417,651,622
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Internal service funds are used by management to charge the costs of fleet management, property liability loss, health claims, office services and municipal warehouse to individual funds.

The net receivable due from activities of the internal service funds which are reported within business-type activities.	9,597,552
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Net assets of business type activities	<u><u>\$ 427,249,174</u></u>
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The notes to the financial statements are an integral part of this statement.

CITY OF PLANO, TEXAS  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010

Business-type Activities  
Enterprise Funds

	Water and Sewer	Environmental Waste Services	Municipal Drainage	Other Enterprise Funds	Total	Governmental Activities- Internal Service Funds
Operating revenues:						
Charges for sales and services:						
Service charges	\$ 114,136,008	\$ 13,314,222	\$ 5,157,387	\$ 6,292,756	\$ 138,900,373	\$ 66,189,685
Franchise fees	-	6,286,201	-	-	6,286,201	-
Sale of trash bags	-	1,179,816	-	-	1,179,816	-
Penalties	1,406,436	-	-	-	1,406,436	-
Taps and meters	215,628	-	-	-	215,628	-
Construction water	177,346	-	-	-	177,346	-
Contributions	-	115,616	-	-	115,616	-
Miscellaneous charges	339,429	998,228	3,700	102,008	1,443,365	191,864
Total operating revenues	<u>116,274,847</u>	<u>21,894,083</u>	<u>5,161,087</u>	<u>6,394,764</u>	<u>149,724,781</u>	<u>66,381,549</u>
Operating expenses:						
Personal services	9,079,138	6,016,127	1,598,234	4,243,054	20,936,553	8,302,930
Contractual services	7,469,845	6,751,547	598,628	4,709,612	19,529,632	11,624,925
Supplies	5,543,748	368,050	269,241	1,018,354	7,199,393	7,130,669
Claims expense	-	-	-	-	-	17,650,843
Depreciation	13,489,133	71,169	732,802	550,107	14,843,211	7,217,672
Landfill services	-	7,291,338	-	-	7,291,338	-
Wastewater treatment	23,304,804	-	-	-	23,304,804	-
Charges in lieu of taxes	7,319,923	892,035	-	-	8,211,958	-
Water supply	31,084,974	-	-	-	31,084,974	-
Other post employment benefits	-	-	-	-	-	5,890,210
Miscellaneous	716,461	133,042	9,330	89,627	948,460	54,589
Total operating expenses	<u>98,008,026</u>	<u>21,523,308</u>	<u>3,208,235</u>	<u>10,610,754</u>	<u>133,350,323</u>	<u>57,871,838</u>
Operating income (loss)	<u>18,266,821</u>	<u>370,775</u>	<u>1,952,852</u>	<u>(4,215,990)</u>	<u>16,374,458</u>	<u>8,509,711</u>
Nonoperating revenues (expenses):						
Investment income	308,593	7,150	170,082	45,721	531,546	589,555
Gain on property disposition	46,420	-	-	-	46,420	260,599
Interest and fiscal charges	(114,727)	(35,948)	(866,278)	-	(1,016,953)	-
Hotel/motel tax	-	-	-	4,098,810	4,098,810	-
Intergovernmental revenues	-	-	-	-	-	2,559
Miscellaneous	195,175	8,998	(32,611)	7,539	179,101	32,172
Total nonoperating revenue (expenses)	<u>435,461</u>	<u>(19,800)</u>	<u>(728,807)</u>	<u>4,152,070</u>	<u>3,838,924</u>	<u>884,885</u>
Income (loss) before contributions and transfers	18,702,282	350,975	1,224,045	(63,920)	20,213,382	9,394,596
Contributions from developers	3,721,845	-	-	-	3,721,845	-
Transfers in	-	100,000	-	-	100,000	4,851,267
Transfers out	(10,280,801)	-	(359,636)	(473,044)	(11,113,481)	(4,490,000)
Change in net assets	12,143,326	450,975	864,409	(536,964)	12,921,746	9,755,863
Total net assets-beginning	373,104,073	1,677,124	19,147,032	10,801,647	404,729,876	69,098,682
Total net assets-ending	<u>\$ 385,247,399</u>	<u>\$ 2,128,099</u>	<u>\$ 20,011,441</u>	<u>\$ 10,264,683</u>	<u>\$ 417,651,622</u>	<u>\$ 78,854,545</u>

The notes to the financial statements are an integral part of this statement.



**CITY OF PLANO, TEXAS  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENSES AND CHANGES IN NET ASSETS OF PROPRIETARY FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

Amounts reported for business-type activities in the statement of activities are different because:

Net change in net assets - total proprietary funds	\$12,921,746
Internal service funds are used by management to charge the costs of fleet management, property liability loss, health claims, office services and municipal warehouse to individual funds.	
The net revenues of certain activities of internal service funds is reported within business-type activities.	1,261,449
The net expenses of grant activities of special revenue funds is reported within business-type activities.	2,737
Change in net assets of business-type activities	<u><u>\$14,185,932</u></u>

The notes to the financial statements are an integral part of this statement.

CITY OF PLANO, TEXAS  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Business-type Activities Enterprise Funds					Governmental Activities- Internal Service Funds
	Water and Sewer	Environmental Waste Services	Municipal Drainage	Other Enterprise Funds	Total	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Cash received from customers	\$ 114,077,879	\$ 15,636,175	\$ 5,146,591	\$ 6,190,436	\$ 141,051,081	\$ 66,513,357
Franchise fees	-	6,286,201	-	-	6,286,201	-
Charges in lieu of taxes	(7,319,923)	(892,035)	-	-	(8,211,958)	-
Cash payments to suppliers for goods and services	(68,078,018)	(13,284,909)	(615,331)	(5,970,192)	(87,948,450)	(44,619,179)
Cash payments to employees for services	(9,323,651)	(6,029,814)	(1,687,406)	(4,656,987)	(21,697,858)	(8,583,311)
Net cash provided (used) by operating activities	29,356,287	1,715,618	2,843,854	(4,436,743)	29,479,016	13,310,867
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Advances (to) from other funds	(436,559)	570,761	-	-	134,202	(47,706)
Repayments (to) from other funds	2,004	(632,092)	-	(209)	(630,297)	(105,051)
Hotel/motel tax	-	-	-	4,098,810	4,098,810	-
Transfers (to) from other funds	(10,280,801)	100,000	(359,636)	(473,044)	(11,013,481)	361,267
Grant receipts	-	-	-	-	-	2,559
Net cash provided (used) by noncapital financing activities	(10,715,356)	38,669	(359,636)	3,625,557	(7,410,766)	211,069
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Acquisition and construction of capital assets	(12,528,825)	-	(899,225)	(49,773)	(13,477,823)	(10,935,813)
Bond proceeds	-	-	3,272,791	-	3,272,791	-
Proceeds from sale of equipment	-	-	-	-	-	367,240
Principal paid on long-term debt	(1,940,000)	-	(1,315,000)	-	(3,255,000)	-
Interest and fees paid on long-term debt	(172,044)	(35,948)	(884,675)	-	(1,092,667)	-
Proceeds from insurance damages	72,710	8,998	2,869	7,539	92,116	32,172
Proceeds from sale of equipment	46,420	-	-	-	46,420	-
Net cash provided (used) by capital and related financing activities	(14,521,739)	(26,950)	176,760	(42,234)	(14,414,163)	(10,536,401)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Purchase of investment securities	(19,329,774)	(1,237,722)	(11,320,437)	(2,882,335)	(34,770,268)	(36,245,066)
Proceeds from sale and maturities of investment securities	20,018,631	-	11,509,645	4,250,665	35,778,941	41,455,186
Interest on investments	358,299	43	187,244	59,515	605,101	739,327
Increase in fair value of investments	-	3,585	10,827	238	14,650	-
Net cash provided (used) by investing activities	1,047,156	(1,234,094)	387,279	1,428,083	1,628,424	5,949,447
<b>Net increase in cash and cash equivalents</b>	<b>5,166,348</b>	<b>493,243</b>	<b>3,048,257</b>	<b>574,663</b>	<b>9,282,511</b>	<b>8,934,982</b>
<b>Cash and cash equivalents, October 1</b>	<b>3,074,571</b>	<b>34,937</b>	<b>1,776,625</b>	<b>656,976</b>	<b>5,543,109</b>	<b>6,367,721</b>
<b>Cash and cash equivalents, September 30</b>	<b>\$ 8,240,919</b>	<b>\$ 528,180</b>	<b>\$ 4,824,882</b>	<b>\$ 1,231,639</b>	<b>\$ 14,825,620</b>	<b>\$ 15,302,703</b>
<b>Classified as:</b>						
Current assets	\$ 718,715	\$ 528,180	\$ 1,190,648	\$ 1,231,639	\$ 3,669,182	\$ 14,362,968
Restricted assets	7,522,204	-	3,634,234	-	11,156,438	939,735
<b>Total</b>	<b>\$ 8,240,919</b>	<b>\$ 528,180</b>	<b>\$ 4,824,882</b>	<b>\$ 1,231,639</b>	<b>\$ 14,825,620</b>	<b>\$ 15,302,703</b>
<b>Non-cash disclosure:</b>						
Developers contributions	\$ 3,721,845	\$ -	\$ -	\$ -	\$ 3,721,845	\$ -
Gain (loss) on property disposition	46,420	-	-	-	46,420	(106,641)
Increase in fair value of investments	-	3,585	10,827	238	14,650	(35,884)
Transfer in (out) of capital assets	3,190,490	(14,016)	808,654	-	3,985,128	30,225

The notes to the financial statements are an integral part of this statement.

(continued)

CITY OF PLANO, TEXAS  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010  
(continued)

	Business-type Activities Enterprise Funds					Governmental Activities- Internal Service Funds
	Water and Sewer	Environmental Waste Services	Municipal Drainage	Other Enterprise Funds	Total	
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>						
Operating income (loss)	\$ 18,266,821	\$ 370,775	\$ 1,952,852	\$ (4,215,990)	\$ 16,374,458	\$ 8,509,711
<b>Adjustments to reconcile operating income to net cash provided (used) by operating activities:</b>						
Depreciation	13,489,133	71,169	732,802	550,107	14,843,211	7,217,672
<b>Change in assets and liabilities:</b>						
(Increase) decrease in-						
Accounts receivable	(1,799,180)	30,809	(14,496)	(170,408)	(1,953,275)	93,594
Other accounts receivable	699	3,254	-	201	4,154	-
Due from other funds	-	-	123	-	123	(99)
Due from other governments	-	-	-	-	-	434
Prepaid expenses & other assets	249,617	1,087,805	-	13,448	1,350,870	(6,558)
Inventories	-	-	-	-	-	32,386
Increase (decrease) in-						
Accounts payable	(207,803)	171,263	261,745	(166,248)	58,957	(109,982)
Accrued liabilities	(214,933)	(41,343)	(28,152)	(204,450)	(488,878)	(2,329,241)
Due to other funds	-	-	-	(811)	(811)	38,420
Liability for compensated absences	(29,580)	27,656	(61,020)	(212,131)	(275,075)	(63,384)
Customer deposits	(398,487)	-	-	(24,364)	(422,851)	-
Deferred revenue	-	(5,770)	-	(6,097)	(11,867)	-
Liability for insurance claims	-	-	-	-	-	(72,086)
<b>Total adjustments</b>	<b>11,089,466</b>	<b>1,344,843</b>	<b>891,002</b>	<b>(220,753)</b>	<b>13,104,558</b>	<b>4,801,156</b>
<b>Net cash provided (used) by operating activities</b>	<b>\$ 29,356,287</b>	<b>\$ 1,715,618</b>	<b>\$ 2,843,854</b>	<b>\$ (4,436,743)</b>	<b>\$ 29,479,016</b>	<b>\$ 13,310,867</b>

The notes to the financial statements are an integral part of this statement.



**CITY OF PLANO, TEXAS  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
AS OF SEPTEMBER 30, 2010**

	<b>Pension and Other Employee Benefit Trust funds</b>	<b>Agency Funds</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 4,045,062	\$ 712,376
Investment pool	-	1,671,422
Other U.S. government obligations	9,038,800	-
Corporate bonds	21,340,531	-
Common stocks	50,358,097	-
Foreign equities	1,863,830	-
Mutual funds	20,038,769	-
Real estate investment trusts	501,860	-
Accrued interest	386,451	4,755
<b>Total Assets</b>	<b>107,573,400</b>	<b>2,388,553</b>
<b>LIABILITIES</b>		
Accounts payable	15,315	-
Payable from pending trades	53,469	-
Retiree claims payable to health claims fund	16,500	-
Developers' escrow liability	-	2,325,171
Unclaimed property payable	-	63,382
<b>Total Liabilities</b>	<b>85,284</b>	<b>2,388,553</b>
<b>NET ASSETS</b>		
Held in trust for pension benefits	73,872,753	
Held in trust for other postemployment benefits	33,615,363	
<b>Total Net Assets</b>	<b>\$ 107,488,116</b>	

The notes to the financial statements are an integral part of this statement.



**CITY OF PLANO, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2010**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

The City of Plano, Texas, ("City") was originally incorporated in 1873 and chartered on June 10, 1961, and is a municipal corporation incorporated under provisions of H.B. 901 of the Texas Legislature. The City operates under a Council-Manager form of government and provides such services as authorized by its charter to advance the welfare, health, comfort, safety and convenience of the City and its inhabitants.

The financial statements of the City have been prepared to conform to generally accepted accounting principles (GAAP) as applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance. The more significant accounting and reporting policies and practices used by the City are described below.

**A. Financial Statement Presentation**

The basic financial statements are prepared in conformity with GASB Statement No. 34, as amended, which requires the government-wide financial statements to be prepared using the accrual basis of accounting and the economic resources measurement focus. Government-wide financial statements do not provide information by fund, but distinguish between the City's governmental activities, business-type activities and activities of its discretely presented component units on the statement of net assets and statement of activities. The City's statement of net assets includes both noncurrent assets and noncurrent liabilities of the City. In addition, the government-wide statement of activities reflects depreciation expense on the City's capital assets, including infrastructure.

In addition to the government-wide financial statements, the City has prepared fund financial statements, which use the modified accrual basis of accounting and the current financial resources measurement focus for the governmental funds. The accrual basis of accounting is utilized by proprietary fund types and the pension trust and postemployment benefits trust funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Management's Discussion and Analysis provides an analytical overview of the City's financial activities. In addition, a budgetary comparison statement is presented that compares the original adopted and final amended General Fund budget with actual results.

**B. Reporting Entity**

The City is governed by an elected mayor and seven-member council. As required by GAAP, these financial statements present the City (the primary government) and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate

**CITY OF PLANO, TX**  
**NOTES TO BASIC FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2010**

entities are, in substance, part of the City's operations and data from these units are combined with data of the primary government. A discretely presented component unit, on the other hand, is reported in a separate column in the government-wide financial statements to emphasize it is legally separate from the City. The criteria for including organizations as component units within the City's reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- the organization is legally separate (can sue and be sued in their own 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

Discretely Presented Component Unit. The Plano Economic Development Board (Board) is legally separate from the City and the City does not appoint a majority of its governing board; however, the City Manager is a designated position on the Board and City Council appoints one member who must be a Council Member to serve on the Board. The City Council contracts with the Board to provide marketing and economic development services to the City and the City provides for custody and investment of the Board's assets, various administrative/personnel/legal services and the majority of funding for the Board's budget. The Board is reported as an enterprise fund. There are no separately issued financial statements of the Board. The Board is presented as a discrete component unit.

Tax Increment Financing Units. The City has established two tax increment financing units (TIF) for project improvements within the City. The first is an agreement by and between the City of Plano and the Taubman Realty Group Limited Partnership for the development of a regional mall. The second relates to financing for public improvements associated with the future development of East Plano. Both projects were approved by the City Council in fiscal year 1999. The Tax Increment Financing Units are legally separate from the City, and the City does not appoint a majority of its governing board for the first TIF and does appoint a majority of its governing board for the second TIF; however, the entities are fiscally dependent on the City. These projects had limited activity during fiscal year 2010 and are presented as discrete component units as the City has determined it would be misleading to exclude them.

Related Organization. The City's mayor appoints the board of the Plano Housing Authority, but the City's accountability for this organization does not extend beyond making the appointments. Thus, they are not included in the primary government or as discretely presented component units.

The financial statements are formatted to allow the user to clearly distinguish between primary government and its discretely presented component units.

**C. Government-wide and Fund Financial Statements**

The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements; the focus is either the City as a whole or major individual funds (within the fund financial statements). The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exception to this general rule is interfund services provided by the internal service funds. Elimination of these charges would distort the direct costs reported for the various functions concerned. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

**CITY OF PLANO, TX**  
**NOTES TO BASIC FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2010**

The government-wide statement of activities demonstrates the degree to which the direct expenses of a functional category (Police, Fire, Public Works, etc.) or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, 2) grants and contributions that are restricted to meeting the operational requirements of a particular function or segment and 3) grants and contributions that are restricted to meeting the capital requirements of a particular function or segment. Taxes and other items properly excluded from program revenues are reported instead as general revenues.

The net cost (by function or business-type activity) is normally covered by general revenue (property, sales and franchise taxes, and interest income).

Separate fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The major governmental funds are the general fund, debt service fund, capital reserve fund, municipal facilities fund and street improvements fund. The major enterprise funds are the water and sewer fund, environmental waste services fund and municipal drainage fund. GASB Statement No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues or expenditures/expenses of either fund category for the governmental and enterprise combined) for the determination of major funds. The non-major funds are combined in a separate column in the fund financial statements.

Internal Service Funds, which traditionally provide services primarily to other funds of the government, are presented in the summary form as part of the proprietary fund financial statements. Because the principal users of the internal services are the City's governmental activities, financial statements of internal service funds are consolidated into the governmental column when presented at the government wide level. To the extent possible, the cost of these services are reflected in the appropriate functional activity (Police, Fire, Public Works, etc.). The City's Internal Service Funds consist of the equipment maintenance, office services, municipal warehouse, technology services, property liability loss and health claims funds.

The City's Fiduciary Funds are presented in the fund financial statements by type. Since by definition these assets are being held for the benefit of a third party (other local governments, individuals, pension participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements. The City's Fiduciary Funds consist of funds that account for the pension trust, postemployment benefits trust, developer's escrow and unclaimed property.

The government-wide focus is more on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The focus of the fund financial statements is on the major individual funds of the governmental and proprietary categories, as well as the fiduciary funds, (by category). Each presentation provides valuable information that can be analyzed and compared to enhance the usefulness of the information.

**D. Measurement Focus and Basis of Accounting**

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund statements. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net assets and the operating statements present increases (revenues) and decreases (expenses) in total net assets. Under the accrual basis of accounting, revenues are recognized when earned, including unbilled water and sewer services which are accrued. Expenses are recognized at the time the liability is incurred.

**CITY OF PLANO, TX**  
**NOTES TO BASIC FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2010**

Government fund level financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, in other words, as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 30 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the obligation has matured and is due and payable shortly after year end as required by GASB Interpretation No. 6.

Ad valorem, franchise and sales tax revenues recorded in the General Fund and ad valorem tax revenues recorded in the Debt Service Fund are recognized under the susceptible to accrual concept. Licenses and permits, charges for services, fines and forfeitures, contributions, and miscellaneous revenues are recorded as revenues when received in cash, as the resulting receivable is not measurable. Investment earnings are recorded as earned since they are measurable and available. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. Intergovernmental grant revenues are recognized when all eligibility requirements have been met. Additionally, funds received in advance for which all eligibility requirements have not been met are considered deferred revenue.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, and then unrestricted resources as needed.

Paving assessments in the governmental funds – Street Improvements are recorded as revenues when cash is received. The assessments are due in annual installments, including interest, over a four- to eight-year period. The assessments are measurable when assessed but are generally not available for use when assessed. Unallocated assessments are recorded as deferred revenue.

Business-type activities and all proprietary funds, and the pension trust and postemployment benefits trust funds, are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Proprietary fund-type operating statements present increases (revenues) and decreases (expenses) in net total assets. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's water and sewer, environmental waste services, municipal drainage, civic center, municipal golf course, property management and recreation revolving funds are charges to customers for sales and services. Operating expenses for the enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The following major funds are used by the City:

1. Governmental Funds:

The focus of Governmental Fund measurement (in the Fund Financial Statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the major Governmental Funds of the City:

- a. General Fund accounts for several of the City's primary services (Police, Fire, Public Works, Libraries, Parks and Recreation, etc.) and is the primary operating unit of the City.

**CITY OF PLANO, TX**  
**NOTES TO BASIC FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2010**

- b. Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.
- c. Capital Reserve Fund accounts for the financing of betterments and renewals to the City's infrastructure and for public improvements not requiring general obligation bond financing.
- d. Municipal Facilities Fund accounts for the financing and construction of various City facilities. Funds are provided primarily through bond sales and interest earnings.
- e. Street Improvements Fund accounts for the financing and acquisition of right of way and construction of streets, storm sewers and alleys. Funds are provided primarily through bond sales, paving assessments and interest earnings.
- f. Other Governmental Funds is a summarization of all of the non-major governmental funds.

2. Enterprise Funds:

The focus of proprietary funds measurement is upon determination of operating income, changes in net assets, financial position, and cash flows, which is similar to businesses. The following is a description of the major Enterprise Funds of the City:

- a. Water and Sewer Fund accounts for the operation of the City's water and sewer utility. Activities of the fund include administration, operation and maintenance of the water and sewer system and billing and collection activities. This fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for revenue bonds and obligations under capital leases when due throughout the year. All costs are financed through charges made to utility customers with rates reviewed regularly and adjusted if necessary to ensure integrity of the Fund.
- b. Environmental Waste Services Fund accounts for the provision of solid waste collection and disposal services to customers who are billed monthly at a rate sufficient to cover the cost of providing such services.
- c. Municipal Drainage Fund accounts for the City's storm water management program.
- d. Other Enterprise Funds is a summarization of all of the non-major enterprise funds.

3. Other Fund Types:

The City additionally reports for the following Fund types:

- a. Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governmental units, generally on a cost reimbursement basis.
- b. Agency Funds are used to account for assets held by the City in an agency capacity for individuals, local law enforcement agencies or developers. Agency funds record only assets and liabilities and therefore have no measurement focus.
- c. Trust Funds are used to account for the accumulation of resources to be used for the retirement benefit payments to employees of the City and for postemployment health benefits.

**CITY OF PLANO, TX**  
**NOTES TO BASIC FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2010**

E. Cash, Cash Equivalents and Investments

Cash and cash equivalents include cash on hand, demand deposits, escrow cash with fiscal agent and short-term investments with original maturities of three months or less from the date of acquisition.

Cash and cash equivalents in all funds are combined into one bank account in order to maximize investment opportunities. Although individual funds may experience temporary overdraft liabilities, a positive balance is maintained in combined cash.

All investments are recorded at fair value based on quoted market prices. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties.

F. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund advances or interfund receivable/payable". All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

G. Inventories and Prepaid Items

Inventories of supplies are maintained at the City warehouse for use by all the City funds and are accounted for by the consumption method. They are valued at the lower of moving average (i.e., perpetual inventory) cost or market. Unit prices are adjusted as new inventory is added; thus the moving average cost closely represents the cost of goods sold. Other inventories are stated at the lower of cost (i.e., first-in, first-out method) or market.

Prepaid items are for payments made by the City in the current year to provide services occurring in the subsequent fiscal year. A reserve for prepaid items is recognized in the governmental funds in the fund level financial statements to signify that a portion of fund balance is not available for other subsequent expenditures.

H. Interfund Transactions and Receivables and Payables

Short-term advances between funds are accounted for in the appropriate interfund receivable and payable accounts. Long-term advances between funds are accounted for in the appropriate interfund receivable and payable accounts and fund balance is reserved for these amounts. All legally authorized transfers are appropriately treated as transfers and are included in the results of operations of both governmental and proprietary funds. Nonrecurring or non-routine transfers of equity between funds – for example, contribution of capital assets to a proprietary fund or transfers of residual balances of discontinued funds to other funds – are accounted for as transfers.

I. Capital Assets

Property, plant and equipment purchased or acquired is carried at historical cost or estimated historical cost. Contributed capital assets are recorded at estimated fair market value at the time received. Public domain (infrastructure) capital assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems have been recorded at estimated historical cost. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years.

**CITY OF PLANO, TX**  
**NOTES TO BASIC FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2010**

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. For fiscal year 2010, \$33,723 of such interest costs were capitalized in the Municipal Drainage Fund.

Property, plant, and equipment of the primary government and business-type activities, as well as the component units, are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	15 – 40
Improvements other than buildings	20 – 50
Equipment	2 – 20
Furniture and fixtures	5 – 15
Drainage improvements	50
Meters	10
Streets	30 – 50
Alleys	25
Storm/sanitary sewer	50
System infrastructure	50

J. Compensated Absences

City employees are granted vacation and sick leave in varying amounts. Employees are required to utilize a minimum of 40 hours of vacation per year. Upon termination and completion of five years of service, an employee is reimbursed for accumulated vacation. Vacation leave in excess of 480 hours will not be reimbursed upon termination. Police and firemen are reimbursed upon termination up to a maximum of 90 days accumulated sick leave as required by State Civil Service law. All other full time City employees with five or more years of service are reimbursed up to 90 days accumulated sick leave upon termination. Sick leave in excess of 90 days is not paid upon termination, but will be paid only upon illness while in the employ of the City. Accumulated vacation and sick leave is accrued when incurred in the government-wide and proprietary financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements in accordance with GASB Interpretation No. 6.

K. Federal and State Grants

Grants and shared revenues are generally accounted for within the fund financed. Federal grants are from various federal agencies including the Departments of Energy, Transportation, Housing and Urban Development, Justice and Homeland Security which are accounted for within the Grant Fund (Special Revenue). Several of the Federal grants are a part of the American Reinvestment and Recovery Act Grants. Various state grants are included in the Grant Funds, General Fund and Capital Projects Funds (Street Improvements). Grant revenues received for purposes normally financed through the general government are accounted for within the General Fund and those for specific purposes in the proprietary fund.

L. Long-Term Debt

General Obligation Bonds issued for general government capital projects that are to be repaid from tax revenues of the City are recorded in the government-wide statement of net assets. Revenue Bonds issued for Proprietary Fund assets that are to be repaid by the Proprietary Fund are recorded in the Proprietary Funds.

Revenue Bonds have been issued to fund capital projects of Proprietary Funds. Such bonds are to be repaid from the net revenues of the applicable Proprietary Fund. To date, Revenue Bonds have been issued for water and wastewater purposes and for municipal drainage improvements. Tax Anticipation Notes have been issued to fund permanent public improvements related to public safety communications and network

**CITY OF PLANO, TX  
 NOTES TO BASIC FINANCIAL STATEMENTS (continued)  
 SEPTEMBER 30, 2010**

infrastructure. Such notes are to be repaid from tax revenues of the City and are recorded in the government-wide Statement of Net Assets.

Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method in the government-wide financial statements. Bonds payable are reported net of the applicable bond premium or discount. Deferred gains and losses are amortized as a component of interest expense in a systematic and rational manner over the remaining life of the old debt or the life of the new debt, whichever is shorter. In the fund financial statements, issuance costs, as well as bond premiums and discounts are recognized when incurred.

**M. Retirement Plans**

The City has two separate retirement plans, the Texas Municipal Retirement Plan and the Retirement Security Plan, covering substantially all employees. In addition, the City has a Deferred Compensation Plan and a Post Employment Benefit Plan. It is the City's policy to record the cost for such plans on the accrual basis (See Note 5).

**II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

**A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets**

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net assets – governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$376,465,848 difference are as follows:

Bonds payable, certificates of obligation and tax anticipation notes	\$ 335,285,000
Add: Issuance premium (to be amortized as interest expense)	6,969,729
Less: Deferred charges from refunding and bond issuance costs	(5,779,030)
Accrued interest payable	1,144,650
Claims and judgments	5,504,706
Compensated absences	<u>33,340,793</u>
Net adjustment to reduce fund balance – total governmental funds	
To arrive at net assets – governmental activities	<u>\$ 376,465,848</u>

**B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities**

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of the reconciliation explains, “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is capitalized and allocated over their estimated useful lives and reported as depreciation expense.” The details of the \$14,908,358 difference are as follows:

**CITY OF PLANO, TX**  
**NOTES TO BASIC FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2010**

Capital outlay	\$ 64,827,368
Depreciation expense	(48,318,392)
Other capital related transactions	<u>(1,600,618)</u>
Net adjustment to increase net changes in fund balances- total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 14,908,358</u>

Another element of the reconciliation states “The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$4,753,166 difference are as follows:

Debt issued or incurred:	
Issuance of general obligation bonds	\$(12,615,000)
General obligation bonds refunded	(16,633,613)
Issuance of tax anticipation notes	(10,000,000)
Payment to escrow	16,777,204
Add: premium	(444,228)
Less: refunding write-off	18,803
Principal repayments:	
General obligation debt	<u>27,650,000</u>
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 4,753,166</u>

The reconciliation also states “Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.” The details of this \$2,753,877 difference are as follows:

Changes in:	
Compensated absences	\$ (90,270)
Accrued interest	52,259
Amortization of bond discount / deferred charge on refunding	(708,118)
Amortization of bond premium	1,070,801
Record change in net OPEB asset	2,419,201
Record change in net pension asset	<u>10,004</u>
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 2,753,877</u>

**CITY OF PLANO, TX  
NOTES TO BASIC FINANCIAL STATEMENTS (continued)  
SEPTEMBER 30, 2010**

**III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. Budgetary Data**

The City Charter contains the following requirements, which are adhered to by the City Council, regarding preparation of the annual budget:

- The City Manager, between 60 and 90 days prior to October 1 of each fiscal year, shall submit to the Council a proposed budget. Such budget shall provide a complete financial plan for the fiscal year.
- At the meeting of the City Council at which the budget is submitted, the City Council shall fix the time and place of a public hearing on the budget and shall cause to be published in the official newspaper of the City of Plano, a notice of the hearing setting forth the time and place thereof at least five days before the date of such hearing.
- The budget shall be finally adopted no later than 15 days prior to the beginning of the fiscal year and should the City Council fail to so adopt a budget, the then existing budget together with its tax-levying ordinance and its appropriation ordinance, shall be deemed adopted for the ensuing fiscal year.

The City Council approves annual appropriations for operations and interfund transfers for all operating and debt service funds. Only the General Fund and Debt Service Fund have legally adopted annual budgets. The City Manager has the authority to transfer unexpended balances between departmental budgets within appropriated funds. The City Council, however, must approve any increase in fund appropriations. The legal level of budgetary control is the fund level. During the year, there were \$63,296 in appropriation increases for the General Fund. Funds with operating appropriations and interfund transfers set by ordinance include the General Fund and Debt Service Fund. During the year, appropriations are adjusted as a result of re-estimates by the departments. For budgetary purposes, unencumbered appropriations lapse at fiscal year-end.

The Budgetary Comparison Statement, included in the basic financial statements presents a comparison of budgetary data to actual results of operations for the General Fund, for which an annual operating budget is legally adopted. This fund utilizes the same basis of accounting for both budgetary purposes and actual results, with the following exceptions:

The portion of ad valorem tax revenues in the General Fund from “rolled back” tax payments (those taxes, up to five years back, on properties previously taxed at special use exemption values and currently changed to full values) are excluded from the budgetary basis tax revenues and from the general governmental expenditures.

The General Fund encumbrances are added to the actual expenditures for budgetary comparison.

**B. Fund Deficits and Budget Compliance:**

The TIF Mall Discretely Presented Component Unit deficit of \$2,201,610 will be funded from future ad-valorem taxes received from the creation of reinvestment zones and the establishment of tax increment financing agreements with the City of Plano, Plano Independent School District, Collin County and Collin County Community College District.

**CITY OF PLANO, TX**  
**NOTES TO BASIC FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2010**

**IV. DETAILED NOTES ON ALL FUNDS**

**1. DEPOSITS AND INVESTMENTS:**

Deposits

Pursuant to provisions of both the Texas Public Funds Investment Act and the Public Funds Investment Policy of the City of Plano, Texas (City), all deposits of the City that exceed the federal depository insurance coverage level are collateralized with an irrevocable letter of credit at 100% or by securities held by a third party custodian and pledged to the City in an amount not less than 102% (on a market value basis) of the City's deposit of public funds and any accrued interest.

At September 30, 2010 the carrying amount of the City's demand deposits was \$34,334,027, which includes component unit deposits of \$2,565,503. The bank balance was \$34,847,686. At September 30, 2010 the City's cash on hand totaled \$39,890. At September 30, 2010, the carrying value and the bank balance of the City's non-negotiable certificates of deposit (CD's) was \$34,932,754. At September 30, 2010 the carrying value of cash held in trust by a bank trust department for the City's Pension Trust Fund and Postemployment Benefit Trust Fund was \$4,045,062.

Investments

At September 30, 2010, the City's investment balances were as follows:

Investment type	Fair Value			Weighted Avg Maturity (Years) <sup>a</sup>
	Primary Government	Component Units	Total	
U.S. Agencies	\$182,313,257	\$14,756,755	\$197,070,012	1.51
Texas Local Government Investment Pools	59,718,323	4,822,621	64,540,944	.00053
Total	\$242,031,580	\$19,579,376	\$261,610,956	1.51053
Investment Trust Funds				
Retirement Security Plan:				
Government Agency Obligations			\$4,649,198	3.78
Corporate Bonds			14,613,657	5.41
Equities:				
Common Stocks			41,747,593	N/A
Foreign Equities			1,863,830	N/A
CTF/Mutual Funds			6,929,927	N/A
Real Estate Investment Trusts			501,860	N/A
Postemployment Benefit:				
Government Agency Obligations			4,389,602	1.51
Corporate Bonds			6,726,874	3.69
Equities:				
Common Stocks			8,610,504	N/A
Mutual Funds			13,108,842	N/A
Total Investment Trust Funds			103,141,887	
Total Investments			\$364,752,843	

<sup>a</sup> Fair value basis

**CITY OF PLANO, TX**  
**NOTES TO BASIC FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2010**

Investments in the Retirement Security Plan are held by a bank trust department. Investments in the Postemployment Benefit Trust Fund are held by a bank trust department.

*Interest Rate Risk.* As a means of limiting its exposure to fair value losses arising from increasing interest rates, the City's investment policy establishes the portfolio's maximum average dollar-weighted maturity of no more than two and a half years. By policy, the City will not directly invest in securities maturing more than five years from the date of purchase.

*Credit Risk.* The City's investment policy, in conjunction with state law, specifies the type of credit rating of all authorized investments. The City's investments in U.S. Agency securities (FHLB, FNMA, FHLMC, and FFCB) are rated AAA by Standard & Poor's and Aaa by Moody's Investors Service. The investments in the Texas Local Government Pools (TexPool and Texas Daily) carried a credit rating of AAAM by Standard & Poor's as of September 30, 2010.

*Concentration of Credit Risk.* With the exception of U.S. Treasury securities, the City's investment policy limits the amount that may be invested in any one issuer to 50% of the total investment portfolio. As of September 30, 2010, 5% or more of the City's total investments are in: Federal Home Loan Bank securities (28.56%), Home Loan Mortgage Corporation securities (26.40%), Investment Pools (20.96%), and Certificates of Deposits (10.58%) on a fair value basis.

**2. PROPERTY TAXES:**

The City's property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the City. The property taxes attach as an enforceable lien on property as of January 1. Appraised values are established by the Central Appraisal Districts of Collin and Denton Counties at 100% of estimated market value and certified by the Appraisal Review Boards. The assessed value for the tax roll of January 1, 2009 upon which the original 2010 levy was based, was \$24,908,294,383. Subsequent adjustments increased this value to \$25,221,347,927.

Taxes are due October 1 and become delinquent after the following January 31. Penalty and interest is charged at 7% on delinquent taxes beginning February 1, and increases each month to 18% on July 1.

Property taxes at the fund level are recorded as receivables and deferred revenues at the time the tax levy is billed. Current year revenues recognized are those ad valorem taxes collected within the current period or soon enough thereafter to pay current liabilities, generally thirty days after year-end. Current tax collections for the year ended September 30, 2010, were 99.4% of the tax levy.

The City is permitted by Article XI, Section 5, of the State of Texas Constitution to levy taxes up to \$2.50 per \$100 of assessed valuation for general governmental services including the payment of principal and interest on general obligation long-term debt. The tax rate to finance general governmental services, including debt service, for the year ended September 30, 2010, was \$0.4886 (\$0.3284 for general government and \$0.1602 for debt service) per \$100 of assessed valuation. Thus, the City has a tax margin of approximately \$2.0114 per \$100 and could have levied up to approximately \$507,302,192 in additional taxes from the present assessed valuation.

In Texas, countywide central appraisal districts are required to assess all property within the appraisal district on the basis of 100% of its appraised value and are prohibited from applying any assessment ratios. The value of property within the appraisal district must be reviewed every five years; however, the City, at its own expense, requires annual reviews of appraised values. The City may challenge appraised values established by the appraisal district through various appeals, and, if necessary, legal action. Under this system, the City sets tax rates on City property. However, if the effective tax rate, excluding tax rates for bonds and other contractual obligations, adjusted for new improvements, exceeds the rate for the previous year by more than 8%, qualified voters of the City may petition for an election to determine whether to limit the tax rate to no more than 8% above the tax rate of the previous year.

**CITY OF PLANO, TX  
NOTES TO BASIC FINANCIAL STATEMENTS (continued)  
SEPTEMBER 30, 2010**

**3. RECEIVABLES:**

Receivables at September 30, 2010 for the government's individual major funds and non-major, internal service, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, consist of the following:

	General	Debt Service	Capital Reserve	Municipal Facilities	Street Improvements	Water & Sewer	Environmental Waste	Municipal Drainage	Aggregate Remaining Funds	Total
Receivables:										
Property Taxes	\$ 1,930,760	981,694	-	-	-	-	-	-	-	2,912,454
Sales Taxes	10,427,798	-	-	-	-	-	-	-	-	10,427,798
Mixed Drink Taxes	290,727	-	-	-	-	-	-	-	-	290,727
Accounts	1,730,528	-	-	-	-	17,739,860	1,918,736	636,700	1,309,777	23,335,601
Accrued Interest	77,250	2,359	88,350	74,972	57,170	54,998	3,522	32,210	208,790	599,621
Assessments	-	-	-	-	1,450,071	-	-	-	-	1,450,071
115 Trust	-	-	-	-	-	-	-	-	16,500	16,500
Notes	2,201,610	-	-	-	-	-	-	-	-	2,201,610
Other	-	-	-	275	-	854	550,823	-	929,426	1,481,378
Gross Receivables	16,658,673	984,053	88,350	75,247	1,507,241	17,795,712	2,473,081	668,910	2,464,493	42,715,760
Less: Allowance for Uncollectibles	(812,824)	(436,342)	-	-	-	(181,935)	(16,715)	(8,703)	-	(1,456,519)
Net total Receivables	\$15,845,849	547,711	88,350	75,247	1,507,241	17,613,777	2,456,366	660,207	2,464,493	41,259,241

The Enterprise Fund accounts receivable includes unbilled charges for services of \$8,078,995 rendered at September 30, 2010.

**CITY OF PLANO, TX  
NOTES TO BASIC FINANCIAL STATEMENTS (continued)  
SEPTEMBER 30, 2010**

**4. CAPITAL ASSETS:**

Capital asset activity for the year ended September 30, 2010 was as follows:

**Primary Government**

	Balance at Beginning Of Year	Additions And Transfers	Retirements And Transfers	Balance at End Of Year
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 107,126,577	16,200,955	(627,808)	122,699,724
Construction in progress	175,665,557	62,862,508	(183,707,645)	54,820,420
Public art	1,696,740	2,000	-	1,698,740
Total capital assets, not being depreciated	284,488,874	79,065,463	(184,335,453)	179,218,884
Capital assets, being depreciated:				
Buildings	130,399,226	30,812,561	-	161,211,787
Improvements other than buildings	96,572,951	52,251,362	-	148,824,313
Equipment	184,806,949	13,827,953	(19,349,779)	179,285,123
Infrastructure	900,435,524	87,829,882	-	988,265,406
Total capital assets being depreciated	1,312,214,650	184,721,758	(19,349,779)	1,477,586,629
Less accumulated depreciation for:				
Buildings	(68,866,592)	(8,628,256)	-	(77,494,847)
Improvements other than buildings	(53,972,481)	(6,767,440)	-	(60,739,921)
Equipment	(139,227,510)	(13,350,702)	18,273,111	(134,305,101)
Infrastructure	(401,489,447)	(26,787,779)	-	(428,277,226)
Total accumulated depreciation	(663,556,030)	(55,534,177)	18,273,111	(700,817,095)
Total capital assets, being depreciated, net	648,658,620	129,187,581	(1,076,668)	776,769,533
Governmental activities capital assets, net	\$ 933,147,494	208,253,044	(185,412,121)	955,988,417

**CITY OF PLANO, TX**  
**NOTES TO BASIC FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2010**

	Balance at Beginning Of Year	Additions And Transfers	Retirements And Transfers	Balance at End Of Year
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 9,266,534	5,452	(8,000)	9,263,986
Construction in progress	42,481,179	12,149,142	(33,791,299)	20,839,022
Total capital assets, not being depreciated	51,747,713	12,154,594	(33,799,299)	30,103,008
Capital assets, being depreciated:				
Buildings	15,507,204	1,235,606	-	16,742,810
Improvements other than buildings	480,770,254	27,237,039	-	508,007,293
Drainage improvements	21,901,497	10,238,627	-	32,140,124
Furniture and fixtures	736,371	-	(116)	736,255
Equipment	22,676,372	98,515	(99,573)	22,675,314
Total capital assets being depreciated	541,591,698	38,809,787	(99,689)	580,301,796
Less accumulated depreciation for:				
Buildings	(13,332,790)	(545,366)	-	(13,878,156)
Improvements other than buildings	(173,526,327)	(12,602,181)	-	(186,128,508)
Drainage improvements	(3,408,012)	(728,973)	-	(4,136,985)
Furniture and fixtures	(514,284)	(10,315)	116	(524,483)
Equipment	(18,713,184)	(956,376)	83,475	(19,586,085)
Total accumulated depreciation	(209,494,597)	(14,843,211)	83,591	(224,254,217)
Total capital assets, being depreciated, net	332,097,101	23,966,576	(16,098)	356,047,579
Business-type activities capital assets, net	\$ 383,844,814	36,121,170	(33,815,397)	386,150,587

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 9,643,562
Administrative services	38,755
Police	977,490
Fire	473,673
Libraries	1,194,949
Development	159,327
Public services and operations	81,816
Parks and recreation	8,388,327
Public works	27,248,534
Other	111,959
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	7,215,785
Total depreciation expense – governmental activities	\$ 55,534,177

**CITY OF PLANO, TX**  
**NOTES TO BASIC FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2010**

Business-type activities:		
Water and sewer	\$	13,489,133
Environmental waste services		71,169
Municipal drainage		732,802
Nonmajor		550,107
Total depreciation expense – business-type activities	\$	<u>14,843,211</u>

Future expenditures for capital projects will be funded from federal and state grants as well as unexpended bond proceeds and additional general obligation or revenue bonds and operating revenues. In May 1998, \$80,351,000 of various purpose General Obligation Bonds were authorized and \$66,159,000 of the 1998 bonds have been issued. In May 2005, \$144,802,000 various purpose General Obligation Bonds were authorized and \$125,947,000 of the 2005 bonds have been issued. In May 2009, \$128,622,500 of various purpose General Obligation Bonds were authorized and \$1,490,000 of the 2009 bonds have been issued.

**Discretely presented component units**

	Balance at Beginning Of Year	Additions And Transfers	Retirements And Transfers	Balance at End Of Year
<b>Economic development activities:</b>				
Capital assets, being depreciated:				
Equipment	\$ 57,115	-	-	57,115
Total capital assets being depreciated	57,115	-	-	57,115
Less accumulated depreciation for:				
Equipment	(55,041)	(2,074)	-	(57,115)
Total accumulated depreciation	(55,041)	(2,074)	-	(57,115)
Economic development activities capital assets, net	\$ 2,074	(2,074)	-	-

**CITY OF PLANO, TX  
NOTES TO BASIC FINANCIAL STATEMENTS (continued)  
SEPTEMBER 30, 2010**

	Balance at Beginning Of Year	Additions And Transfers	Retirements And Transfers	Balance at End Of Year
<b>TIF East Side activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 110,629	-	-	110,629
Total capital assets, not being depreciated	110,629	-	-	110,629
Capital assets, being depreciated:				
Buildings	6,661,087	-	-	6,661,087
Improvements other than buildings	6,008	-	-	6,008
Equipment	25,809	-	-	25,809
Total capital assets being depreciated	6,692,904	-	-	6,692,904
Less accumulated depreciation for:				
Buildings	(2,773,347)	(1,295,913)	-	(4,069,260)
Improvements other than buildings	(2,590)	(1,054)	-	(3,644)
Equipment	(21,730)	(2,474)	-	(24,204)
Total accumulated depreciation	(2,797,667)	(1,299,441)	-	(4,097,108)
Total capital assets, being depreciated, net	3,895,237	(1,299,441)	-	2,595,796
TIF East Side activities capital assets, net	\$ 4,005,866	(1,299,441)	-	2,706,425

Component units:		
Economic development		\$ 2,074
TIF East Side		1,299,441
Total depreciation expense – component units		<u>\$ 1,301,515</u>

**5. EMPLOYEE BENEFIT PLANS:**

Texas Municipal Retirement System Plan

Plan Description-

The City provides pension benefits for all of its full-time employees through a nontraditional, joint contributory, hybrid defined benefit plan in the state-wide Texas Municipal Retirement System (TMRS), one of 833 currently administered by TMRS, an agent multiple-employer public employee retirement system. TMRS annually issues a stand-alone financial report. These reports are available from offices of TMRS.

Benefits depend upon the sum of the employee's contributions to the plan, with interest, and the City-financed monetary credits, with interest. At the date the plan began, the City granted monetary credits for service rendered before the plan began of a theoretical amount equal to two times what would have been contributed by the employee, with interest, prior to establishment of the plan. Monetary credits for service since the plan began are a percent (100%, 150% or 200%) of the employee's accumulated contributions. In addition, the City can grant, as often as annually, another type of monetary credit referred to as an updated service credit which is a theoretical amount which, when added to the employee's accumulated contributions

**CITY OF PLANO, TX**  
**NOTES TO BASIC FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2010**

and the monetary credits for service since the plan began, would be the total monetary credits and employee contributions accumulated with interest if the current employee contribution rate and City matching percent had always been in existence and if the employee's salary had always been the average of his salary in the last three years that are one year before the effective date. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer-financed monetary credits with interest were used to purchase an annuity.

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 were as follows (as of December 2009):

Deposit Rate:	7%
Matching Ratio (City to Employee):	2 – 1
A member is vested after	5 years

Members can retire at certain ages, based on the years of service with the City. The Service Retirement Eligibilities for the City are: 5 years of service and age 60 or 20 years of service and any age.

**Contributions and Funding Policy-**

Under the state law governing TMRS, the actuary annually determines the City contribution rate. This rate consists of normal cost contribution rate and the prior service contribution rate, both of which are calculated to be a level percent of payroll from year to year. The normal cost contribution rate finances the currently accruing monetary credits due to the City matching percent, which are the obligation of the City as of an employee's retirement date, not at the time the employee's contributions are made. The normal cost contribution rate is the actuarially determined percent of payroll necessary to satisfy the obligation of the City to each employee at the time his/her retirement becomes effective. The prior service contribution rate amortizes the unfunded actuarial liability over the remainder of the plan's 30-year closed amortization period. The projected unit credit actuarial cost method is used for determining the City contribution 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 is the basis for the rate and the calendar year when the rate goes into effect. (i.e. December 31, 2008 valuation is effective for rates beginning January 2010)

Contributions by the City were \$19,272,054 or 15.2% of the covered payroll of \$126,199,628 as required by the actuarial valuation. The total fiscal year 2010 payroll was \$129,077,941. Annual City TMRS pension cost and related information for the last three fiscal years is as follows:

	2010	2009	2008
Annual pension cost	\$ 19,272,054	18,687,379	16,450,528
Contributions made	19,272,054	18,687,379	16,450,528
Contributions as % of			
Annual pension cost	100%	100%	100%
Net Pension Obligation (NPO)			
At end of year	-	-	-
Actuarial valuation date	12/31/09	12/31/08	12/31/07
Actuarial cost method	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
Amortization method	Level %	Level %	Level %
Asset valuation method	10-year Smoothed Market	Amortized Cost	Amortized Cost
Amortization period	28 years- Closed	29 years- Closed	30 years- Closed
Actuarial assumptions:			
Investment rate of return	7.5%	7.5%	7%
Inflation rate	3.0%	3.0%	3.0%
Projected salary increases	N/A	N/A	N/A
Cost of living adjustment	2.1%	2.1%	2.1%

**CITY OF PLANO, TX**  
**NOTES TO BASIC FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2010**

The City's net pension obligation (NPO) for TMRS at December 31, 2009, 2008 and 2007 is calculated as follows:

	2009	2008	2007
Annual required contribution (ARC)	\$ 19,272,054	18,687,379	16,450,528
Annual pension cost	19,272,054	18,687,379	16,450,528
Contribution made	(19,272,054)	(18,687,379)	(16,450,528)
Change in NPO	-	-	-
NPO, beginning of year	-	-	-
NPO, end of year	\$ -	-	-

All annual required contributions have been paid; therefore there is no net pension obligation.

**Funding Status and Funding Progress –**

The funding status as of December 31, 2009, the most recent actuarial valuation date, is as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Funded Ratio	Unfunded AAL (UAAL)	Covered Payroll	UAAL as a Percentage of Covered Payroll
12/31/07	\$311,729,835	\$447,870,971	69.6%	(\$136,141,136)	\$117,372,866	(115.99%)
12/31/08	330,874,531	478,126,778	69.2%	(147,252,247)	125,137,265	(117.67%)
12/31/09	346,665,548	498,304,233	69.6%	(151,638,685)	124,078,995	(122.21%)

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.

**Retirement Security Plan**

**Plan Description-**

On January 1, 1983, the City withdrew from the Federal Social Security system and created the Retirement Security Plan (RSP), a single-employer, defined benefit pension trust fund, to provide retirement benefits for all full-time employees of the City. The plan is created by City ordinance and administered by a committee of five, which meets four times a year. Professional investment management is used and a custodial bank retains the assets and provides for administration of benefit payments. The plan issues a separate publicly available financial report that includes financial statements and required supplementary information. The financial report may be obtained by request to the City's Human Resources Department, 1520 Avenue K, Suite 130, Plano, TX 75074. As of the December 31, 2009 biennial actuarial valuation, there were 2,010 active members of whom 1,362 were vested and 648 were non-vested. There are 416 terminated participants receiving benefits.

Retirement benefits become vested after 5 years of service. Members who terminate employment prior to completing 5 years of service are not eligible for any benefit and all contributions made on their behalf remain with the plan. Members are eligible to receive full retirement income benefits when they reach age 65 or full or reduced benefits when they reach a younger age and meet certain length-of-service requirements. Early retirement benefits are paid upon completion of 20 years of vesting service (TMRS credited service) or upon attaining age 60 with 5 years of vesting service. At least 5 years must be with the City. The RSP provides retirement income benefits, with annual cost-of-living adjustments, based on a

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**SEPTEMBER 30, 2010**

member's years of service, average compensation (highest 3 years of last 10), and choice of single or joint-life monthly payments or a lump sum payment as noted below.

For normal retirement the monthly benefit payment is calculated as follows:

.007 X City of Plano credited service since January 1, 1983 (not to exceed 25 years) X average compensation (highest 3 years of last 10).

Early retirement benefits paid upon completion of 20 years of vesting (TMRS credited service) or upon attaining age 60 with 5 years of vesting service with the City are calculated as follows:

.007 X City of Plano credited service since January 1, 1983 (not to exceed 25 years) X average compensation (highest 3 years of last 10) X a reduction factor based on the number of years which the benefit start date precedes the normal retirement date. The benefit amount is reduced by one-fifteenth (1/15) for each of the first five years and one-thirtieth (1/30) for each of the next five years (and on an Actuarial Equivalent basis thereafter) by which the starting date of payments precedes the employee's normal retirement date.

Benefits are paid as a monthly life annuity to the participant, with a guarantee that should the participant die prior to receiving 60 monthly payments, the payments will continue to a beneficiary for the balance of the 60 month period. There is no reduction factor if the participant waits until age 65 to begin drawing a monthly benefit.

A lump sum payment option is available to eligible employees. Lump sum payments follow these guidelines:

When lump sum value is less than \$5,000, the benefit must be in form of a single lump sum payment.

When lump sum value is \$5,000 - \$12,000, participant has choice of single lump sum payment or monthly annuity payments.

When lump sum value exceeds \$12,000, the participant must receive monthly annuity payments.

Joint and survivor options are available. Total and permanent disability retirement benefits are provided. Each April 1, retirement benefits which have been paid for at least 12 months are adjusted to reflect changes in the U.S. Consumer Price Index (not to exceed 4%). This adjustment is applied to only the participant's benefits; spouses or beneficiaries are excluded.

#### Summary of Significant Accounting Policies-

The plan is presented on the accrual basis of accounting. City contributions are recognized when due and benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Investments of the plan are reported at fair value. Short-term investments are reported at cost, which approximates fair value.

At September 30, 2010, there were no individual investments that constituted more than 5% of the plan net assets available for benefits. In addition, the plan did not have any investment transactions with related parties during the year.

#### Contributions and Funding Policy-

Contributions by the City are established as part of the City budget process and the actuarially determined percentage of each payroll. No employee contributions are required by the plan. The City contributed

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**NOTES TO BASIC FINANCIAL STATEMENTS (continued)**  
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\$3,549,068 or 3.23% of the covered payroll for the year ended September 30, 2010, as compared to the December 31, 2009 biennial actuarial requirement of 3.64%.

The covered payroll was \$110,025,108 and the City's total payroll was \$129,077,941 for the year ended September 30, 2010. The contribution amount is a 30-year level percentage of pay funding with a 4% payroll growth assumption. This funding approach produces a contribution pattern that is intended to increase in amount from year to year but remain relatively constant as a percent of payroll. Administrative costs, including investment, custodial trustee, and actuarial services are charged to the plan.

The City's annual pension cost and related information for the plan for the last three years is as follows:

	2010	2009	2008
Annual pension cost	\$ 3,539,064	3,429,700	3,427,360
Contributions made	3,549,068	3,479,512	3,420,947
Contributions as % of			
Annual pension cost	100%	101%	100%
Net Pension Asset (NPA)			
At end of year	(280,114)	(270,110)	(220,298)
Actuarial valuation date	12/31/09	12/31/07	12/31/07
Actuarial cost method	Entry Age	Entry Age	Entry Age
	Normal	Normal	Normal
Amortization method	Level %	Level %	Level %
Asset valuation method	5- Year	5- Year	5- Year
	Smoothed	Smoothed	Smoothed
	Market	Market	Market
Amortization period	30 years- Open	30 years- Open	30 years- Open
Actuarial assumptions:			
Investment rate or return	8%	8%	8%
Inflation rate	4%	4%	4%
Projected salary increases	4%-9.43%	4%-9.43%	4%-9.43%

The City's net pension asset (NPA) for the Retirement Security Plan (RSP) at September 30, 2010, 2009 and 2008 is calculated as follows:

	2010	2009	2008
Annual required contribution (ARC)	\$ 3,577,150	3,447,764	3,447,764
Interest on NPA	(21,609)	(17,623)	(18,137)
Adjustment to the ARC	(16,477)	(441)	(2,267)
Annual pension cost	3,539,064	3,429,700	3,427,360
Contribution made	(3,549,068)	(3,479,512)	(3,420,947)
Change in NPA	(10,004)	(49,812)	6,413
NPA, beginning of year	(270,110)	(220,298)	(226,711)
NPA, end of year	\$ (280,114)	(270,110)	(220,298)

In all years, the NPA has an asset (negative) balance and therefore the interest adjustment is deducted and the ARC adjustment is deducted to determine the annual pension cost. The net pension asset has been recorded in prepaid and other assets in the government-wide financial statements.

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Funding Status and Funding Progress –

The funding status as of December 31, 2009, the most recent actuarial valuation date, is as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Funded Ratio	Excess of Assets over (under) AAL	Covered Payroll	UAAL as a Percentage of Covered Payroll
12/31/07	\$69,211,789	\$68,647,366	100.8%	\$564,423	\$109,334,429	0.52%
12/31/07	69,211,789	68,647,366	100.8%	564,423	109,334,429	0.52%
12/31/09	75,217,522	82,733,359	90.9%	(7,515,837)	110,025,108	(6.83%)

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.

Deferred Compensation Plan

The City offers its employees a deferred compensation plan, which is a defined contribution benefit plan, created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with such amounts, and all income attributable to such amounts, property or rights are held in trust or under one or more annuity contracts described in Internal Revenue Code Section 401(f). Except as may otherwise be permitted or required by law, no assets or income of the Plan shall be used for, or diverted to, purposes other than for the exclusive purpose of providing benefits for Participants and their Beneficiaries or defraying reasonable expenses of administration of the Plan. Accordingly, the assets of the Plan are not reported in the City's basic financial statements.

Postemployment Benefits

The City offers its retired employees under age 65 health insurance coverage under the same plan as the active employees and Medicare supplementary insurance for retirees 65 and older. The number of retired participants receiving health insurance coverage for 2010 was 341 of which 201 were on the same plan as the active employees and 140 on Medicare supplementary insurance. Premiums are paid by the retired employees and claims are processed by the City's agent and paid through the Health Claims Fund. Expenditures for postretirement health care benefits are recognized as retirees report claims. Claims paid for retired employees for 2010 were \$2,043,310.

Postemployment Benefits Trust Fund - Section 115 Trust

Plan Description-

On March 1, 2008, the City established a Section 115 Trust (the Trust) to comply with the requirements of Governmental Accounting Standards Board Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits other than Pensions (OPEB), for the purpose of funding and providing certain benefits to its eligible retirees and dependents. The single-employer defined benefit plan is created by City ordinance and administered by the Risk Pool Trustees who meet four times a year. The Risk Pool Trustees consist of three or more City employees who are appointed by the City pursuant to the Plano Welfare Benefit Plan. Professional investment management is used and a custodial bank retains the assets

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of the Trust. The Trust issued a separate publicly available financial report that includes financial statements and required supplementary information at the Trust's fiscal year end which is December 31. Those financial reports may be obtained by request to the City's Human Resources Department, 1520 Avenue K, Suite 130, Plano, TX 75074.

Receipt of Contributions-

The City delivers to the Section 115 Trustee the amounts of money that are contributed to the Trust Fund by the City and, if applicable, by participants. Contributions by the City are established as part of the City budget process and are based on amounts determined in the actuarial study prepared biennially. For fiscal year ending September 30, 2010 the City contributed \$5.5 million to the Trust which represents approximately 135.6% of the annual required contribution of the employer (ARC). In addition, retirees contributed \$0.8 million to the Trust.

Annual OPEB Cost and Net OPEB Obligation-

The City's annual other postemployment benefit (OPEB) cost is calculated based on the City's ARC, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount annually contributed to the Trust, and the changes in the City's net OPEB asset to the Trust.

	2010	2009
Annual required contribution (ARC)	\$ 4,036,553	\$ 6,031,883
Interest on net OPEB asset	(1,307,028)	(1,253,187)
Adjustment to the ARC	1,115,395	982,562
Annual OPEB cost	3,844,920	5,761,258
Contributions made	(6,264,121)	(6,530,416)
Increase in net OPEB asset	(2,419,201)	(769,158)
Net OPEB asset beginning of year	(18,671,829)	(17,902,671)
Net OPEB asset end of year	<u>\$ (21,091,030)</u>	<u>\$ (18,671,829)</u>

The net OPEB asset has been recorded in prepaid and other assets in the government-wide financial statements.

The following table shows the assumed annual OPEB cost and net OPEB asset for the prior three years (7% discount and level percent of pay amortization):

Fiscal Year Ended	Discount Rate	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Asset
9/30/2008	7%	\$6,031,883	396.8%	\$(17,902,671)
9/30/2009	7%	5,761,258	113.4%	(18,671,829)
9/30/2010	7%	3,844,920	162.9%	(21,091,030)

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**SEPTEMBER 30, 2010**

Funding Status and Funding Progress –

The funding status as of October 1, 2009, the most recent actuarial valuation date, is as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Funded Ratio	Unfunded AAL (UAAL)	Covered Payroll	UAAL as a Percentage of Covered Payroll
10/1/07	\$ -	\$55,831,704	0.0%	(\$55,831,704)	\$109,295,425	(51.08%)
10/1/07	21,356,792	55,831,704	38.3%	(23,401,016)	111,166,521	(31.01%)
10/01/09	27,256,812	50,657,828	53.8%	(23,401,016)	113,388,754	(20.64%)

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.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the Trust and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Actuarial Methods and Assumptions –

In the October 1, 2009, actuarial valuation, the unprojected unit credit actuarial cost method was used. The actuarial assumptions included a 7.0% investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on the Trust assets and on the employer's own investments calculated based on the funded level of the Trust at the valuation date, and an annual healthcare trend rate of 6.6% initially, adjusted each year. The UAAL was amortized over the maximum permissible period of 30 years as a level percentage of projected payroll on a closed basis, where salaries are assumed to increase at 3% per annum. The effective remaining amortization period at October 1, 2009, was 25.8 years. The value of assets are equal to the market value of assets as of the valuation date.

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**SEPTEMBER 30, 2010**

**6. LONG-TERM DEBT:**

A summary of long-term debt transactions, including current portion, for the year ended September 30, 2010, is as follows (in thousands of dollars):

	Balance Beginning Of Year	Increase	Decrease	Balance End of Year	Due Within One Year
<b>Governmental Activities:</b>					
General obligation bonds & certificates of obligation	\$ 311,790	38,180	(38,675)	311,295	22,780
Tax anticipation notes	28,860	-	(4,870)	23,990	5,625
Deferred amounts:					
For issuance (discounts) / premiums / deferred charge on refunding	942	1,339	(1,090)	1,191	292
Total bonds and notes payable	341,592	39,519	(44,635)	336,476	28,697
Compensated absences	34,272	4,971	(4,944)	34,299	4,736
Liability for insurance claims	7,689	17,651	(19,835)	5,505	4,199
Governmental activity Long-term debt	\$ 383,553	62,141	(69,414)	376,280	37,632

The compensated absences liability attributable to the governmental activities will be liquidated by several of the City's governmental and internal service funds. Approximately 95.3% has been paid by the General Fund, 0.6% by Special Revenue Funds and 4.1% by Internal Service Funds.

The liability for insurance claims will be liquidated through a variety of funds. The General Fund bears approximately 85.5% of the claims and judgments liability. The Enterprise Funds bear approximately 10.9% of the claims and judgment liability, while the Internal Service and Special Revenue Funds bear approximately 3.3% and 0.3%, respectively.

	Balance Beginning Of Year	Increase	Decrease	Balance End of Year	Due Within One Year
<b>Business Type Activities:</b>					
Water & Sewer Revenue bonds	\$ 3,895	-	(1,940)	1,955	1,260
Municipal Drainage Revenue bonds	23,490	6,790	(4,630)	25,650	1,835
Deferred amounts:					
For issuance (discounts) / premiums/ (deferred charges) on refunding	(47)	-	(275)	(322)	47
Total bonds payable	27,338	6,790	(6,845)	27,283	3,142
Compensated absences	3,831	-	(275)	3,556	380
Business-type activity Long-term debt	\$ 31,169	6,790	(7,120)	30,839	3,522

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**NOTES TO BASIC FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2010**

	Balance Beginning Of Year	Increase	Decrease	Balance End of Year	Due Within One Year
<b>Discretely Presented Component Unit:</b>					
Economic Development compensated absences	\$ 146	-	(13)	133	1
TIF Mall note payable	6,397	-	(4,195)	2,202	2,202
	<u>\$ 6,543</u>	<u>-</u>	<u>(4,208)</u>	<u>2,335</u>	<u>2,203</u>

Long-term debt at September 30, 2010, includes the following individual issues (not including the unamortized premium of \$6,970, and the unamortized deferred charges of \$5,779 of the General Obligation Bonds, the unamortized premium of \$233 and deferred charges of \$106 of the Water & Sewer Revenue Bonds and the unamortized premium of \$411 and unamortized deferred charges of \$860 of the Municipal Drainage Revenue Bonds):

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**NOTES TO BASIC FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2010**

	Interest Rate (%)	Issue Date	Maturity Date	Original Issue	Net Retirement	Outstanding
<b>General Obligation Bonds:</b>						
2001-A Various purpose	4.00 – 5.00	9/15/2001	9/1/2021	18,195,000	17,345,000	850,000
2002 Refunding and Improvements	3.25 – 5.25	8/1/2002	9/1/2022	56,130,000	44,175,000	11,955,000
2003 Refunding and Improvements	2.00 – 5.00	5/1/2003	9/1/2023	41,370,000	20,335,000	21,035,000
2004 Refunding	2.00 – 5.00	10/15/2004	9/1/2017	30,690,000	9,885,000	20,805,000
2005 Refunding and Improvements	3.50 – 5.00	5/15/2005	9/1/2025	84,880,000	8,170,000	76,710,000
2006 Various purpose	4.00 – 5.00	2/1/2006	9/1/2026	40,925,000	5,715,000	35,210,000
2007 Various purpose	4.25 – 5.25	5/1/2007	9/1/2027	35,675,000	3,635,000	32,040,000
2008 Various purpose	3.50 – 5.00	1/15/2008	9/1/2028	41,295,000	2,760,000	38,535,000
2009 Refunding and Improvements	2.25 – 4.75	1/15/2009	9/1/2029	35,330,000	2,610,000	32,720,000
2010 Refunding and Improvements	2.00 - 4.00	1/15/2010	9/1/2030	28,520,000	-	28,520,000
				<u>413,010,000</u>	<u>114,630,000</u>	<u>298,380,000</u>
<b>Tax Anticipation Notes:</b>						
2007 Tax anticipation notes	4.00 – 4.00	5/1/2007	9/1/2013	11,000,000	5,195,000	5,805,000
2008 Tax anticipation notes	3.00 – 3.25	1/15/2008	9/1/2015	17,075,000	4,425,000	12,650,000
2009 Tax anticipation notes	2.25 – 3.00	1/15/2009	9/1/2016	6,355,000	820,000	5,535,000
				<u>34,430,000</u>	<u>10,440,000</u>	<u>23,990,000</u>
<b>Certificates of Obligation:</b>						
2006 Various purpose	4.25 – 4.50	2/1/2006	9/1/2026	3,765,000	510,000	3,255,000
2010 Various purpose	2.00 - 4.00	1/15/2010	9/1/2022	9,660,000	-	9,660,000
				<u>13,425,000</u>	<u>510,000</u>	<u>12,915,000</u>
<b>Water &amp; Sewer Revenue</b>						
2003 General Obligation Refunding	2.00 – 5.00	5/1/2003	9/1/2013	16,825,000	14,870,000	1,955,000
<b>Municipal Drainage Revenue</b>						
<b>Bonds:</b>						
2005 Refunding and Improvements	3.00 – 5.00	5/15/2005	5/15/2025	11,610,000	2,090,000	9,520,000
2006 Improvements	4.00 – 5.00	2/1/2006	5/15/2026	1,455,000	175,000	1,280,000
2007 Improvements	4.00 – 5.50	5/1/2007	5/15/2027	2,000,000	195,000	1,805,000
2008 Improvements	4.00 – 4.50	1/15/2008	5/15/2028	2,085,000	110,000	1,975,000
2009 Refunding and Improvements	3.00 – 3.50	1/15/2009	5/15/2029	4,790,000	510,000	4,280,000
2010 Refunding and Improvements	2.00 - 4.25	1/15/2010	5/15/2030	6,790,000	-	6,790,000
				<u>\$ 28,730,000</u>	<u>3,080,000</u>	<u>25,650,000</u>

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The annual requirements to amortize debt outstanding as of September 30, 2010, including interest payments of \$119,361 follow. Due to the nature of the obligation for compensated absences, annual requirements to amortize such obligations are not determinable and have not been included in the following summary (in thousands of dollars):

Year Ended September 30,	General Obligation, Tax Anticipation Notes & Certificates of Obligation		Proprietary Fund Types			
			Water and Sewer		Municipal Drainage	
	Principal	Interest	Principal	Interest	Principal	Interest
2011	\$ 28,405	13,692	1,260	38	1,835	1,077
2012	28,120	12,727	330	14	1,965	945
2013	28,515	11,728	365	7	2,035	878
2014	25,795	10,653	-	-	2,110	808
2015	24,805	9,700	-	-	1,875	723
2016-2020	101,875	34,271	-	-	7,965	2,538
2021-2025	70,340	15,466	-	-	5,355	1,189
2026-2030	27,430	2,627	-	-	2,510	280
<b>Total</b>	<b>\$ 335,285</b>	<b>110,864</b>	<b>1,955</b>	<b>59</b>	<b>25,650</b>	<b>8,438</b>

The City intends to retire all of its general long-term liabilities, plus interest, from ad valorem taxes and other current revenues. The proprietary fund type long-term debt will be repaid, plus interest, from the operating revenues of the Water and Sewer Fund and the Municipal Drainage Fund.

The discretely held component unit TIF Mall had notes payable as of September 30, 2010 of \$2,202. These notes are for amounts loaned by the City for projects and construction relating to the TIF Mall and will be repaid when funding is available from the TIF Mall. The interest rate on the note payable is 6.0%. Until repayment can be made on the note, interest is capitalized. The City made full repayment in Fiscal year 2009 to Taubman Realty Group Limited Partnership for construction of a parking garage, land and roadway improvements. Repayment from the TIF Mall to the City is estimated to be complete in fiscal year 2011.

**A. General Obligation Bonds and Certificates**

The City is required by ordinance to create from ad valorem tax revenues a sinking fund sufficient to pay the current interest and principal installments as they become due. The Debt Service Fund has \$1,175,155 available to service the general obligation debt after all debt due in the current fiscal year has been paid.

There are a number of limitations and restrictions contained in the various general obligation bond and certificate indentures. Management of the City believes it is in compliance with the significant limitations and restrictions at September 30, 2010.

Arbitrage provisions of the Internal Revenue Tax Act of 1986 require the City to rebate excess arbitrage earnings from bond proceeds to the federal government. Beginning in 1992, the City paid required five-year rebates. Future rebates are estimated to be \$962,072 at September 30, 2010. As provided for by the bond indentures, this amount has been recorded as "Due to other governments" in a special revenue fund (the Rebate Fund) for the benefit of the federal government and will be paid as required by applicable regulations.

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 NOTES TO BASIC FINANCIAL STATEMENTS (continued)  
 SEPTEMBER 30, 2010**

In January of 2010, the City issued \$28,520,000 in General Obligation refunding and improvement bonds, with interest ranging from 2.0% to 4.0%. The portion of the debt that represents refunded bonds were Series 1999, 2000, and 2001 general obligation bonds totaling \$15,895,000 and carried interest rates ranging from 4.375% to 5.00% with maturity dates in 2011 through 2021. The aggregate difference between the refunding debt and the refunded debt resulted in savings of \$1,057,479. As a result of the refunding, the City obtained an economic gain (difference between present value of the debt service payments on the old and new debt) of \$896,597.

Also in January of 2010, the City issued \$9,660,000 of Certificates of Obligation, with interest ranging from 2.0% to 4.0% for the acquisition, implementation and installation of radio system infrastructure as well as for payment of professional services of attorneys, financial advisors and other professionals in connection with the project.

In prior years, the City defeased certain outstanding general obligation bonds by placing the proceeds of the new bonds in irrevocable trusts pledged to pay all future debt service payments of the refunded bonds. Accordingly, the trust accounts and the defeased bonds are not included in the City's financial statements. At September 30, 2010, \$24,595,000 of the defeased bonds are still outstanding.

**B. Water and Sewer Revenue Bonds**

The Water and Sewer Revenue Bonds are secured by the net revenues of the Water and Sewer Fund as defined in the respective bond indentures.

The City is required by the applicable revenue bond indentures to pledge the net revenues of the Water and Sewer Fund for the retirement of its outstanding revenue bonds, including interest thereon, and is required to maintain debt service funds and bond reserve funds for all such bonds outstanding.

The debt service funds, aggregating \$432,527 at September 30, 2010, are restricted within the Water and Sewer Fund. The respective bond indentures require the City to make equal monthly installments to the debt service funds which will accumulate to pay the annual principal and semiannual interest requirements as they become due.

Bond proceeds since 1988 are covered by the arbitrage provisions of the Internal Revenue Tax Act of 1986. Accordingly, there were no excess arbitrage earnings estimated at September 30, 2010. The City is in compliance with all requirements of the bond ordinances for the year ended September 30, 2010.

Restricted assets of the Water and Sewer Fund at September 30, 2010 are as follows:

Cash and cash equivalents	\$	7,522,204
Investments		17,649,052
Accrued interest receivable		<u>50,216</u>
	\$	<u><u>25,221,472</u></u>

**C. Municipal Drainage Revenue Bonds**

These bonds are secured by a first lien on and pledge of the revenues of the Municipal Drainage Fund in accordance with the provisions of the bond indenture.

The bond indenture requires the City to make equal monthly installments to a debt service fund to pay principal and interest requirement as they become due. At September 30, 2010 \$2,207,427 is restricted within the Municipal Drainage Fund for debt service requirements.

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**NOTES TO BASIC FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2010**

In addition, the bond indenture requires a reserve equal to the average annual debt services requirement be maintained in order to pay any bond principal and interest should the debt service funds be insufficient. At September 30, 2010 the reserve required and restricted within the Municipal Drainage Fund is \$1,565,563.

In January of 2010, the City issued \$6,790,000 in Municipal Drainage refunding and improvement bonds, with interest ranging from 2.00% to 4.25%. The portion of the debt that represents refunded bonds were 2001 and 2003 series municipal drainage revenue bonds totaling \$3,315,000 and carried interest rates ranging from 3.6% to 4.5% with maturity dates in 2010 through 2023. In order to achieve consistency of covenants, the aforementioned bond series were refunded. The aggregate difference between the refunding debt and the refunded debt resulted in additional debt service payments of \$118,306. As a result of the refunding, the City obtained an economic loss (difference between present value of the debt service payments on the old and new debt) of \$96,463.

In prior years, the City defeased certain outstanding Municipal Drainage Bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments of refunded bonds. Accordingly, the trust account and the defeased bonds are not included in the City's financial statements. At September 30, 2010, \$5,040,000 of the defeased bonds are still outstanding.

Municipal Drainage revenue bonds are covered by the arbitrage provisions of the Internal Revenue Tax Act of 1986 and accordingly, excess arbitrage earnings of \$20,287 were estimated at September 30, 2010. This amount is included in the Special Revenue Rebate fund "Due to other governments." The City is in compliance with all requirements of the bond ordinance for the year ended September 30, 2010.

Restricted assets of the Municipal Drainage Fund at September 30, 2010 are as follows:

Cash and cash equivalents	\$	3,634,234
Investments		8,526,866
Accrued interest receivable		<u>24,262</u>
	\$	<u>12,185,362</u>

**7. INTERFUND TRANSACTIONS:**

A summary of interfund receivables and payables at September 30, 2010 is as follows:

	Due To							Total
	General Fund	Nonmajor Governmental Funds	Internal Service	Water & Sewer	Environmental Waste Services	Municipal Drainage	Nonmajor Enterprise Funds	
Due From								
General Fund	\$ -	1,938,861	-	-	-	-	-	1,938,861
Nonmajor Governmental Funds	16,978	-	-	-	-	-	-	16,978
Internal Service	31,799	2,299	765	1,215	1,769	123	690	38,660
Total	<u>\$48,777</u>	<u>1,941,160</u>	<u>765</u>	<u>1,215</u>	<u>1,769</u>	<u>123</u>	<u>690</u>	<u>1,994,499</u>

Due to and due from entries are primarily used to account for cash owed between funds that are expected to be repaid within one year or less.

The Water and Sewer Fund has a interfund receivable to the Environmental Waste Service Fund. The long-term portion of the note is reflected as Advances to/from Other Funds.

**CITY OF PLANO, TX  
NOTES TO BASIC FINANCIAL STATEMENTS (continued)  
SEPTEMBER 30, 2010**

The City performs a complex calculation to determine the value of the charges in lieu of taxes to be paid to the General Fund. This calculation is reasonably equivalent to the value of the services provided to the Water and Sewer and Environmental Waste Services funds and is therefore appropriately reported as an expense as opposed to a transfer. During fiscal year 2010, charges in lieu of taxes were \$8,211,958.

Transfers between funds during the year were as follows:

	<b>Transfers In</b>					Total
	General Fund	Capital Reserve	Internal Service	Nonmajor Governmental Funds	Environmental Waste Services	
<b>Transfers Out</b>						
General Fund	-	10,500,000	465,658	134,772	-	11,100,430
Nonmajor Governmental Funds	-	-	145,609	-	-	145,609
Internal Service	-	-	4,240,000	250,000	-	4,490,000
Water and Sewer	8,980,801	1,200,000	-	-	100,000	10,280,801
Municipal Drainage	359,636	-	-	-	-	359,636
Nonmajor Enterprise Funds	473,044	-	-	-	-	473,044
<b>Total</b>	<b>9,813,481</b>	<b>11,700,000</b>	<b>4,851,267</b>	<b>384,772</b>	<b>100,000</b>	<b>26,849,520</b>

The City performs a cost allocation to determine the portion of indirect expenses that will be reimbursed by the respective business-type activities to the General Fund. The City funds the Capital Reserve fund by transferring amounts from the General Fund and Water and Sewer fund each year based on a portion of depreciation.

Transfers are primarily used to move funds to finance various programs in accordance with budgetary authorizations.

**8. REGIONAL SYSTEMS FOR WATER SUPPLY, WASTEWATER TREATMENT, AND SOLID WASTE DISPOSAL:**

The City of Plano secures its water supply and sewer services from the North Texas Municipal Water District ("District"), a district authorized by the Texas Constitution, Article XVI, Section 59; created by the Texas Legislature, Article 8280-141; and authorized to act by the confirming vote of the majority of the qualified voters in each of the cities comprising the District. The District has police, taxation and eminent domain powers and is authorized to issue revenue and/or tax bonds upon approval by the Attorney General of the State of Texas and functions as a political subdivision of the State of Texas independent of the City. The District is governed by a 17-member board (the "Board"), the City of Plano being authorized by statute to appoint two of those members. The Board has full power and discretion to establish its budget and to set the rates for the services it provides by contracts with its member cities and customers. The Board is empowered by statute and contract, or otherwise permitted by law, to discontinue a facility or service in order to prevent an abuse or to enforce payment of an unpaid charge, fee or rental due to the District. Because of the factors mentioned above, the District is not included in the City's basic financial statements. A portion of the outstanding bonds of the District are contract revenue bonds based on contracts with certain member cities of the District. The City of Plano provides for the payment of its contractual obligations with the District from revenues generated by its waterworks and sewer systems. Such contractual payments provide for the payment of the principal and interest requirements, and the premium payment, if any, on specified indebtedness and associated operation and maintenance expenses of the District.

**CITY OF PLANO, TX  
NOTES TO BASIC FINANCIAL STATEMENTS (continued)  
SEPTEMBER 30, 2010**

Water Supply

On December 12, 1953, the City entered into a contract with the District whereby the District agreed to provide water for the benefit of the City. In return for this service, the City agreed to pay the District at a rate per 1,000 gallon basis, subject to minimum annual payments. The City's annual payment for the year ended September 30, 2010, was \$31,084,974. The City has also contracted for water transmission facility improvements and pays the District for debt service for bonds issued to fund the improvements. For fiscal year 2010 this payment was \$861,487. Future years' payments to debt service are as follows:

2011	\$ 869,232
2012	869,898
2013	873,695
2014	880,325
2015	879,480
2016 – 2018	2,060,282

Wastewater Treatment

On October 1, 1975, the City entered into a contract for wastewater treatment services with the District. The District has been designated by the Texas Water Quality Board as the regional agency to provide and develop a Regional System for Wastewater Treatment in the general area of the East Fork of the Trinity River, which includes the City of Plano and other cities located in Collin, Dallas, Kaufman and Rockwall Counties, Texas. Relative thereto, the City of Plano and other cities have entered into wastewater system contracts with the District, which provide for the establishment, operation and maintenance of a Regional Wastewater System for the purpose of providing facilities to adequately receive, transport, treat and dispose of wastewater for the cities. In order to provide said services, the contract provides that (a) the District will acquire, design, construct and complete the system, repair, replace and/or extend the system to provide service to the cities; (b) in consideration of payments to be made under the contract, each of the cities shall have the right to discharge all its wastewater from its sewage system into the District's system, subject to certain quality requirements set forth in the contract; (c) the District will issue its bonds, in amounts and at times determined by the District, to provide for the wastewater treatment facilities; (d) each city agrees to pay its proportionate share of the annual requirement sufficient to pay or provide for the payment of an "Operation and Maintenance Component" and a "Bond Service Component;" (e) each city's proportionate share of the annual requirement shall be a percentage obtained by dividing such city's estimated contributing flow to the system by the total estimated contributing flow to the system by all cities during such fiscal year. No city will exercise oversight responsibility for the District and no city is liable for the District's debt. The City of Plano's payment for the year ended September 30, 2010 was \$23,304,804 net of payments to the City for facilities usage.

Solid Waste Disposal

On November 29, 1979, the City entered into a contract for services with the District, whereby the District agreed to provide a solid waste disposal system for the benefit of the City of Plano and other cities. Each city agreed to pay its share of an annual requirement for the operating expenses and debt service of the District to be calculated in the same manner as the wastewater contract. The City's annual payment for the year ended September 30, 2010 was \$7,291,338.

**CITY OF PLANO, TX**  
**NOTES TO BASIC FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2010**

**9. COMMITMENTS AND CONTINGENCIES:**

The City has contractual commitments of \$27,838,459 in the Capital Projects Funds, \$4,539,306 in the Water and Sewer Fund, and \$2,189,223 in the Municipal Drainage Fund. These commitments are for construction of various projects and will be funded primarily from general obligation bond proceeds in the Capital Projects Funds, operating revenues in the Water and Sewer Fund and revenue bond proceeds in the Municipal Drainage Fund.

Various claims and lawsuits are pending in which the City is involved. Included among the various actions are those for which the discovery process is currently underway or which have yet to proceed to trial. It is the opinion of City management that the ultimate outcome of all other lawsuits will not have a material adverse effect on the City's financial position.

The City participates in a number of federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

**10. SELF INSURANCE:**

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees, and natural disasters. The City maintains a self-insurance program for general liability, public officials' errors and omission, police professional liability, property loss and workers' compensation. The Property/Liability Loss Internal Service Fund has been established to pay identified claims and judgments, maintain loss reserves and purchase insurance coverage as required. Claims for property loss over \$100,000 per occurrence and for workers' compensation over \$500,000 per occurrence are covered by private insurance companies. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage in each of the past three fiscal years.

Group medical benefits are paid from the Health Claims Internal Service Fund, which has an annually negotiated stop loss provision. Revenues are recognized from payroll deductions for employee dependent coverage and from City contributions for employee coverage.

The liabilities for insurance claims reported in each of the funds are based on Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. These liabilities include an estimate for incurred but not reported claims. Change in each fund's claims liability amount in fiscal 2010 and 2009 were:

Fund	Liability Beginning Of Year	Current Year Claims And Changes in Estimates	Claim Payments	Liability End of Year
<b>2010:</b>				
Property/Liability Loss	\$ 3,712,974	2,297,686	(2,369,772)	3,640,888
Health Claims	3,976,062	15,353,157	(17,465,401)	1,863,818
Total	\$ 7,689,036	17,650,843	(19,835,173)	5,504,706
<b>2009:</b>				
Property/Liability Loss	\$ 3,464,051	2,820,016	(2,571,093)	3,712,974
Health Claims	4,078,422	17,795,454	(17,897,814)	3,976,062
Total	\$ 7,542,473	20,615,470	(20,468,907)	7,689,036

**CITY OF PLANO, TX  
NOTES TO BASIC FINANCIAL STATEMENTS (continued)  
SEPTEMBER 30, 2010**

**11. NEW ACCOUNTING PRONOUNCEMENTS:**

In March 2009, GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which establishes accounting and financial reporting requirements to improve the usefulness of information about fund balance by providing clearer, more structured fund balance classifications and clarifying the definitions of existing governmental fund types. Fund balance amounts will be reported in the following classifications: restricted, committed, assigned and unassigned. This statement is effective for financial statements for periods beginning after June 15, 2010. The City is in the process of reviewing and evaluating this statement and it's potential impact on the City's financial statements.

CITY OF PLANO, TEXAS  
REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF PENSION TRUST - TMRS FUNDING PROGRESS AND CONTRIBUTIONS  
LAST SIX FISCAL YEARS (Unaudited)

Fiscal Year	Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) -Unit Credit	Unfunded Actuarial Accrued Liability UAAL	Funded Percent	Covered Payroll	UAAL as Percent of Covered Payroll	Annual Required Contributions	Actual Contributions	Percent Contributed
2005	12/31/04	262,169,460	317,019,786	(54,850,326)	82.70%	101,569,594	-54.00%	13,144,945	13,144,945	100.00%
2006	12/31/05	280,298,567	340,897,795	(60,599,228)	82.22%	102,734,170	-58.99%	14,892,443	14,892,443	100.00%
2007	12/31/06	296,863,771	369,388,605	(72,524,834)	80.37%	111,407,362	-65.10%	15,387,911	15,387,911	100.00%
2008	12/31/07	311,729,835	447,870,971	(136,141,136)	69.60%	117,372,866	-115.99%	16,450,528	16,450,528	100.00%
2009	12/31/08	330,874,531	478,126,778	(147,252,247)	69.20%	125,137,265	-117.67%	18,687,379	18,687,379	100.00%
2010	12/31/09	346,665,548	498,304,233	(151,638,685)	69.57%	124,078,995	-122.21%	19,272,054	19,272,054	100.00%

SCHEDULE OF PENSION TRUST - RETIREMENT SECURITY PLAN FUNDING PROGRESS AND CONTRIBUTIONS  
LAST SIX FISCAL YEARS (Unaudited)

Fiscal Year	Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) -Entry Age	Excess of Assets over/(under) AAL (UAAL)	Funded Percent	Covered Payroll	Excess as Percent of Covered Payroll	Annual Required Contributions	Actual Contributions	Percent Contributed
2005	12/31/03	48,894,642	44,115,875	4,778,767	110.83%	89,847,588	5.32%	2,589,895	2,570,626	99.26%
2006	12/31/05	56,579,886	55,987,030	592,856	101.06%	97,020,196	0.61%	2,953,619	2,788,179	94.40%
2007	12/31/05	56,579,886	55,987,030	592,856	101.06%	97,020,196	0.61%	2,953,619	3,121,295	105.68%
2008	12/31/07	69,211,789	68,647,366	564,423	100.82%	109,334,429	0.52%	3,447,764	3,420,947	99.22%
2009	12/31/07	69,211,789	68,647,366	564,423	100.82%	109,334,429	0.52%	3,447,764	3,479,512	100.92%
2010	12/31/09	75,217,522	82,733,359	(7,515,837)	90.92%	110,025,108	-6.83%	3,577,150	3,549,068	99.21%

SCHEDULE OF OPEB TRUST - POSTEMPLOYMENT BENEFITS 115 TRUST FUNDING PROGRESS AND CONTRIBUTIONS  
LAST THREE FISCAL YEARS (Unaudited)

Fiscal Year	Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) -Unit Credit	Unfunded Actuarial Accrued Liability UAAL	Funded Percent	Covered Payroll	UAAL as Percent of Covered Payroll	Annual Required Contributions	Actual Contributions	Percent Contributed
2008	10/1/07	-	55,831,704	(55,831,704)	0.00%	109,295,425	-51.08%	6,031,883	23,934,554	396.80%
2009	10/1/07	21,356,792	55,831,704	(34,474,912)	38.25%	111,166,521	-31.01%	6,031,883	6,530,416	108.26%
2010	10/1/09	27,256,812	50,657,828	(23,401,016)	53.81%	113,388,754	-20.64%	4,036,553	6,264,121	155.18%

See accompanying independent auditors' report.



## NONMAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

**CRIMINAL INVESTIGATION FUND-** to account for any monies taken into police custody as a result of police investigation. These monies are to be spent only on law enforcement activities as provided by state statute.

**GRANT FUND-** to account for monies received from other governmental agencies.

**CATV FUND-** to account for monies received for local access programming, under conditions contained within the franchise agreement with AT&T Broadband.

**INDUSTRIAL REVENUE BOND AUTHORITY-** to account for the fees for issuance of Industrial Revenue Bonds.

**PUBLIC SAFETY COMMUNICATIONS-** to account for 9-1-1 reserve fund monies received from wireless communication fees to be used for related 9-1-1 services; and intergovernmental radio fund fees collected under an interlocal agreement for a joint communication system between the cities of Plano, Allen and Frisco, the fees are used to pay maintenance expenses of the system; and wireline fees and reporting for 9-1-1 expenditures.

**MUNICIPAL COURT –** to account for building security fund monies received from conviction of misdemeanor fees to be used to provide for the security and housing of municipal courts; teen court fees collected from teens requesting teen court, these monies are used to cover the costs of administering teen court; municipal court technology state fees collected with each citation that has resulted from a conviction; and judicial efficiency state fees collected for payment on any part of a judgment on or after the 31<sup>st</sup> date on which a judgment is entered where one-half is remitted to the state, four-tenths is retained locally with no restriction, while one-tenth is used for the purpose of improving judicial efficiency.

**REBATE FUND-** to account for excess arbitrage earnings of the City's bond proceeds.

**MEMORIAL LIBRARY FUND-** to account for monies received in support of the City's library.

**SEIZED ASSETS FUND-** to account for the seizure and disposition of assets confiscated by local law enforcement agencies.

**LIBRARIES-** to account for library training lab monies received from the Bill and Melinda Gates Foundation for the establishment of a library training lab; and Sproles library fund monies received in support of the City's library.

**ANIMAL SHELTER DONATIONS-** to account for donations to assist the animal shelter.

## **CAPITAL PROJECTS FUNDS**

The Capital Projects Funds account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary type funds).

The City's nonmajor Capital Projects Funds are as follows:

**DART-** to account for the financing and construction of street modifications necessary to accommodate the public transportation system. Funds are provided through the DART Local Assistance Program.

**PARK IMPROVEMENTS** – to account for the financing and construction of park construction projects.

**SPRING CREEKWALK-** to account for the financing and construction of the Spring Creekwalk project. Funds are provided primarily through contributions by participating citizens.

**PARK SERVICES-** to account for building permit fees exclusively for the acquisition and development of new neighborhood and parks.



CITY OF PLANO, TEXAS  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 AS OF SEPTEMBER 30, 2010

Special Revenue

	Criminal Investigation	Grant	CATV	Industrial Revenue Bond Auth.
<b>ASSETS</b>				
Cash and cash equivalents	\$ 420,824	\$ 371,677	\$ 98,975	\$ 5,511
Investments	987,363	871,827	232,222	12,930
Receivables (net of allowance for uncollectible)				
Accounts	-	-	39,880	-
Accrued interest	2,809	2,481	661	37
Other	-	926,875	-	-
Due from other funds	-	16,978	-	-
Due from other governments	5,986	1,904,434	-	-
<b>Total Assets</b>	<u>1,416,982</u>	<u>4,094,272</u>	<u>371,738</u>	<u>18,478</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	105	223,142	25,336	-
Accrued liabilities	31	3,197	7,020	-
Contracts payable	-	-	-	-
Deferred revenue	-	2,665,724	-	-
Due to other funds	-	1,576,280	115	-
Due to other governments	-	-	-	-
Retainage payable	-	-	-	-
Seized assets payable	-	-	-	-
<b>Total Liabilities</b>	<u>136</u>	<u>4,468,343</u>	<u>32,471</u>	<u>-</u>
<b>Fund Balances:</b>				
Reserved for encumbrances	-	-	-	-
Reserved for capital projects	-	-	-	-
Unreserved, designated for special revenue funds	-	-	-	-
Unreserved, undesignated (deficit)	1,416,846	(374,071)	339,267	18,478
<b>Total fund balances (deficit)</b>	<u>1,416,846</u>	<u>(374,071)</u>	<u>339,267</u>	<u>18,478</u>
Total Liabilities and Fund Balance	<u>\$ 1,416,982</u>	<u>\$ 4,094,272</u>	<u>\$ 371,738</u>	<u>\$ 18,478</u>

<b>Public Safety Communications</b>	<b>Municipal Court</b>	<b>Rebate</b>	<b>Memorial Library</b>	<b>Seized Assets</b>	<b>Libraries</b>	<b>Animal Shelter Donations</b>
\$ 3,355,697	\$ 2,230,432	\$ 434,964	\$ 119,670	\$ 44,652	\$ 146,435	\$ 78,841
7,873,342	5,233,175	1,020,538	280,779	104,765	1,938	184,983
-	556,181	-	-	-	-	-
22,402	14,890	2,904	799	298	5	526
-	-	-	-	-	-	-
-	-	-	-	-	-	-
98,628	93,792	-	-	-	-	-
<u>11,350,069</u>	<u>8,128,470</u>	<u>1,458,406</u>	<u>401,248</u>	<u>149,715</u>	<u>148,378</u>	<u>264,350</u>
3,016	94,261	-	5,209	-	-	-
-	826,420	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
86	260,509	-	-	-	104,170	-
216,215	-	962,072	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	149,715	-	-
<u>219,317</u>	<u>1,181,190</u>	<u>962,072</u>	<u>5,209</u>	<u>149,715</u>	<u>104,170</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	496,334	396,039	-	-	-
11,130,752	6,947,280	-	-	-	44,208	264,350
<u>11,130,752</u>	<u>6,947,280</u>	<u>496,334</u>	<u>396,039</u>	<u>-</u>	<u>44,208</u>	<u>264,350</u>
<u>\$ 11,350,069</u>	<u>\$ 8,128,470</u>	<u>\$ 1,458,406</u>	<u>\$ 401,248</u>	<u>\$ 149,715</u>	<u>\$ 148,378</u>	<u>\$ 264,350</u>

(continued)

CITY OF PLANO, TEXAS  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 AS OF SEPTEMBER 30, 2010  
 (continued)

	<u>Capital Projects</u>				<b>Total Nonmajor Governmental Funds</b>
	<u>DART</u>	<u>Park Improvements</u>	<u>Spring Creekwalk</u>	<u>Park Services</u>	
<b>ASSETS</b>					
Cash and cash equivalents	\$ 78,678	\$ 6,927,728	\$ 7,172	\$ 1,376,930	\$ 15,698,186
Investments	184,598	16,254,260	16,828	3,230,637	36,490,185
Receivables (net of allowance for uncollectible)					
Accounts	-	-	-	-	596,061
Accrued interest	525	46,247	48	9,192	103,824
Other	-	-	-	-	926,875
Due from other funds	-	-	-	-	16,978
Due from other governments	-	-	-	-	2,102,840
<b>Total Assets</b>	<u>263,801</u>	<u>23,228,235</u>	<u>24,048</u>	<u>4,616,759</u>	<u>55,934,949</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	-	-	-	-	351,069
Accrued liabilities	-	-	-	-	836,668
Contracts payable	-	260,657	-	-	260,657
Deferred revenue	-	-	-	-	2,665,724
Due to other funds	-	-	-	-	1,941,160
Due to other governments	-	-	-	-	1,178,287
Retainage payable	-	45,625	-	-	45,625
Seized assets payable	-	-	-	-	149,715
<b>Total Liabilities</b>	<u>-</u>	<u>306,282</u>	<u>-</u>	<u>-</u>	<u>7,428,905</u>
<b>Fund Balances:</b>					
Reserved for encumbrances	114,445	8,158,600	-	900	8,273,945
Reserved for capital projects	-	14,763,353	24,048	4,615,859	19,403,260
Unreserved, designated for special revenue funds	-	-	-	-	892,373
Unreserved, undesignated	149,356	-	-	-	19,936,466
<b>Total fund balances</b>	<u>263,801</u>	<u>22,921,953</u>	<u>24,048</u>	<u>4,616,759</u>	<u>48,506,044</u>
Total Liabilities and Fund Balance	<u>\$ 263,801</u>	<u>\$ 23,228,235</u>	<u>\$ 24,048</u>	<u>\$ 4,616,759</u>	<u>\$ 55,934,949</u>



**CITY OF PLANO, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2010**

**Special Revenue**

	<b>Criminal Investigation</b>	<b>Grant</b>	<b>CATV</b>	<b>Industrial Revenue Bond Auth.</b>	<b>Public Safety Communications</b>
<b>REVENUES</b>					
Fines and forfeitures	\$ 126,161	\$ -	\$ -	\$ -	\$ -
Contributions	-	-	-	-	-
Intergovernmental	115,919	2,894,068	-	-	74,382
Fees for services	-	-	476,672	-	1,354,114
Investment income	14,722	14,313	3,575	205	120,035
Miscellaneous	34,955	54,595	15,560	-	-
Total revenues	<u>291,757</u>	<u>2,962,976</u>	<u>495,807</u>	<u>205</u>	<u>1,548,531</u>
<b>EXPENDITURES</b>					
General government	-	-	-	-	-
Police	219,313	949,821	-	-	359,991
Fire	-	153,866	-	-	29,610
Libraries	-	231,825	-	-	-
Development	-	2,898,095	-	-	-
Public services and operations	-	-	795,690	-	41,420
Sustainability & environmental services	-	88,202	-	-	-
Capital outlay	-	278,513	-	-	-
Total expenditures	<u>219,313</u>	<u>4,600,322</u>	<u>795,690</u>	<u>-</u>	<u>431,021</u>
Excess (deficiency) of revenues over (under) expenditures	<u>72,444</u>	<u>(1,637,346)</u>	<u>(299,883)</u>	<u>205</u>	<u>1,117,510</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from sale of bonds	-	-	-	-	-
Premium on sale of bonds	-	-	-	-	-
Transfers in	-	-	384,772	-	-
Transfers out	-	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>384,772</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>72,444</u>	<u>(1,637,346)</u>	<u>84,889</u>	<u>205</u>	<u>1,117,510</u>
Fund balances-beginning	<u>1,344,402</u>	<u>1,263,275</u>	<u>254,378</u>	<u>18,273</u>	<u>10,013,242</u>
Fund balances (deficit) -ending	<u>\$ 1,416,846</u>	<u>\$ (374,071)</u>	<u>\$ 339,267</u>	<u>\$ 18,478</u>	<u>\$ 11,130,752</u>

<b>Municipal Court</b>	<b>Rebate</b>	<b>Memorial Library</b>	<b>Libraries</b>	<b>Animal Shelter Donations</b>
\$ 3,018,849	\$ -	\$ -	\$ -	\$ -
-	-	140,741	-	65,101
-	-	-	-	-
980,296	-	-	-	-
73,767	16,354	4,449	727	2,704
-	-	-	-	-
<u>4,072,912</u>	<u>16,354</u>	<u>145,190</u>	<u>727</u>	<u>67,805</u>
-	8,015	-	-	-
3,187,150	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	11,373
-	-	-	-	-
85,405	-	89,717	-	-
<u>3,272,555</u>	<u>8,015</u>	<u>89,717</u>	<u>-</u>	<u>11,373</u>
<u>800,357</u>	<u>8,339</u>	<u>55,473</u>	<u>727</u>	<u>56,432</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	(145,609)	-
-	-	-	(145,609)	-
800,357	8,339	55,473	(144,882)	56,432
6,146,923	487,995	340,566	189,090	207,918
<u>\$ 6,947,280</u>	<u>\$ 496,334</u>	<u>\$ 396,039</u>	<u>\$ 44,208</u>	<u>\$ 264,350</u>

(continued)

CITY OF PLANO, TEXAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2010  
 (continued)

	<u>Capital Projects</u>				<u>Total Nonmajor Governmental Funds</u>
	<u>DART</u>	<u>Park Improvements</u>	<u>Spring Creekwalk</u>	<u>Park Services</u>	
<b>REVENUES</b>					
Fines and forfeitures	\$ -	\$ -	\$ -	\$ -	\$ 3,145,010
Contributions	-	-	-	-	205,842
Intergovernmental	-	-	-	-	3,084,369
Fees for services	-	-	-	110,790	2,921,872
Investment income	7,347	302,788	267	55,050	616,303
Miscellaneous	-	-	-	-	105,110
Total revenues	<u>7,347</u>	<u>302,788</u>	<u>267</u>	<u>165,840</u>	<u>10,078,506</u>
<b>EXPENDITURES</b>					
General government	-	-	-	-	8,015
Police	-	-	-	-	4,716,275
Fire	-	-	-	-	183,476
Libraries	-	-	-	-	231,825
Development	-	-	-	-	2,898,095
Public services and operations	-	-	-	-	848,483
Environmental waste services	-	-	-	-	88,202
Capital outlay	516,108	16,998,267	-	1,170,912	19,138,922
Total expenditures	<u>516,108</u>	<u>16,998,267</u>	<u>-</u>	<u>1,170,912</u>	<u>28,113,293</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(508,761)</u>	<u>(16,695,479)</u>	<u>267</u>	<u>(1,005,072)</u>	<u>(18,034,787)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from sale of bonds	-	5,505,000	-	-	5,505,000
Premium on sale of bonds	-	141,590	-	-	141,590
Transfers in	-	-	-	-	384,772
Transfers out	-	-	-	-	(145,609)
Total other financing sources (uses)	<u>-</u>	<u>5,646,590</u>	<u>-</u>	<u>-</u>	<u>5,885,753</u>
Net change in fund balances	<u>(508,761)</u>	<u>(11,048,889)</u>	<u>267</u>	<u>(1,005,072)</u>	<u>(12,149,034)</u>
Fund balances-beginning	772,562	33,970,842	23,781	5,621,831	60,655,078
Fund balances-ending	<u>\$ 263,801</u>	<u>\$ 22,921,953</u>	<u>\$ 24,048</u>	<u>\$ 4,616,759</u>	<u>\$ 48,506,044</u>





**CITY OF PLANO, TEXAS  
 BUDGETARY COMPARISON SCHEDULE-GAAP BASIS  
 DEBT SERVICE FUND  
 FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES:</b>				
Property taxes	\$ 39,959,648	\$ 39,728,894	\$ 39,740,619	\$ 11,725
Investment income	550,000	222,348	284,605	62,257
Miscellaneous	246,554	246,554	246,554	-
<b>Total Revenues</b>	<b>40,756,202</b>	<b>40,197,796</b>	<b>40,271,778</b>	<b>73,982</b>
<b>EXPENDITURES:</b>				
Principal retirement	27,650,000	27,650,000	27,650,000	-
Interest and fiscal charges	14,908,520	14,755,175	14,553,158	202,017
<b>Total Expenditures</b>	<b>42,558,520</b>	<b>42,405,175</b>	<b>42,203,158</b>	<b>202,017</b>
Deficiency of Revenues Less Expenditures	(1,802,318)	(2,207,379)	(1,931,380)	275,999
<b>OTHER FINANCING SOURCES:</b>				
Bond proceeds-refunding	-	-	16,633,613	16,633,613
Escrow payment-refunding	-	-	(16,777,204)	(16,777,204)
<b>Total Other Financing Uses:</b>	<b>-</b>	<b>-</b>	<b>(143,591)</b>	<b>(143,591)</b>
Deficiency of Revenues And Other Sources Less Expenditures	(1,802,318)	(2,207,379)	(2,074,971)	132,408
<b>FUND BALANCE, October 1</b>	<b>3,250,126</b>	<b>3,250,126</b>	<b>3,250,126</b>	<b>-</b>
<b>FUND BALANCE, September 30</b>	<b>\$ 1,447,808</b>	<b>\$ 1,042,747</b>	<b>\$ 1,175,155</b>	<b>\$ 132,408</b>



## **NONMAJOR ENTERPRISE FUNDS**

Following are the nonmajor Enterprise Funds:

**CIVIC CENTER FUND-** to account for the convention and tourism activities of the City's Civic Center.

**MUNICIPAL GOLF COURSE FUND-** to account for operation of the City's golf course, including administration, operation and maintenance. All costs are financed through fees charged to patrons.

**PROPERTY MANAGEMENT FUND-** to account for the rental properties of the Downtown Center projects.

**DOWNTOWN CENTER DEVELOPMENT FUND-** to account for the construction of a multi-use project in the City's downtown area.

**RECREATION REVOLVING FUND-** to account for recreational programs and activities which are offered to groups and individuals on a fee basis. Fees are adjusted periodically to cover the cost of providing each program.

CITY OF PLANO, TEXAS  
COMBINING STATEMENT OF NET ASSETS  
NONMAJOR ENTERPRISE FUNDS  
AS OF SEPTEMBER 30, 2010

	Business-type Activities Enterprise Funds					Total Nonmajor Enterprise Funds
	Civic Center	Municipal Golf Course	Property Management	Downtown Center Development	Recreation Revolving	
<b>ASSETS</b>						
Cash and cash equivalents	\$ 599,109	\$ 30,744	\$ 123,391	\$ 48,664	\$ 429,731	\$ 1,231,639
Investments	1,399,076	72,133	289,509	114,177	1,007,439	2,882,334
Receivables -						
Accounts	553,422	2,478	-	-	6,368	562,268
Accrued Interest	3,981	205	824	325	2,866	8,201
Other	-	-	500	-	2,051	2,551
Prepaid expenses & other assets	21,508	-	-	-	13,719	35,227
Capital assets:						
Land	2,359,859	595,296	1,333,325	36,999	-	4,325,479
Buildings	11,354,841	2,427,383	171,766	-	-	13,953,990
Improvements other than buildings	790,021	1,247,352	15,875	-	-	2,053,248
Equipment	1,637,602	159,037	-	-	450,597	2,247,236
Furniture and fixtures	312,206	80,381	-	-	73,873	466,460
Less accumulated depreciation	(13,058,366)	(2,122,769)	(177,322)	-	(521,093)	(15,879,550)
Total capital assets (net of accumulated depreciation)	3,396,163	2,386,680	1,343,644	36,999	3,377	7,166,863
Total assets	5,973,259	2,492,240	1,757,868	200,165	1,465,551	11,889,083
<b>LIABILITIES</b>						
Current liabilities:						
Accounts payable	99,365	8,558	-	-	48,442	156,365
Accrued liabilities	33,033	4,481	-	-	15,107	52,621
Deferred revenue	124,256	-	-	-	557,010	681,266
Due to other funds	690	-	-	-	-	690
Customer deposits	-	9,112	10,467	-	166,331	185,910
Liability for compensated absences	65,301	26,634	-	-	50,256	142,191
Total current liabilities	322,645	48,785	10,467	-	837,146	1,219,043
Noncurrent liabilities:						
Liability for compensated absences	323,275	37,970	-	-	44,112	405,357
Total noncurrent liabilities	323,275	37,970	-	-	44,112	405,357
Total liabilities	645,920	86,755	10,467	-	881,258	1,624,400
<b>NET ASSETS</b>						
Invested in capital assets (net of related debt)	3,396,163	2,386,680	1,343,644	36,999	3,377	7,166,863
Unrestricted	1,931,176	18,805	403,757	163,166	580,916	3,097,820
<b>Total Net Assets</b>	<b>\$ 5,327,339</b>	<b>\$ 2,405,485</b>	<b>\$ 1,747,401</b>	<b>\$ 200,165</b>	<b>\$ 584,293</b>	<b>\$ 10,264,683</b>

CITY OF PLANO, TEXAS  
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
 NONMAJOR ENTERPRISE FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Business-type Activities					Total Nonmajor Enterprise Funds
	Enterprise Funds					
	Civic Center	Municipal Golf Course	Property Management	Downtown Center Development	Recreation Revolving	
Operating revenues:						
Charges for sales and services:						
Service charges	\$ 2,125,543	\$ 600,919	\$ 7,594	\$ 68,128	\$ 3,490,572	\$ 6,292,756
Miscellaneous charges	47,438	-	-	-	54,570	102,008
Total operating revenues	2,172,981	600,919	7,594	68,128	3,545,142	6,394,764
Operating expenses:						
Personal services	2,568,365	402,283	-	-	1,272,406	4,243,054
Contractual services	2,735,618	134,747	58,529	47,918	1,732,800	4,709,612
Supplies	770,050	49,589	355	-	198,360	1,018,354
Depreciation	385,499	159,707	794	-	4,107	550,107
Miscellaneous	64,341	754	-	-	24,532	89,627
Total operating expenses	6,523,873	747,080	59,678	47,918	3,232,205	10,610,754
Operating income (loss)	(4,350,892)	(146,161)	(52,084)	20,210	312,937	(4,215,990)
Nonoperating revenues (expenses):						
Investment income	23,429	138	4,869	1,616	15,669	45,721
Hotel/motel tax	4,098,810	-	-	-	-	4,098,810
Miscellaneous	7,539	-	-	-	-	7,539
Total nonoperating revenue	4,129,778	138	4,869	1,616	15,669	4,152,070
Income (loss) before transfers	(221,114)	(146,023)	(47,215)	21,826	328,606	(63,920)
Transfers out	(301,735)	-	-	-	(171,309)	(473,044)
Change in net assets	(522,849)	(146,023)	(47,215)	21,826	157,297	(536,964)
Total net assets-beginning	5,850,188	2,551,508	1,794,616	178,339	426,996	10,801,647
Total net assets-ending	\$ 5,327,339	\$ 2,405,485	\$ 1,747,401	\$ 200,165	\$ 584,293	\$ 10,264,683

CITY OF PLANO, TEXAS  
 COMBINING STATEMENT OF CASH FLOWS  
 NONMAJOR ENTERPRISE FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Business-type Activities Enterprise Funds					Total Nonmajor Enterprise Funds
	Civic Center	Municipal Golf Course	Property Management	Downtown Center Development	Recreation Revolving	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Cash received from customers	\$ 1,935,458	\$ 602,776	\$ 8,645	\$ 68,128	\$ 3,575,429	\$ 6,190,436
Cash payments to suppliers for goods and services	(3,705,672)	(185,703)	(69,874)	(47,918)	(1,961,025)	(5,970,192)
Cash payments to employees for services	(2,810,129)	(440,807)	-	-	(1,406,051)	(4,656,987)
Net cash provided (used) by operating activities	(4,580,343)	(23,734)	(61,229)	20,210	208,353	(4,436,743)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Hotel/motel tax	4,098,810	-	-	-	-	4,098,810
Transfers to other funds	(301,735)	-	-	-	(171,309)	(473,044)
Repayments to other funds	-	-	-	-	(209)	(209)
Net cash provided (used) by noncapital financing activities	3,797,075	-	-	-	(171,518)	3,625,557
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Acquisition and construction of capital assets	(49,773)	-	-	-	-	(49,773)
Proceeds from insurance damages	7,539	-	-	-	-	7,539
Net cash used by capital and related financing activities	(42,234)	-	-	-	-	(42,234)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Purchase of investment securities	(1,399,076)	(72,133)	(289,510)	(114,177)	(1,007,439)	(2,882,335)
Proceeds from sale and maturities of investment securities	2,416,456	109,328	405,703	121,982	1,197,196	4,250,665
Interest on investments	32,645	505	6,103	1,831	18,431	59,515
Increase (decrease) in fair value of investments	(558)	-	64	98	634	238
Net cash used by investing activities	1,049,467	37,700	122,360	9,734	208,822	1,428,083
<b>Net increase in cash and cash equivalents</b>	<b>223,965</b>	<b>13,966</b>	<b>61,131</b>	<b>29,944</b>	<b>245,657</b>	<b>574,663</b>
<b>Cash and cash equivalents, October 1</b>	<b>375,144</b>	<b>16,778</b>	<b>62,260</b>	<b>18,720</b>	<b>184,074</b>	<b>656,976</b>
<b>Cash and cash equivalents, September 30</b>	<b>\$ 599,109</b>	<b>\$ 30,744</b>	<b>\$ 123,391</b>	<b>\$ 48,664</b>	<b>\$ 429,731</b>	<b>\$ 1,231,639</b>

Non-cash disclosure:

Increase (decrease) in fair value of investments	\$ (558)	\$ -	\$ 64	\$ 98	\$ 634	\$ 238
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(continued)

CITY OF PLANO, TEXAS  
 COMBINING STATEMENT OF CASH FLOWS  
 NONMAJOR ENTERPRISE FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2010  
 (continued)

	Business-type Activities Enterprise Funds					Total Nonmajor Enterprise Funds
	Civic Center	Municipal Golf Course	Property Management	Downtown Center Development	Recreation Revolving	
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>						
<b>Operating income (loss)</b>	\$ (4,350,892)	\$ (146,161)	\$ (52,084)	\$ 20,210	\$ 312,937	\$ (4,215,990)
<b>Adjustments to reconcile operating income to net cash provided by operating activities:</b>						
Depreciation	385,499	159,707	794	-	4,107	550,107
<b>Change in assets and liabilities:</b>						
(Increase) decrease in-						
Accounts receivable	(178,356)	1,857	1,051	-	5,040	(170,408)
Other receivable	-	-	-	-	201	201
Prepaid expenses & other assets	11,060	-	-	-	2,388	13,448
Increase (decrease) in-						
Accounts payable	(146,723)	(613)	(10,990)	-	(7,922)	(166,248)
Accrued liabilities	(153,451)	(8,630)	-	-	(42,369)	(204,450)
Liability for compensated absences	(88,313)	(29,894)	-	-	(93,924)	(212,131)
Customer deposits	-	-	-	-	(24,364)	(24,364)
Due to other funds	(811)	-	-	-	-	(811)
Deferred revenue	(58,356)	-	-	-	52,259	(6,097)
<b>Total adjustments</b>	<u>(229,451)</u>	<u>122,427</u>	<u>(9,145)</u>	<u>-</u>	<u>(104,584)</u>	<u>(220,753)</u>
<b>Net cash provided (used) by operating activities</b>	<u>\$ (4,580,343)</u>	<u>\$ (23,734)</u>	<u>\$ (61,229)</u>	<u>\$ 20,210</u>	<u>\$ 208,353</u>	<u>\$ (4,436,743)</u>



## INTERNAL SERVICE FUNDS

Internal Service Funds accounts for the financing of goods or services provided by one department for another.

The City has six Internal Service Funds as follows:

**EQUIPMENT MAINTENANCE FUND-** to account for the cost of operating and maintaining automotive and other equipment used by City departments. Service charges are billed to departments on a monthly basis to cover all expenses of the fund, including depreciation of furniture and fixtures, machinery and equipment necessary to provide maintenance services and for replacement of the fleet.

**OFFICE SERVICES FUND-**to account for the cost of operating a centralized print shop, which performs printing and copying services, as well as interoffice mail delivery and other services, for City departments. Monthly charges are billed to departments to cover costs, including depreciation of furniture and equipment necessary to provide services. The Office Services Fund was closed in fiscal year 2010.

**MUNICIPAL WAREHOUSE FUND-** to account for the operation of a central warehouse facility which provides the capability of storing and distributing in volume supplies and materials used by City departments. An overhead charge is applied to the purchase price of all materials handled to cover the operating costs, including the cost of goods sold.

**TECHNOLOGY SERVICES FUND-** to account for the data processing and information systems. Charges for software, hardware and maintenance of the systems are billed to the user funds.

**PROPERTY/LIABILITY LOSS FUND-** to account for the operation of a self-insurance program for general liability, public officials errors and omission, police professional liability, property loss and worker's compensation.

**HEALTH CLAIMS FUND-** to account for the self-insurance operation of group accident and health insurance coverage for all City employees. In addition to the basic insurance coverage provided, employees may purchase dependent coverage through payroll deductions. Coverage is financed by billings to the departments and through employee payroll deductions.

**CITY OF PLANO, TEXAS  
COMBINING STATEMENT OF NET ASSETS  
INTERNAL SERVICE FUNDS  
AS OF SEPTEMBER 30, 2010**

	<b>Equipment Maintenance</b>	<b>Office Services</b>	<b>Municipal Warehouse</b>
<b>ASSETS</b>			
Cash & cash equivalents	\$ 4,404,238	\$ -	\$ 92,208
Investments	10,333,024	-	216,108
Receivables			
Accounts	1,099	-	136,984
115 trust	-	-	-
Accrued interest	29,400	-	615
Due from other funds	-	-	-
Inventories	116,825	-	793,571
Prepaid items	-	-	-
Restricted assets:			
Cash & cash equivalents	-	-	-
Investments	-	-	-
Accrued interest receivable	-	-	-
Capital assets:			
Land	51,515	-	-
Buildings	5,264,915	-	-
Equipment	9,478,402	-	114,160
Furniture & fixtures	42,662	-	11,200
Rolling equipment	50,545,544	-	-
Less accumulated depreciation	(41,895,087)	-	(121,435)
Total capital assets (net of accumulated depreciation)	<u>23,487,951</u>	<u>-</u>	<u>3,925</u>
Total Assets	<u>38,372,537</u>	<u>-</u>	<u>1,243,411</u>
<b>LIABILITIES:</b>			
<b>CURRENT LIABILITIES:</b>			
Accounts payable	726,392	-	285,592
Accrued liabilities	23,995	-	4,598
Due to other funds	324	-	22
Compensated absences	34,854	-	23,667
Liability for insurance claims	-	-	-
Total current liabilities	<u>785,565</u>	<u>-</u>	<u>313,879</u>
<b>NONCURRENT LIABILITIES:</b>			
Compensated absences	72,558	-	7,647
Liability for insurance claims	-	-	-
Total Liabilities	<u>858,123</u>	<u>-</u>	<u>321,526</u>
<b>NET ASSETS</b>			
Invested in capital assets	23,487,951	-	3,925
Unrestricted	14,026,463	-	917,960
Total net assets	<u>\$ 37,514,414</u>	<u>\$ -</u>	<u>\$ 921,885</u>

	<b>Technology Services</b>	<b>Property/ Liability Loss</b>	<b>Health Claims</b>	<b>Total</b>
\$	3,869,408	\$ 1,293,591	\$ 4,703,523	\$ 14,362,968
	9,389,697	3,035,102	11,035,692	34,009,623
	-	7,004	-	145,087
	-	-	16,500	16,500
	26,716	8,635	31,399	96,765
	38,660	-	-	38,660
	-	-	-	910,396
	18,083	989	203,078	222,150
	939,735	-	-	939,735
	2,235,440	-	-	2,235,440
	6,361	-	-	6,361
	11,007	-	-	62,522
	560,087	-	-	5,825,002
	29,548,450	532,340	-	39,673,352
	57,449	6,735	-	118,046
	-	-	-	50,545,544
	(19,763,183)	(539,075)	-	(62,318,780)
	10,413,810	-	-	33,905,686
	26,937,910	4,345,321	15,990,192	86,889,371
	198,264	51,811	65,252	1,327,311
	55,293	159,719	-	243,605
	-	419	-	765
	37,172	19,700	-	115,393
	-	2,335,632	1,863,818	4,199,450
	290,729	2,567,281	1,929,070	5,886,524
	758,286	4,555	-	843,046
	-	1,305,256	-	1,305,256
	1,049,015	3,877,092	1,929,070	8,034,826
	10,413,810	-	-	33,905,686
	15,475,085	468,229	14,061,122	44,948,859
\$	25,888,895	\$ 468,229	\$ 14,061,122	\$ 78,854,545

**CITY OF PLANO, TEXAS  
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
 INTERNAL SERVICE FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	<b>Equipment Maintenance</b>	<b>Office Services</b>	<b>Municipal Warehouse</b>
<b>REVENUES:</b>			
Charges for services	\$ 13,913,029	\$ 25,305	\$ 3,954,808
Miscellaneous	(42,798)	3,965	21,060
Total operating revenues	<u>13,870,231</u>	<u>29,270</u>	<u>3,975,868</u>
<b>EXPENSES:</b>			
Personal services	2,265,833	25,338	523,611
Contractual services	679,989	57,861	44,125
Supplies	3,064,693	14,015	3,427,740
Claims expense	-	-	-
Depreciation	5,813,482	46,285	605
Other post employment benefits	-	-	-
Miscellaneous	18,078	61	29,887
Total operating expenses	<u>11,842,075</u>	<u>143,560</u>	<u>4,025,968</u>
<b>Operating income (loss)</b>	<u>2,028,156</u>	<u>(114,290)</u>	<u>(50,100)</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>			
Investment income	198,701	-	2,102
Gain (loss) on capital asset disposal	123,464	-	165,665
Intergovernmental revenues	2,559	-	-
Miscellaneous	25,515	-	6,657
Total nonoperating revenues	<u>350,239</u>	<u>-</u>	<u>174,424</u>
<b>Income (loss) before transfers</b>	2,378,395	(114,290)	124,324
<b>Transfers in</b>	4,458,610	247,048	-
<b>Transfers out</b>	-	-	-
<b>Change in net assets</b>	<u>6,837,005</u>	<u>132,758</u>	<u>124,324</u>
<b>Total net assets (deficit)-beginning</b>	30,677,409	(132,758)	797,561
<b>Total net assets -ending</b>	<u>\$ 37,514,414</u>	<u>\$ -</u>	<u>\$ 921,885</u>

<b>Technology Services</b>	<b>Property/ Liability Loss</b>	<b>Health Claims</b>	<b>Total</b>
\$ 13,961,177	\$ 3,970,249	\$ 30,365,117	\$ 66,189,685
12,000	197,637	-	191,864
<u>13,973,177</u>	<u>4,167,886</u>	<u>30,365,117</u>	<u>66,381,549</u>
5,058,104	430,044	-	8,302,930
6,779,111	1,472,168	2,591,671	11,624,925
613,444	10,777	-	7,130,669
-	2,297,686	15,353,157	17,650,843
1,357,300	-	-	7,217,672
-	-	5,890,210	5,890,210
2,828	3,635	100	54,589
<u>13,810,787</u>	<u>4,214,310</u>	<u>23,835,138</u>	<u>57,871,838</u>
<u>162,390</u>	<u>(46,424)</u>	<u>6,529,979</u>	<u>8,509,711</u>
183,218	49,374	156,160	589,555
(28,530)	-	-	260,599
-	-	-	2,559
-	-	-	32,172
<u>154,688</u>	<u>49,374</u>	<u>156,160</u>	<u>884,885</u>
317,078	2,950	6,686,139	9,394,596
145,609	-	-	4,851,267
(4,490,000)	-	-	(4,490,000)
<u>(4,027,313)</u>	<u>2,950</u>	<u>6,686,139</u>	<u>9,755,863</u>
29,916,208	465,279	7,374,983	69,098,682
<u>\$ 25,888,895</u>	<u>\$ 468,229</u>	<u>\$ 14,061,122</u>	<u>\$ 78,854,545</u>

**CITY OF PLANO, TEXAS  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	<b>Equipment Maintenance</b>	<b>Office Services</b>	<b>Municipal Warehouse</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash received from customers	\$ 13,869,064	\$ 86,379	\$ 3,974,788
Cash payments to suppliers for goods and services	(3,528,655)	(182,284)	(3,444,798)
Cash payments to employees for services	(2,320,796)	(46,092)	(539,808)
Net cash provided (used) by operating activities	<u>8,019,613</u>	<u>(141,997)</u>	<u>(9,818)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Due (to) from other funds	324	-	-
Repayments (to) from other funds	(4,740,000)	(105,051)	-
Transfers (to) from other funds	4,458,610	247,048	-
Grant receipts	2,559	-	-
Net cash provided (used) by noncapital financing activities	<u>(278,507)</u>	<u>141,997</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Acquisition and construction of capital assets	(10,102,587)	(125)	-
Proceeds on sale of equipment	201,575	-	165,665
Proceeds from insurance damages	25,515	-	6,657
Net cash provided (used) by capital and related financing activities	<u>(9,875,497)</u>	<u>(125)</u>	<u>172,322</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Purchase of investment securities	(10,333,024)	-	(216,108)
Proceeds from sales and maturities of investment securities	14,387,150	-	124,860
Interest on investments	272,203	-	1,750
Net cash provided (used) by investing activities	<u>4,326,329</u>	<u>-</u>	<u>(89,498)</u>
Net increase (decrease) in cash and cash equivalents	2,191,938	(125)	73,006
<b>Cash and cash equivalents, October 1</b>	<u>2,212,300</u>	<u>125</u>	<u>19,202</u>
<b>Cash and cash equivalents, September 30</b>	<u><u>\$ 4,404,238</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 92,208</u></u>
Non-cash disclosure:			
Increase (decrease) in fair value of investments	\$ (27,508)	\$ -	\$ 388
Transfer in of capital assets	-	-	-

<b>Technology Services</b>	<b>Property/ Liability Loss</b>	<b>Health Claims</b>	<b>Total</b>
\$ 13,974,538	\$ 4,163,459	\$ 30,445,129	\$ 66,513,357
(7,628,686)	(3,854,169)	(25,980,587)	(44,619,179)
<u>(5,229,848)</u>	<u>(446,767)</u>	<u>-</u>	<u>(8,583,311)</u>
1,116,004	(137,477)	4,464,542	13,310,867
(38,661)	(9,369)	-	(47,706)
4,740,000	-	-	(105,051)
(4,344,391)	-	-	361,267
-	-	-	2,559
<u>356,948</u>	<u>(9,369)</u>	<u>-</u>	<u>211,069</u>
(833,101)	-	-	(10,935,813)
-	-	-	367,240
-	-	-	32,172
<u>(833,101)</u>	<u>-</u>	<u>-</u>	<u>(10,536,401)</u>
(11,625,139)	(3,035,103)	(11,035,692)	(36,245,066)
13,477,824	3,828,907	9,636,445	41,455,186
<u>244,615</u>	<u>59,270</u>	<u>161,489</u>	<u>739,327</u>
2,097,300	853,074	(1,237,758)	5,949,447
2,737,151	706,228	3,226,784	8,934,982
<u>2,071,992</u>	<u>587,363</u>	<u>1,476,739</u>	<u>6,367,721</u>
<u>\$ 4,809,143</u>	<u>\$ 1,293,591</u>	<u>\$ 4,703,523</u>	<u>\$ 15,302,703</u>
\$ (23,855)	\$ 1,488	\$ 13,603	\$ (35,884)
30,225	-	-	30,225

(continued)

**CITY OF PLANO, TEXAS  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010  
(continued)**

	<u>Equipment Maintenance</u>	<u>Office Services</u>	<u>Municipal Warehouse</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>			
Operating income (loss)	\$ 2,028,156	\$ (114,290)	\$ (50,100)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation expenses	5,813,482	46,285	605
Changes in assets and liabilities-			
(Increase) decrease in			
Accounts receivable	(1,099)	868	(662)
Due from other funds	(99)	-	-
Due from other governments	31	403	-
Prepaid items	1,477	-	-
Inventories	(16,966)	9,303	40,049
Increase (decrease) in			
Accounts payable	249,594	(119,650)	16,883
Accrued liabilities	(56,719)	(7,892)	(10,362)
Due to other funds	-	55,838	(396)
Compensated absences	1,756	(12,862)	(5,835)
Liability for insurance claims	-	-	-
Total adjustments	<u>5,991,457</u>	<u>(27,707)</u>	<u>40,282</u>
Net cash provided (used) by operating activities	<u>\$ 8,019,613</u>	<u>\$ (141,997)</u>	<u>\$ (9,818)</u>

<u>Technology Services</u>	<u>Property/ Liability Loss</u>	<u>Health Claims</u>	<u>Total</u>
<u>\$ 162,390</u>	<u>\$ (46,424)</u>	<u>\$ 6,529,979</u>	<u>\$ 8,509,711</u>
1,357,300	-	-	7,217,672
1,899	(4,024)	96,612	93,594
-	-	-	(99)
-	-	-	434
(5,817)	361	(2,579)	(6,558)
-	-	-	32,386
(227,486)	1,403	(30,726)	(109,982)
(131,223)	(10,801)	(2,112,244)	(2,329,241)
(538)	16	(16,500)	38,420
(40,521)	(5,922)	-	(63,384)
-	(72,086)	-	(72,086)
<u>953,614</u>	<u>(91,053)</u>	<u>(2,065,437)</u>	<u>4,801,156</u>
<u>\$ 1,116,004</u>	<u>\$ (137,477)</u>	<u>\$ 4,464,542</u>	<u>\$ 13,310,867</u>



## **FIDUCIARY FUNDS**

### **PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS:**

**RETIREMENT SECURITY PLAN PENSION TRUST-** to account for assets held for full-time employees as a substitute retirement plan to Social Security.

**POSTEMPLOYMENT BENEFITS 115 TRUST-** to account for assets held for the purpose of funding and providing certain benefits to its eligible retirees in accordance with the requirements of Governmental Accounting Standards Board Statement No. 45.

### **AGENCY FUNDS:**

**DEVELOPERS' ESCROW FUND-** to account for escrow received from developers. The escrow will be used for construction of improvements to be made by the City.

**UNCLAIMED PROPERTY FUND-** to account for assets under \$100, which have been issued by the City but remain unclaimed. Disposition is made upon claim by rightful owners or escheatment to the State of Texas.

**CITY OF PLANO, TEXAS  
 COMBINING STATEMENT OF PENSION AND OTHER POSTEMPLOYMENT BENEFITS TRUST FUNDS NET ASSETS  
 FIDUCIARY FUNDS  
 AS OF SEPTEMBER 30, 2010**

	<u>Pension Trust Fund</u>	<u>Postemployment Benefits Trust Fund</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 3,285,802	\$ 759,260	\$ 4,045,062
Investments			
Other U.S. government obligations	4,649,198	4,389,602	9,038,800
Corporate bonds	14,613,657	6,726,874	21,340,531
Common stocks	41,747,593	8,610,504	50,358,097
Foreign equities	1,863,830	-	1,863,830
Mutual funds	6,929,927	13,108,842	20,038,769
Real estate investment trusts	501,860	-	501,860
Accrued interest	280,886	105,565	386,451
<b>Total Assets</b>	<u>73,872,753</u>	<u>33,700,647</u>	<u>107,573,400</u>
<b>LIABILITIES</b>			
Accounts payable	-	15,315	15,315
Payable from pending trades	-	53,469	53,469
Payable to health claims fund	-	16,500	16,500
<b>Total Liabilities</b>	<u>-</u>	<u>85,284</u>	<u>85,284</u>
<b>NET ASSETS</b>			
Held in trust for pension benefits	73,872,753		73,872,753
Held in trust for other postemployment benefits		33,615,363	33,615,363
<b>Total Net Assets</b>	<u>\$ 73,872,753</u>	<u>\$ 33,615,363</u>	<u>\$ 107,488,116</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF PLANO, TEXAS  
COMBINING STATEMENT OF CHANGES IN PENSION AND OTHER POSTEMPLOYMENT BENEFITS TRUST  
FUNDS NET ASSETS  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	<u>Pension Trust Fund</u>	<u>Postemployment Benefits Trust Fund</u>	<u>Total</u>
<b>ADDITIONS</b>			
Contributions:			
From employers	\$ 3,549,068	\$ 5,474,975	\$ 9,024,043
From retirees	-	789,146	789,146
Total contributions	<u>3,549,068</u>	<u>6,264,121</u>	<u>9,813,189</u>
Investment return:			
Net increase in fair value of investments	5,126,300	1,722,079	6,848,379
Interest	907,280	443,845	1,351,125
Dividends	977,876	265,900	1,243,776
Mutual funds	-	5,945	5,945
Miscellaneous	5,306	-	5,306
Total investment return	<u>7,016,762</u>	<u>2,437,769</u>	<u>9,454,531</u>
Less investment expenses:			
Trustee fees	35,234	58,137	93,371
Advisory fees	143,697	101,433	245,130
Audit fee	30,634	16,430	47,064
Actuary fee	33,850	16,500	50,350
Total investment expenses	<u>243,415</u>	<u>192,500</u>	<u>435,915</u>
Net investment income	<u>6,773,347</u>	<u>2,245,269</u>	<u>9,018,616</u>
Total additions, net	<u>10,322,415</u>	<u>8,509,390</u>	<u>18,831,805</u>
<b>DEDUCTIONS</b>			
Benefits	2,137,813	2,043,310	4,181,123
Miscellaneous expenses	14,813	219	15,032
Total deductions	<u>2,152,626</u>	<u>2,043,529</u>	<u>4,196,155</u>
<b>Net increase</b>	8,169,789	6,465,861	14,635,650
<b>Net assets held in trust - beginning of year</b>	<u>65,702,964</u>	<u>27,149,502</u>	<u>92,852,466</u>
<b>Net assets held in trust - end of year</b>	<u>\$ 73,872,753</u>	<u>\$ 33,615,363</u>	<u>\$ 107,488,116</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF PLANO, TEXAS  
 COMBINING STATEMENT OF AGENCY FUNDS ASSETS AND LIABILITIES  
 FIDUCIARY FUNDS  
 AS OF SEPTEMBER 30, 2010**

	<u>Agency Funds</u>		<u>Total Agency Funds</u>
	<u>Developers' Escrow</u>	<u>Unclaimed Property</u>	
<b>ASSETS</b>			
Cash and cash equivalents	\$ 693,473	\$ 18,903	\$ 712,376
Investments	1,627,069	44,353	1,671,422
Accrued interest	4,629	126	4,755
<b>Total Assets</b>	<u>2,325,171</u>	<u>63,382</u>	<u>2,388,553</u>
<b>LIABILITIES</b>			
Developers' escrow liability	2,325,171	-	2,325,171
Unclaimed property payable	-	63,382	63,382
<b>Total Liabilities</b>	<u>\$ 2,325,171</u>	<u>\$ 63,382</u>	<u>\$ 2,388,553</u>

CITY OF PLANO, TEXAS  
 COMBINING STATEMENT OF CHANGES IN AGENCY FUNDS ASSETS AND LIABILITIES  
 FIDUCIARY FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Balance</u> <u>September 30, 2009</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>September 30, 2010</u>
<b>Developers' Escrow Fund</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 326,318	\$ 367,155	\$ -	\$ 693,473
Investments	2,126,378	-	(499,309)	1,627,069
Accrued interest receivable	11,122	-	(6,493)	4,629
<b>Total assets</b>	<u>\$ 2,463,818</u>	<u>\$ 367,155</u>	<u>\$ (505,802)</u>	<u>\$ 2,325,171</u>
<b>LIABILITIES</b>				
Developers' escrow liability	2,463,818	-	(138,647)	2,325,171
<b>Total liabilities</b>	<u>\$ 2,463,818</u>	<u>\$ -</u>	<u>\$ (138,647)</u>	<u>\$ 2,325,171</u>
<b>Unclaimed Property Fund</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 7,727	\$ 11,176	\$ -	\$ 18,903
Investments	50,353	-	(6,000)	44,353
Accrued interest receivable	263	-	(137)	126
<b>Total assets</b>	<u>\$ 58,343</u>	<u>\$ 11,176</u>	<u>\$ (6,137)</u>	<u>\$ 63,382</u>
<b>LIABILITIES</b>				
Unclaimed property payable	58,343	5,039	-	63,382
<b>Total liabilities</b>	<u>\$ 58,343</u>	<u>\$ 5,039</u>	<u>\$ -</u>	<u>\$ 63,382</u>
<b>Total Fiduciary Funds</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 334,045	\$ 378,331	\$ -	\$ 712,376
Investments	2,176,731	-	(505,309)	1,671,422
Accrued interest receivable	11,385	-	(6,630)	4,755
<b>Total assets</b>	<u>\$ 2,522,161</u>	<u>\$ 378,331</u>	<u>\$ (511,939)</u>	<u>\$ 2,388,553</u>
<b>LIABILITIES</b>				
Developers' escrow liability	2,463,818	-	(138,647)	2,325,171
Unclaimed property payable	58,343	5,039	-	63,382
<b>Total liabilities</b>	<u>\$ 2,522,161</u>	<u>\$ 5,039</u>	<u>\$ (138,647)</u>	<u>\$ 2,388,553</u>



## **COMPONENT UNITS**

**ECONOMIC DEVELOPMENT BOARD-** organized to account for various financial and administrative services related to economic development of the City.

**TIF MALL-** organized to account for a tax increment financing unit for project improvements within the City. The City and Taubman Realty Group Limited Partnership entered into an agreement for the development of a regional mall.

**TIF EAST SIDE-** organized to account for a tax increment financing unit for improvements related to the future development of East Plano.

**CITY OF PLANO, TEXAS  
 COMBINING STATEMENT OF FUND NET ASSETS  
 DISCRETELY PRESENTED COMPONENT UNITS  
 AS OF SEPTEMBER 30, 2010**

	<u>Economic Development</u>	<u>TIF Mall</u>	<u>TIF East Side</u>	<u>Total</u>
<b>ASSETS</b>				
Current:				
Cash and cash equivalents	\$ 4,952,215	\$ -	\$ 2,436,110	\$ 7,388,325
Investments	11,618,720	-	5,732,012	17,350,732
Receivables:				
Accrued interest	33,058	-	-	33,058
Prepaid expenses & other assets	3,176	-	-	3,176
Noncurrent:				
Capital assets, net	-	-	2,706,425	2,706,425
<b>Total Assets</b>	<u>16,607,169</u>	<u>-</u>	<u>10,874,547</u>	<u>27,481,716</u>
<b>LIABILITIES</b>				
Current:				
Accounts payable	6,016	-	-	6,016
Accrued liabilities	6,528	-	-	6,528
Compensated absences	828	-	-	828
Long-term:				
Notes payable	-	2,201,610	-	2,201,610
Compensated absences	132,420	-	-	132,420
<b>Total Liabilities</b>	<u>145,792</u>	<u>2,201,610</u>	<u>-</u>	<u>2,347,402</u>
<b>NET ASSETS (DEFICIT)</b>				
Invested in capital assets (net of related debt)	-	-	2,706,425	2,706,425
Unrestricted	16,461,377	(2,201,610)	8,168,122	22,427,889
<b>Total Net Assets (Deficit)</b>	<u>\$ 16,461,377</u>	<u>\$ (2,201,610)</u>	<u>\$ 10,874,547</u>	<u>\$ 25,134,314</u>

**CITY OF PLANO, TEXAS  
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
DISCRETELY PRESENTED COMPONENT UNITS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	<u>Economic Development</u>	<u>TIF Mall</u>	<u>TIF East Side</u>	<u>Total</u>
<b>REVENUES</b>				
Operating grants and contributions	\$ 5,888,182	\$ -	\$ -	\$ 5,888,182
Total revenues	<u>5,888,182</u>	<u>-</u>	<u>-</u>	<u>5,888,182</u>
<b>EXPENSES</b>				
Personal services	564,861	-	-	564,861
Contractual services	2,731,188	10,000	1,121,122	3,862,310
Supplies	11,537	-	-	11,537
Depreciation	2,074	-	1,299,441	1,301,515
Miscellaneous	342,995	-	-	342,995
Total operating expenses	<u>3,652,655</u>	<u>10,000</u>	<u>2,420,563</u>	<u>6,083,218</u>
Operating income (loss)	2,235,527	(10,000)	(2,420,563)	(195,036)
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Property taxes	-	4,526,893	3,523,375	8,050,268
Investment income	179,406	-	-	179,406
Interest expense	-	(321,027)	-	(321,027)
Total nonoperating revenues	<u>179,406</u>	<u>4,205,866</u>	<u>3,523,375</u>	<u>7,908,647</u>
Change in net assets	2,414,933	4,195,866	1,102,812	7,713,611
Total net assets (deficit)-beginning	14,046,444	(6,397,476)	9,771,735	17,420,703
Total net assets (deficit)-ending	<u>\$ 16,461,377</u>	<u>\$ (2,201,610)</u>	<u>\$ 10,874,547</u>	<u>\$ 25,134,314</u>

**CITY OF PLANO, TEXAS  
COMBINING STATEMENT OF CASH FLOWS  
DISCRETELY PRESENTED COMPONENT UNITS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	<u>Economic Development</u>	<u>TIF Mall</u>	<u>TIF East Side</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Cash received from grants	\$ 5,888,182	\$ -	\$ -	\$ 5,888,182
Cash payments to suppliers for goods and services	(3,090,835)	(4,205,866)	(1,129,852)	(8,426,553)
Cash payments to employees for services	(591,983)	-	-	(591,983)
Net cash provided (used) by operating activities	<u>2,205,364</u>	<u>(4,205,866)</u>	<u>(1,129,852)</u>	<u>(3,130,354)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Property taxes	-	4,526,893	3,523,375	8,050,268
Net cash provided by noncapital financing activities	<u>-</u>	<u>4,526,893</u>	<u>3,523,375</u>	<u>8,050,268</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Interest expense	-	(321,027)	-	(321,027)
Net cash used for operating and related financing activities	<u>-</u>	<u>(321,027)</u>	<u>-</u>	<u>(321,027)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Purchase of investment securities	(11,618,720)	-	(5,732,012)	(17,350,732)
Proceeds from sales and maturities of investment securities	12,281,851	-	4,990,767	17,272,618
Interest on investments	200,296	-	19,021	219,317
Net cash provided (used) by investing activities	<u>863,427</u>	<u>-</u>	<u>(722,224)</u>	<u>141,203</u>
Net increase in cash and cash equivalents	3,068,791	-	1,671,299	4,740,090
<b>Cash and cash equivalents, October 1</b>	<u>1,883,424</u>	<u>-</u>	<u>764,811</u>	<u>2,648,235</u>
<b>Cash and cash equivalents, September 30</b>	<u>\$ 4,952,215</u>	<u>\$ -</u>	<u>\$ 2,436,110</u>	<u>\$ 7,388,325</u>
Non-cash disclosure:				
Capitalize interest on note payable	\$ -	\$ 321,027	\$ -	\$ 321,027

**CITY OF PLANO, TEXAS  
COMBINING STATEMENT OF CASH FLOWS  
DISCRETELY PRESENTED COMPONENT UNITS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010  
(continued)**

	<u>Economic Development</u>	<u>TIF Mall</u>	<u>TIF East Side</u>	<u>Total</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>				
Operating income (loss)	<u>\$ 2,235,527</u>	<u>\$ (10,000)</u>	<u>\$ (2,420,563)</u>	<u>\$ (195,036)</u>
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation expense	2,074	-	1,299,441	1,301,515
Changes in assets and liabilities-				
(Increase) decrease in				
Prepaid expenses	(3,176)	-	-	(3,176)
Increase (decrease) in				
Accounts payable	(1,536)	-	(8,730)	(10,266)
Notes payable		(4,195,866)	-	(4,195,866)
Accrued liabilities	(27,122)	-	-	(27,122)
Due to other governments	(403)	-	-	(403)
Total adjustments	<u>(30,163)</u>	<u>(4,195,866)</u>	<u>1,290,711</u>	<u>(2,935,318)</u>
Net cash provided (used) by operating activities	<u>\$ 2,205,364</u>	<u>\$ (4,205,866)</u>	<u>\$ (1,129,852)</u>	<u>\$ (3,130,354)</u>



**CITY OF PLANO, TEXAS**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**COMPARATIVE SCHEDULES BY SOURCE<sup>1</sup>**  
**AS OF SEPTEMBER 30, 2010 (unaudited)**

Governmental funds capital assets:	2010	2009
Land	\$ 122,637,203	\$ 107,064,055
Construction in progress	54,820,418	175,665,557
Buildings	155,386,785	124,645,356
Improvements other than buildings	148,824,313	96,572,951
Equipment	88,948,181	87,634,414
Public art	1,698,740	1,696,740
Infrastructure	988,265,406	900,435,524
Total governmental funds capital assets	\$ 1,560,581,046	\$ 1,493,714,597
Investments in governmental activities capital assets by source:		
General fund	\$ 368,338,351	\$ 320,177,663
Park improvements fund	148,824,313	96,572,951
Special revenue fund	330,556	814,902
Capital projects fund	1,043,087,826	1,076,149,081
	\$ 1,560,581,046	\$ 1,493,714,597

<sup>1</sup>This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

**CITY OF PLANO, TEXAS  
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
SCHEDULE BY FUNCTION AND ACTIVITY<sup>1</sup>  
AS OF SEPTEMBER 30, 2010 (unaudited)**

Function and Activity	Land	Construction in Progress	Buildings	Improvements Other Than Buildings	Equipment	Public Art	Infrastructure	Total
<b>Administrative Services:</b>								
City Council	\$ -	\$ -	\$ -	\$ -	\$ 4,301	\$ -	\$ -	\$ 4,301
Administration	-	-	-	-	78,044	-	-	78,044
Legal	-	-	-	-	119,781	-	-	119,781
City Secretary	-	-	-	-	43,804	-	-	43,804
Internal Audit	-	-	-	-	11,944	-	-	11,944
Finance	-	-	-	-	26,238	-	-	26,238
Financial Systems Administration	-	-	-	-	10,148	-	-	10,148
Accounting	-	-	-	-	122,723	-	-	122,723
Budget	-	-	-	-	117,558	-	-	117,558
Administrative Services	-	-	-	-	12,636	-	-	12,636
Purchasing	-	-	-	-	50,998	-	-	50,998
Human Resources	-	-	-	-	115,894	-	-	115,894
	-	-	-	-	714,069	-	-	714,069
<b>Police:</b>								
Municipal Court Judge	2,780,979	-	6,178,741	-	43,209	-	-	9,002,929
Municipal Court Administration	-	-	32,737	-	512,842	-	-	545,579
Public Safety Administration	-	-	-	-	2,144,719	-	-	2,144,719
Community Response	-	-	-	-	17,446	-	-	17,446
Police	4,592,859	-	16,368,714	-	9,817,221	-	-	30,778,794
Emergency 911	-	-	358,255	-	5,315,345	-	-	5,673,600
	7,373,838	-	22,938,447	-	17,850,782	-	-	48,163,067
<b>Fire:</b>								
Fire	7,909,347	-	32,285,910	-	8,539,751	-	-	48,735,008
Fire-Civilian	-	-	-	-	24,254	-	-	24,254
Fire Marshal	-	-	-	-	76,262	-	-	76,262
	7,909,347	-	32,285,910	-	8,640,267	-	-	48,835,524
<b>Libraries:</b>								
Library Administration	-	-	23,041	-	3,040,211	-	-	3,063,252
Technical Services	-	-	-	-	16,077,988	-	-	16,077,988
Harrington Library	1,244,216	-	3,195,255	-	684,063	-	-	5,123,534
Schimepfenig Library	1,445,885	-	3,406,354	-	258,658	-	-	5,110,897
Haggard Library	1,551,303	-	7,874,652	-	1,638,541	-	-	11,064,496
Davis Library	2,046,883	-	4,562,760	-	128,486	-	-	6,738,129
Parr Library	1,757,104	-	3,886,389	-	-	-	-	5,643,493
	8,045,391	-	22,948,451	-	21,827,947	-	-	52,821,789
<b>Development:</b>								
Building Administration	79,989	-	152,453	-	-	-	-	232,442
Building Maintenance	-	-	-	-	46,009	-	-	46,009
Building Maintenance	-	-	446,556	-	676,665	-	-	1,123,221
Custodial Services	-	-	-	-	3,251	-	-	3,251
Engineering	-	-	-	-	146,865	-	-	146,865
Capital Projects Coordination	-	-	-	-	219,754	-	-	219,754
Development	-	-	-	-	28,898	-	-	28,898
Community Services Administration	-	-	-	-	37,915	-	-	37,915
Community Development Administration	-	-	-	-	283,760	-	-	283,760
Planning	60,961	-	-	-	989,656	-	-	1,050,617
Transportation Engineering	-	-	-	-	93,671	-	-	93,671
Building Inspection	-	-	-	-	401,422	-	-	401,422
	140,950	-	599,009	-	2,927,866	-	-	3,667,825
<b>Public Services and Operations:</b>								
Public Information	-	-	-	-	855,720	-	-	855,720
Records Management	-	-	-	-	60,470	-	-	60,470
Environmental Health	-	-	-	-	223,028	-	-	223,028
Animal Control	101,571	-	4,037,003	-	334,915	-	-	4,473,489
	101,571	-	4,037,003	-	1,474,133	-	-	5,612,707

<sup>1</sup>This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

(continued)

**CITY OF PLANO, TEXAS**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**SCHEDULE BY FUNCTION AND ACTIVITY<sup>1</sup>**  
**AS OF SEPTEMBER 30, 2010 (unaudited)**  
**(continued)**

Function and Activity	Improvements							Total
	Land	Construction in Progress	Buildings	Other Than Buildings	Equipment	Public Art	Infrastructure	
<b>Parks and Recreation:</b>	57,664,013	-	-	-	-	-	-	57,664,013
Parks and Recreation Administration	-	-	-	-	205,446	-	-	205,446
Park Administration	-	-	-	-	131,460	-	-	131,460
Park Planning	-	-	-	-	202,305	-	-	202,305
Park Development	2,059,268	-	11,700	-	188,223	-	-	2,259,191
Park Grounds Maintenance	-	-	233,008	-	837,063	-	-	1,070,071
Public Buildings Grounds Maintenance	-	-	-	-	116,158	-	-	116,158
Athletic Fields Grounds Maintenance	-	-	-	-	38,888	-	-	38,888
Championship Youth Ballpark	-	-	-	-	2,686	-	-	2,686
Median Maintenance	-	-	-	-	20,061	-	-	20,061
Creative Arts	25,797	-	656,946	-	40,532	-	-	723,275
Recreation Administration	-	-	-	-	362,775	-	-	362,775
Athletics	23,790	-	-	-	84,912	-	-	108,702
Special Activities	-	-	-	-	43,660	-	-	43,660
Aquatics	-	-	2,428,699	-	181,137	-	-	2,609,836
Tennis Center	-	-	87,995	-	7,835	-	-	95,830
Senior Services	1,861,895	-	4,227,547	-	156,123	-	-	6,245,565
Recreation Centers	784,700	-	35,310,320	-	1,658,457	-	-	37,753,477
Park Improvements	19,991,128	-	-	148,824,313	-	-	-	168,815,441
	<u>82,410,591</u>	<u>-</u>	<u>42,956,215</u>	<u>148,824,313</u>	<u>4,277,721</u>	<u>-</u>	<u>-</u>	<u>278,468,840</u>
<b>General Government:</b>	7,705,299	-	29,621,750	-	19,828,701	-	-	57,155,750
Enterprise Center	-	-	-	-	16,705	-	-	16,705
Productivity Bank	-	-	-	-	52,090	-	-	52,090
Downtown Advocacy	-	-	-	-	2,168	-	-	2,168
Volunteer Services	-	-	-	-	4,296	-	-	4,296
Tax Collections	-	-	-	-	302,069	-	-	302,069
Youth Advisory Committee	-	-	-	-	7,180	-	-	7,180
Telecommunications	-	-	-	-	425,506	-	-	425,506
	<u>7,705,299</u>	<u>-</u>	<u>29,621,750</u>	<u>-</u>	<u>20,638,715</u>	<u>-</u>	<u>-</u>	<u>57,965,764</u>
<b>Public Works:</b>	6,947,956	-	-	-	-	-	-	6,947,956
Public Works Administration	-	-	-	-	189,653	-	-	189,653
Streets and Traffic Administration	-	-	-	-	2,744,200	-	-	2,744,200
Streets	2,002,260	-	-	-	3,312,035	-	-	5,314,295
Signals	-	-	-	-	410,145	-	-	410,145
Signs and Markings	-	-	-	-	903,158	-	-	903,158
Sign Shop	-	-	-	-	186,012	-	-	186,012
Street and ROW Coordination	-	-	-	-	678,856	-	-	678,856
Infrastructure	-	-	-	-	-	-	988,265,406	988,265,406
	<u>8,950,216</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,424,059</u>	<u>-</u>	<u>988,265,406</u>	<u>1,005,639,681</u>
<b>Construction in Progress</b>	-	54,820,418	-	-	-	-	-	54,820,418
	<u>-</u>	<u>54,820,418</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>54,820,418</u>
<b>Public Art</b>	-	-	-	-	-	1,698,740	-	1,698,740
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,698,740</u>	<u>-</u>	<u>1,698,740</u>
<b>Other:</b>	-	-	-	-	-	-	-	-
Non-departmental	-	-	-	-	2,172,622	-	-	2,172,622
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,172,622</u>	<u>-</u>	<u>-</u>	<u>2,172,622</u>
<b>Total governmental funds capital assets</b>	<u>\$ 122,637,203</u>	<u>\$ 54,820,418</u>	<u>\$ 155,386,785</u>	<u>\$ 148,824,313</u>	<u>\$ 88,948,181</u>	<u>\$ 1,698,740</u>	<u>\$ 988,265,406</u>	<u>\$ 1,560,581,046</u>

<sup>1</sup>This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

**CITY OF PLANO, TEXAS  
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY<sup>1</sup>  
FOR THE YEAR ENDED SEPTEMBER 30, 2010 (unaudited)**

Function and Activity	Governmental Funds Capital Assets			Governmental Funds Capital Assets		
	September 30, 2009	Additions	Deductions	September 30, 2010		
<b>Administrative Services:</b>						
City Council	\$ 4,301	\$ -	\$ -	\$ 4,301		
Administration	78,044	-	-	78,044		
Legal	119,781	-	-	119,781		
City Secretary	43,804	-	-	43,804		
Internal Audit	11,944	-	-	11,944		
Finance	26,238	-	-	26,238		
Financial Systems Administration	10,148	-	-	10,148		
Accounting	122,723	-	-	122,723		
Budget	117,558	-	-	117,558		
Administrative Services	12,636	-	-	12,636		
Purchasing	50,998	-	-	50,998		
Human Resources	119,789	-	3,895	115,894		
	<u>717,964</u>	<u>-</u>	<u>3,895</u>	<u>714,069</u>		
<b>Police:</b>						
Municipal Court Judge	9,002,928	-	-	9,002,928		
Municipal Court Administration	475,174	85,405	15,000	545,579		
Public Safety Administration	2,144,719	-	-	2,144,719		
Community Response	17,446	-	-	17,446		
Police	29,063,226	1,744,437	28,868	30,778,795		
Emergency 911	5,683,728	(10,128)	-	5,673,600		
	<u>46,387,221</u>	<u>1,819,714</u>	<u>43,868</u>	<u>48,163,067</u>		
<b>Fire:</b>						
Fire	33,867,617	15,685,535	818,144	48,735,008		
Fire-Civilian	24,254	-	-	24,254		
Fire Marshal	76,262	-	-	76,262		
	<u>33,968,133</u>	<u>15,685,535</u>	<u>818,144</u>	<u>48,835,524</u>		
<b>Libraries:</b>						
Library Administration	3,043,263	19,989	-	3,063,252		
Technical Services	15,119,037	993,551	34,600	16,077,988		
Harrington Library	4,687,911	435,623	-	5,123,534		
Schimelpfenig Library	4,893,224	217,673	-	5,110,897		
Haggard Library	6,613,892	4,450,604	-	11,064,496		
Davis Library	6,686,400	51,729	-	6,738,129		
Parr Library	5,624,459	19,034	-	5,643,493		
	<u>46,668,186</u>	<u>6,188,203</u>	<u>34,600</u>	<u>52,821,789</u>		
<b>Development:</b>						
Building Administration	131,771	100,671	-	232,442		
Building Maintenance	46,009	-	-	46,009		
Building Maintenance	963,969	159,252	-	1,123,221		
Custodial Services	3,251	-	-	3,251		
Engineering	146,865	-	-	146,865		
Capital Projects Coordination	219,754	-	-	219,754		
Development	28,898	-	-	28,898		
Community Services Administration	37,915	-	-	37,915		
Community Development Administration	283,760	-	-	283,760		
Planning	1,050,617	-	-	1,050,617		
Transportation Engineering	93,671	-	-	93,671		
Building Inspection	401,422	-	-	401,422		
	<u>3,407,902</u>	<u>259,923</u>	<u>-</u>	<u>3,667,825</u>		
<b>Public Services and Operations:</b>						
Public Information	887,227	-	31,507	855,720		
Records Management	60,470	7,690	7,690	60,470		
Environmental Health	223,028	-	-	223,028		
Animal Control	2,845,748	1,627,741	-	4,473,489		
	<u>4,016,473</u>	<u>1,635,431</u>	<u>39,197</u>	<u>5,612,707</u>		

<sup>1</sup>This schedule presents only the capital asset balar (continued)

(continued)

Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

**CITY OF PLANO, TEXAS**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY<sup>1</sup>**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2010 (unaudited)**  
**(continued)**

Function and Activity	Governmental Funds Capital Assets			Governmental Funds Capital Assets
	September 30, 2009	Additions	Deductions	September 30, 2010
Parks and Recreation:	62,405,480	15,249,661	-	77,655,141
Parks and Recreation Administration	219,937	-	14,491	205,446
Park Administration	131,460	1,799	1,799	131,460
Park Planning	202,305	-	-	202,305
Park Development	2,258,526	95,039	94,374	2,259,191
Park Grounds Maintenance	1,052,917	23,814	6,660	1,070,071
Public Buildings Grounds Maintenance	116,158	-	-	116,158
Athletic Fields Grounds Maintenance	38,888	-	-	38,888
Championship Youth Ballpark	2,686	-	-	2,686
Median Maintenance	20,061	-	-	20,061
Creative Arts	611,236	112,039	-	723,275
Recreation Administration	362,775	-	-	362,775
Athletics	109,000	(298)	-	108,702
Special Activities	43,660	-	-	43,660
Aquatics	1,638,820	971,016	-	2,609,836
Tennis Center	93,261	2,569	-	95,830
Senior Services	6,147,645	97,920	-	6,245,565
Recreation Centers	36,976,873	776,604	-	37,753,477
Park Improvements	96,572,951	52,251,362	-	148,824,313
	<u>209,004,639</u>	<u>69,581,525</u>	<u>117,324</u>	<u>278,468,840</u>
General Government:	52,563,267	5,804,195	1,211,712	57,155,750
Enterprise Center	16,705	-	-	16,705
Productivity Bank	52,090	-	-	52,090
Downtown Advocacy	2,168	-	-	2,168
Volunteer Services	4,296	-	-	4,296
Tax Collections	302,069	-	-	302,069
Youth Advisory Committee	7,180	-	-	7,180
Telecommunications	425,506	-	-	425,506
	<u>53,373,281</u>	<u>5,804,195</u>	<u>1,211,712</u>	<u>57,965,764</u>
Public Works:	6,947,956	-	-	6,947,956
Public Works Administration	191,548	-	1,895	189,653
Streets and Traffic Administration	2,744,200	-	-	2,744,200
Streets	4,263,438	1,050,857	-	5,314,295
Signals	410,145	-	-	410,145
Signs and Markings	903,158	-	-	903,158
Sign Shop	186,012	-	-	186,012
Street and ROW Coordination	678,856	-	-	678,856
Infrastructure	900,435,524	87,829,882	-	988,265,406
	<u>916,760,837</u>	<u>88,880,739</u>	<u>1,895</u>	<u>1,005,639,681</u>
Construction in progress	175,665,557	62,862,507	183,707,646	54,820,418
	<u>175,665,557</u>	<u>62,862,507</u>	<u>183,707,646</u>	<u>54,820,418</u>
Public Art	1,696,740	2,000	-	1,698,740
	<u>1,696,740</u>	<u>2,000</u>	<u>-</u>	<u>1,698,740</u>
Other:				
Non-departmental	2,172,622	-	-	2,172,622
	<u>2,172,622</u>	<u>-</u>	<u>-</u>	<u>2,172,622</u>
	<u>\$ 1,493,714,597</u>	<u>\$ 252,719,772</u>	<u>\$ 185,978,281</u>	<u>\$ 1,560,581,046</u>

<sup>1</sup>This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.



**STATISTICAL SECTION  
(unaudited)**

Tables in the statistical section present detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the overall financial health of the City.

	<u>Pages</u>
<u>Financial Trends</u> - These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	109-114
<u>Revenue Capacity</u> - These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	115-118
<u>Debt Capacity</u> - These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	119-124
<u>Demographic and Economic Information</u> - These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	125-126
<u>Operating Information</u> - These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	127-131

**CITY OF PLANO, TEXAS**  
**NET ASSETS**  
**LAST TEN FISCAL YEARS**  
**(accrual basis of accounting)**  
**(unaudited)**

Table 1

	Fiscal Year									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Governmental activities										
Invested in capital assets, net of related debt	\$663,597,387	\$728,662,561	\$700,704,326	\$680,315,170	\$650,438,402	\$613,733,146	\$589,409,075	\$479,414,392	\$461,267,761	\$425,662,237
Restricted	4,364,095	3,270,626	5,473,218	4,647,374	2,149,959	1,922,052	216,903	87,341,705	97,815,890	68,789,774
Unrestricted	162,170,583	72,524,094	78,416,391	78,312,580	75,071,790	56,238,723	51,176,536	49,956,552	35,423,813	64,644,053
Total governmental activities net assets	<u>\$830,132,065</u>	<u>\$804,457,281</u>	<u>\$784,593,935</u>	<u>\$763,275,124</u>	<u>\$727,660,151</u>	<u>\$671,893,921</u>	<u>\$640,802,514</u>	<u>\$616,712,649</u>	<u>\$594,507,464</u>	<u>\$559,096,064</u>
Business-type activities										
Invested in capital assets, net of related debt	\$367,024,467	\$383,531,217	\$376,593,433	\$370,233,734	\$356,802,993	\$350,430,598	\$347,518,646	\$313,029,967	\$305,107,182	\$289,013,497
Restricted	40,588,370	3,911,737	6,588,596	4,735,897	6,532,464	5,306,823	6,766,092	28,039,557	26,786,728	33,293,518
Unrestricted	19,636,337	25,620,288	25,092,659	19,637,859	24,893,803	18,175,790	15,882,295	25,278,444	26,035,008	28,278,643
Total business-type activities net assets	<u>\$427,249,174</u>	<u>\$413,063,242</u>	<u>\$408,274,688</u>	<u>\$394,607,490</u>	<u>\$388,229,260</u>	<u>\$373,913,211</u>	<u>\$370,167,033</u>	<u>\$366,347,968</u>	<u>\$357,928,918</u>	<u>\$350,585,658</u>
Primary government										
Invested in capital assets, net of related debt	\$1,030,621,854	\$1,112,193,778	\$1,077,297,759	\$1,050,548,904	\$1,007,241,395	\$964,163,744	\$936,927,721	\$792,444,359	\$766,374,943	\$714,675,734
Restricted	44,952,465	7,182,363	12,061,814	9,383,271	8,682,423	7,228,875	6,982,995	115,381,262	124,602,618	102,083,292
Unrestricted	181,806,920	98,144,382	103,509,050	97,950,439	99,965,593	74,414,513	67,058,831	75,234,996	61,458,821	92,922,696
Total primary government net assets	<u>\$1,257,381,239</u>	<u>\$1,217,520,523</u>	<u>\$1,192,868,623</u>	<u>\$1,157,882,614</u>	<u>\$1,115,889,411</u>	<u>\$1,045,807,132</u>	<u>\$1,010,969,547</u>	<u>\$983,060,617</u>	<u>\$952,436,382</u>	<u>\$909,681,722</u>

**CITY OF PLANO, TEXAS  
CHANGES IN NET ASSETS  
LAST TEN FISCAL YEARS  
(accrual basis of accounting)  
(unaudited)**

**Table 2**

	Fiscal Year									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
<b>Expenses</b>										
Governmental activities:										
General government	\$18,468,819	\$14,360,212	\$9,052,498	\$12,820,474	\$12,869,160	\$9,610,588	\$12,512,878	\$17,438,330	\$20,985,117	\$18,355,535
Administrative services	7,799,815	8,294,111	8,423,416	7,814,137	7,249,106	6,793,122	5,768,394	6,528,175	6,828,203	6,592,633
Police	66,061,326	65,225,173	68,433,179	60,136,573	52,661,945	52,064,166	48,243,055	45,893,819	45,446,673	42,581,088
Fire	43,654,787	44,279,959	44,201,284	39,368,057	40,171,670	33,765,963	30,628,041	29,814,653	27,914,879	27,054,838
Libraries	10,295,418	11,104,945	11,765,263	10,560,624	9,616,271	8,921,361	9,061,682	9,350,720	10,410,453	9,284,824
Development	18,945,171	19,929,365	20,447,190	19,508,839	18,482,899	17,415,770	16,295,697	15,320,345	16,981,049	15,355,833
Public services and operations	5,662,869	5,645,771	5,402,333	5,213,097	5,069,129	4,760,409	4,879,335	4,607,610	5,019,854	4,703,802
Parks and recreation	27,219,522	26,170,315	26,134,622	22,645,606	20,491,397	19,220,854	17,705,076	18,614,020	21,945,020	20,092,645
Public works	34,002,485	28,025,006	27,944,393	26,677,227	25,864,753	25,047,789	24,743,556	25,157,249	15,572,746	15,286,957
Technology services	13,806,148	14,008,840	13,686,048	12,951,258	11,113,407	12,319,110	11,963,912	9,596,783	8,422,018	8,040,874
Other	1,963,496	5,480,962	7,401,221	6,577,443	858,379	633,447	752,988	752,748	92,178	2,736,606
Interest on Long-Term Debt	14,089,411	14,640,081	14,625,019	12,503,580	12,009,766	9,882,495	13,907,340	14,830,089	16,514,330	17,666,935
Unallocated depreciation	111,959	96,934	102,199	100,907	93,337	37,954	38,323	41,175	81,359	79,865
Total governmental activities expenses	262,081,226	257,261,674	257,618,665	236,877,822	216,551,219	200,473,028	196,500,277	197,945,716	196,213,879	187,832,435
Business-type activities:										
Water and sewer	97,546,366	96,352,987	83,264,179	78,413,719	79,400,088	74,996,817	71,292,512	69,729,462	63,207,453	59,070,751
Environmental waste services	21,163,351	21,354,795	21,863,854	19,298,289	18,346,330	17,775,614	15,856,929	15,640,696	15,078,559	14,906,908
Municipal drainage	4,051,080	3,843,011	3,530,079	3,429,488	3,118,453	3,012,858	2,895,673	2,586,813	2,257,100	2,035,853
Civic center	6,393,145	7,331,173	7,311,505	6,416,054	5,751,129	5,488,081	5,075,801	5,107,302	5,326,148	5,327,149
Municipal golf course	718,046	870,436	1,000,257	885,158	935,483	1,052,789	1,188,468	927,797	872,512	814,230
Property management	59,678	32,053	39,291	78,759	25,940	65,746	86,193	75,118	33,117	53,168
Recreation revolving	3,216,311	3,191,594	3,096,166	2,642,687	2,436,064	2,471,405	2,409,349	2,401,070	2,274,243	2,006,723
Downtown center development	47,918	47,917	46,176	46,784	43,356	42,668	42,668	42,668	34,412	63,484
Total business-type activities expenses	133,195,895	133,023,966	120,151,507	111,210,938	110,056,843	104,905,978	98,847,593	96,510,926	89,083,544	84,278,266
Total primary government expenses	\$395,277,121	\$390,285,640	\$377,770,172	\$348,088,760	\$326,608,062	\$305,379,006	\$295,347,870	\$294,456,642	\$285,297,423	\$272,110,701
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	\$1,394,826	\$994,964	\$1,634,183	\$1,009,164	\$1,056,168	\$1,123,970	\$896,238	\$622,533	\$498,562	\$417,460
Police	15,429,740	15,344,518	12,939,924	12,413,238	12,839,712	11,401,502	12,162,718	11,986,491	11,647,864	10,464,785
Fire	3,882,667	4,161,383	3,801,412	3,446,175	3,396,538	3,114,030	2,807,624	2,630,739	2,665,946	2,299,985
Libraries	500,514	545,755	453,572	496,697	478,457	415,128	413,414	384,080	359,232	262,828
Development	3,990,274	3,175,176	4,686,571	5,124,766	7,038,776	5,363,885	4,849,896	4,503,747	4,033,639	6,400,990
Public services and operations	1,333,016	1,277,357	1,150,449	1,016,193	1,005,080	900,055	882,984	803,013	700,666	582,456
Parks and recreation	4,058,923	3,952,244	3,685,465	2,357,306	2,629,899	2,088,269	2,269,333	2,234,251	2,271,951	2,527,506
Public works	247,408	40,592	104,028	84,217	93,534	670,985	115,206	830,296	395,593	1,906,780
Technology services	2,870,243	2,882,354	2,590,036	2,459,419	2,315,210	2,713,243	1,411,457	2,388,886	1,904,632	1,637,408
Operating grants and contributions	6,858,965	7,430,737	4,773,881	4,592,308	9,695,987	4,419,525	3,979,053	3,714,781	3,394,749	3,286,849
Capital grants and contributions	20,765,810	10,939,098	9,654,400	13,499,864	16,672,181	11,494,632	9,479,363	11,396,047	32,522,496	7,162,367
Total governmental activities program revenues	61,332,386	50,744,178	45,473,921	46,499,347	57,221,542	43,705,224	39,267,286	41,494,864	60,395,330	36,949,414

(continued)

**CITY OF PLANO, TEXAS  
CHANGES IN NET ASSETS  
LAST TEN FISCAL YEARS  
(accrual basis of accounting)  
(unaudited)**

**Table 2  
(continued)**

	Fiscal Year									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Business-type activities:										
Charges for services:										
Water and sewer	\$116,516,442	\$108,076,125	\$100,049,904	\$83,598,039	\$90,197,835	\$80,490,282	\$75,116,766	\$78,836,837	\$63,374,773	\$56,000,539
Environmental waste services	15,616,880	15,101,758	14,772,782	14,196,523	12,784,020	12,239,098	11,926,172	10,099,001	9,694,467	9,367,676
Municipal drainage	5,161,087	5,050,406	4,995,106	4,986,648	4,918,531	4,653,546	4,684,635	4,651,887	4,250,933	3,579,115
Civic center	2,180,520	2,439,129	2,693,882	2,589,358	2,414,989	2,203,629	1,968,913	1,969,739	2,197,003	2,226,117
Municipal golf course	600,919	792,753	846,096	823,353	907,325	1,009,294	905,720	863,653	953,588	956,099
Property management	7,594	42,309	72,567	81,587	85,789	84,468	74,301	94,538	65,779	75,444
Recreation revolving	3,545,142	3,325,754	3,080,725	2,765,100	2,656,865	2,600,095	2,591,140	2,486,156	2,444,845	2,159,850
Downtown center development	68,128	68,127	68,127	68,127	68,127	67,679	67,879	84,596	736	-
Operating grants and contributions	60,194	339,804	60,609	289,052	22,828	259,951	15,107	260,702	-	2,850
Capital grants and contributions	3,721,845	5,128,295	7,354,169	7,991,489	10,048,819	7,762,146	6,746,298	6,612,238	12,293,848	11,176,751
Total business-type activities program revenues	147,478,751	140,364,460	133,993,967	117,389,276	124,105,128	111,370,188	104,096,931	105,959,347	95,275,972	85,544,441
Total primary government program revenues	\$208,811,137	\$191,108,638	\$179,467,888	\$163,888,623	\$181,326,670	\$155,075,412	\$143,364,217	\$147,454,211	\$155,671,302	\$122,493,855
Net (Expense) Revenue										
Governmental Activities	(200,748,840)	(206,517,496)	(212,144,744)	(190,378,475)	(159,329,677)	(156,767,804)	(157,232,991)	(156,450,852)	(135,818,549)	(150,883,021)
Business-type Activities	14,282,856	7,340,494	13,842,460	6,178,338	14,048,285	6,464,210	5,249,338	9,448,421	6,192,428	1,266,175
Total primary government net (expense)	(186,465,984)	(199,177,002)	(198,302,284)	(184,200,137)	(145,281,392)	(150,303,594)	(151,983,653)	(147,002,431)	(129,626,121)	(149,616,846)
<b>General revenues and transfers</b>										
Governmental activities:										
Property taxes	\$129,741,125	\$127,265,332	\$123,054,998	\$114,157,316	\$104,809,088	\$100,094,935	\$97,679,382	\$97,806,975	\$89,723,339	\$84,499,132
Sales taxes	58,652,787	56,064,538	62,122,119	61,573,210	65,320,897	52,251,009	49,602,196	45,932,804	45,591,342	47,569,128
Mixed drink taxes	1,103,815	997,051	1,003,932	983,663	814,346	680,135	613,182	548,213	508,009	475,118
Other taxes	77,968	118,580	360,115	225,445	215,439	135,574	129,814	92,480	146,765	143,061
Franchise fees	22,361,082	23,995,388	23,022,217	22,463,447	22,114,560	19,200,896	19,226,216	19,896,556	19,916,471	19,335,868
Investment income	3,473,366	4,632,949	10,683,028	13,985,970	9,914,048	3,558,018	3,797,449	4,546,042	7,205,315	11,227,523
Transfers	11,103,481	13,307,004	13,217,146	12,604,397	11,907,529	11,938,644	10,274,617	9,832,967	8,138,708	5,600,488
Total governmental activities	226,513,624	226,380,842	233,463,555	225,993,448	215,095,907	187,859,211	181,322,856	178,656,037	171,229,949	168,850,318
Business-type activities:										
Hotel/Motel tax	4,098,810	3,951,890	4,909,061	4,741,492	4,416,422	3,423,055	3,076,824	2,900,308	2,699,230	3,202,533
Franchise fees	6,286,201	6,198,973	6,721,464	6,259,512	5,876,771	5,254,809	5,021,716	4,979,213	4,739,942	4,703,106
Investment income	531,546	604,201	1,411,359	1,803,285	1,882,100	542,748	745,804	924,075	1,850,368	4,289,004
Transfers	(11,013,481)	(13,307,004)	(13,217,146)	(12,604,397)	(11,907,529)	(11,938,644)	(10,274,617)	(9,832,967)	(8,138,708)	(4,675,730)
Total business-type activities	(96,924)	(2,551,940)	(175,262)	199,892	267,764	(2,718,032)	(1,430,273)	(1,029,371)	1,150,832	7,518,913
Total primary government	\$226,416,700	\$223,828,902	\$233,288,293	\$226,193,340	\$215,363,671	\$185,141,179	\$179,892,583	\$177,626,666	\$172,380,781	\$176,369,231
Change in Net Assets										
Governmental activities	\$25,674,784	\$19,863,346	\$21,318,811	\$35,614,973	\$55,766,230	\$31,091,407	\$24,089,865	\$22,205,185	\$35,411,400	\$17,967,297
Business-type activities	14,185,932	4,788,554	13,667,198	6,378,230	14,316,049	3,746,178	3,819,065	8,419,050	7,343,260	8,785,088
Total primary government	\$39,860,716	\$24,651,900	\$34,986,009	\$41,993,203	\$70,082,279	\$34,837,585	\$27,908,930	\$30,624,235	\$42,754,660	\$26,752,385

Source: Comprehensive Annual Financial Report

**CITY OF PLANO, TEXAS**  
**FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(modified accrual basis of accounting)**  
**(unaudited)**

**Table 3**

	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>
General Fund										
Reserved for encumbrances	\$4,604,162	\$4,055,302	\$2,683,725	\$1,566,433	\$2,776,694	\$2,283,707	\$3,718,284	\$1,682,711	\$2,747,069	\$4,574,168
Reserved for prepaids	120,229	579,041	159,121	90,268	229,018	145,343	114,548	50,622	30,273	26,106
Reserved for long term loans	2,201,610	6,397,476	6,518,966	6,925,599	7,310,017	7,672,675	7,916,108	7,468,026	7,005,764	3,600,325
Unreserved	34,474,576	31,712,311	35,379,734	37,101,360	38,488,933	29,122,461	27,747,994	20,600,580	13,096,232	14,320,196
Total general fund	<u>\$41,400,577</u>	<u>\$42,744,130</u>	<u>\$44,741,546</u>	<u>\$45,683,660</u>	<u>\$48,804,662</u>	<u>\$39,224,186</u>	<u>\$39,496,934</u>	<u>\$29,801,939</u>	<u>\$22,879,338</u>	<u>\$22,520,795</u>
All Other Governmental Funds										
Reserved for:										
Encumbrances	\$27,838,459	\$21,812,502	\$39,404,227	\$23,855,483	\$39,234,962	\$19,366,204	\$19,541,095	\$8,417,242	\$15,661,184	\$20,202,444
Prepaids and other assets	-	2,680	6,195	2,702	4,490	205,108	6,415	325	150	2,286
Debt service	1,175,155	3,250,126	5,491,973	4,754,700	2,171,565	1,937,365	224,322	719,504	5,975,191	4,759,993
Long term loans and advances	-	-	-	-	-	775,299	951,845	-	-	-
Capital projects	83,275,442	101,167,295	88,689,616	72,879,121	54,451,744	52,861,830	21,211,416	68,944,146	64,648,100	60,803,970
Unreserved, reported in:										
Special Revenue funds	20,679,483	20,263,382	17,680,256	15,516,547	13,184,351	10,306,964	8,883,675	8,196,811	7,523,025	4,906,653
Capital Projects funds	149,356	142,009	130,154	731,846	705,600	666,097	18,482,081	(281,966)	(1,370,776)	(4,269,534)
Total all other governmental funds	<u>\$133,117,895</u>	<u>\$146,637,994</u>	<u>\$151,402,421</u>	<u>\$117,740,399</u>	<u>\$109,752,712</u>	<u>\$86,118,867</u>	<u>\$69,300,849</u>	<u>\$85,996,062</u>	<u>\$92,436,874</u>	<u>\$86,405,812</u>

Source: Comprehensive Annual Financial Report

CITY OF PLANO, TEXAS  
 CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
 LAST TEN FISCAL YEARS  
 (modified accrual basis of accounting)  
 (unaudited)

Table 4

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
<b>Revenues:</b>										
Taxes-										
Property taxes	\$121,312,517	\$119,568,563	\$114,494,640	\$107,059,153	\$97,121,351	\$93,311,613	\$91,655,523	\$90,100,086	\$85,228,237	\$77,822,525
Other taxes	59,176,584	57,577,341	63,266,376	63,425,218	59,581,037	53,007,928	50,289,482	46,555,857	46,167,605	48,119,027
Franchise fees	21,886,667	23,586,443	22,628,847	22,039,441	21,720,865	19,200,896	19,226,216	19,698,926	19,700,523	19,090,181
Fines and forfeitures	10,912,913	10,982,616	9,167,406	9,822,913	10,125,683	8,961,337	9,806,522	9,738,545	8,809,121	7,845,797
Contributions	10,691,912	5,206,878	3,845,932	306,924	1,081,788	3,826,173	2,017,253	3,636,791	13,162,633	7,407,334
Rollback taxes	63,296	263,577	1,134,487	1,172,609	735,757	223,159	205,506	350,203	-	1,106,206
Licenses and permits	5,763,535	4,786,291	5,235,695	5,524,955	6,800,126	5,195,516	5,131,810	4,831,824	4,381,369	6,025,513
Intragovernmental	8,211,958	7,739,588	7,276,212	6,399,935	6,592,673	6,235,373	5,851,135	5,940,984	5,089,048	4,842,117
Intergovernmental	7,236,142	7,118,445	3,432,643	3,915,812	8,744,104	3,898,076	2,983,278	2,767,470	2,378,724	2,354,764
Fees for services	13,769,089	13,808,677	13,488,581	10,476,645	11,177,263	9,705,325	8,846,147	8,540,621	8,532,636	8,926,426
Assessments	88,375	10,094	25,465	99,741	443,672	202,427	197,763	542,131	44,445	567,590
Investment income	2,884,604	3,988,091	8,420,799	10,779,409	7,777,156	2,727,800	3,019,984	3,687,989	5,531,416	8,647,429
Proceeds from sale of capital assets	-	2,456,619	-	-	-	-	21,000	-	-	-
Miscellaneous	1,398,742	-	1,909,910	1,407,342	4,865,976	1,262,983	1,111,417	1,045,888	889,639	786,238
<b>Total Revenues</b>	<b>263,396,334</b>	<b>257,093,223</b>	<b>254,326,993</b>	<b>242,430,097</b>	<b>236,767,451</b>	<b>207,758,606</b>	<b>200,363,036</b>	<b>197,437,315</b>	<b>199,915,396</b>	<b>193,541,147</b>
<b>Expenditures:</b>										
Current-										
General government	392,129	613,652	878,675	1,255,206	1,309,980	577,990	2,764,025	2,912,453	3,194,862	2,722,284
Administrative services	7,901,744	8,239,334	8,208,019	7,916,611	7,282,215	6,892,456	6,312,095	6,509,715	6,581,342	6,344,653
Police	65,289,730	63,987,283	61,831,212	59,114,102	53,618,495	51,031,849	47,219,455	43,743,086	42,647,390	39,486,865
Fire	42,984,135	43,080,441	41,361,437	39,096,906	40,124,063	33,650,136	29,026,018	28,248,820	25,895,256	24,495,435
Libraries	9,926,819	10,314,568	10,467,040	10,139,905	9,238,861	8,705,346	8,564,913	8,702,926	8,619,718	7,874,877
Development	19,694,309	19,924,444	19,635,957	19,644,186	18,420,446	17,233,160	16,078,528	15,178,820	16,126,052	14,736,448
Public services and operations	5,634,193	5,757,144	5,377,281	5,403,953	5,063,124	4,786,528	4,548,593	4,363,610	4,632,868	4,323,585
Parks and recreation	19,909,716	21,407,832	20,681,818	18,785,397	16,709,740	15,891,574	13,961,744	13,602,042	13,384,235	12,318,857
Environmental waste services	88,202	300,339	53,576	258,275	19,845	215,025	14,194	249,778	-	-
Public works	5,592,600	5,840,246	5,820,027	5,764,590	5,273,610	5,395,278	4,948,866	5,038,706	4,843,160	4,849,468
Other	27,809,863	27,609,726	27,266,420	26,335,719	18,381,077	17,403,344	13,747,316	17,752,756	15,284,555	16,502,541
Capital outlay	64,827,368	60,362,017	54,679,984	68,000,143	49,933,401	44,443,506	35,349,894	41,042,654	40,704,962	46,091,229
Debt service-										
Principal retirement	27,650,000	25,645,000	23,510,000	21,020,000	20,510,000	19,407,991	18,187,142	17,688,449	16,681,306	15,802,440
Interest and fiscal charges	14,553,158	15,037,063	14,598,200	12,837,888	12,154,302	10,669,530	13,527,706	14,616,031	15,970,668	17,650,384
Escrow payment-refunding	-	-	-	-	-	-	-	-	1,216,610	-
Bond accretion	-	-	-	-	-	962,009	-	-	-	-
<b>Total Expenditures</b>	<b>312,253,966</b>	<b>308,119,089</b>	<b>294,369,646</b>	<b>295,572,881</b>	<b>258,039,159</b>	<b>237,265,722</b>	<b>214,250,489</b>	<b>219,649,846</b>	<b>215,782,984</b>	<b>213,199,066</b>
Deficiency Of Revenues										
Under Expenditures	(48,857,632)	(51,025,866)	(40,042,653)	(53,142,784)	(21,271,708)	(29,507,116)	(13,887,453)	(22,212,531)	(15,867,588)	(19,657,919)

**CITY OF PLANO, TEXAS  
 CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
 LAST TEN FISCAL YEARS  
 (modified accrual basis of accounting)  
 (unaudited)**

**Table 4**  
 (continued)

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
<b>Other Financing</b>										
<b>Sources (Uses):</b>										
Proceeds from sale of bonds	22,615,000	29,315,000	58,370,000	46,675,000	44,690,000	37,190,000	-	20,314,000	15,630,000	38,510,000
Tax anticipation note and bond premiums	-	-	-	-	-	-	-	-	-	637,205
Bond proceeds-refunding	16,633,613	12,370,000	-	-	-	78,380,000	-	22,796,533	42,842,287	-
Premium on sale of bonds	444,228	250,350	925,415	1,162,822	1,615,017	5,866,266	-	-	-	-
Discount on sale of bonds	-	-	-	-	(350,017)	(200,473)	-	-	-	-
Escrow payment-refunding	(16,777,204)	(12,428,331)	-	-	-	(84,067,431)	-	(23,151,258)	(42,503,801)	-
Sale of land	426,129	-	-	-	-	336,536	-	-	-	-
Operating transfers in	21,898,253	25,390,773	24,276,733	23,414,508	23,687,190	22,349,005	21,611,533	17,910,089	16,538,678	19,562,088
Operating transfers out	(11,246,039)	(10,633,769)	(10,809,587)	(13,242,861)	(15,156,161)	(13,801,517)	(14,724,298)	(15,175,044)	(10,249,971)	(13,818,900)
<b>Total Other Financing</b>										
Sources (Uses)	33,993,980	44,264,023	72,762,561	58,009,469	54,486,029	46,052,386	6,887,235	22,694,320	22,257,193	44,890,393
<b>Net change in fund balances</b>	<b>(14,863,652)</b>	<b>(6,761,843)</b>	<b>32,719,908</b>	<b>4,866,685</b>	<b>33,214,321</b>	<b>16,545,270</b>	<b>(7,000,218)</b>	<b>481,789</b>	<b>6,389,605</b>	<b>25,232,474</b>
Debt service as a percentage of noncapital expenditures	17.1%	16.4%	15.9%	14.9%	15.7%	16.1%	17.7%	18.1%	15.7%	15.7%

**CITY OF PLANO, TEXAS  
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF  
 TAXABLE PROPERTY  
 LAST TEN FISCAL YEARS  
 (unaudited)**

**Table 5**

Fiscal Year	Estimated Market Value			Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
	Real Property Residential	Real Property Non-Residential	Non-Real Property Personal			
2000	11,545,972,673	4,310,895,509	1,928,110,972	2,814,264,430	14,970,714,724	0.4685
2001	12,996,818,388	5,096,813,143	2,132,562,355	3,274,218,669	16,951,975,217	0.4585
2002	14,142,191,479	5,949,271,808	2,733,219,210	3,901,586,146	18,923,096,351	0.4535
2003	15,264,661,366	6,407,096,419	2,617,931,276	4,095,469,553	20,194,219,508	0.4535
2004	15,881,648,854	6,294,650,068	2,266,621,779	4,044,250,374	20,398,670,327	0.4535
2005	16,332,126,225	6,546,216,987	2,242,943,854	4,251,552,256	20,869,734,810	0.4535
2006	16,979,745,491	6,758,241,962	2,255,993,450	4,344,715,518	21,649,265,385	0.4535
2007	17,812,371,500	7,138,331,140	2,375,828,520	4,497,389,848	22,829,141,312	0.4735
2008	18,778,466,676	7,916,064,395	2,475,080,029	4,658,110,425	24,511,500,675	0.4735
2009	19,441,887,373	8,552,440,842	2,907,734,613	5,116,747,520	25,785,315,308	0.4735
2010	19,469,820,194	8,372,599,454	2,838,415,401	5,173,616,893	25,507,218,156	0.4886

**Source:** City of Plano Budget Department and Collin County Central Appraisal District based on original tax roll

**Note:** Real, Personal and Tax-Exempt breakout of Net Adjustments provided by Kenneth L. Maun, Tax Assessor/Collector, is unavailable.

**CITY OF PLANO, TEXAS  
PROPERTY TAX RATES/ASSESSMENT RATIOS -  
ALL DIRECT AND OVERLAPPING GOVERNMENTS  
LAST TEN FISCAL YEARS  
(unaudited)**

**Table 6**

Fiscal Year (1)	General Fund	City of Plano		Assessment Ratio	Plano School District		Allen School District		Collin County	Frisco School District		Lewisville School District		Denton County	Collin College			
		Debt Service Fund	Rate		Rate	Assessment Ratio	Rate	Assessment Ratio		Rate	Assessment Ratio	Rate	Assessment Ratio		Rate	Assessment Ratio		
2001	0.2614	0.1971	0.4585	100	1.5531	100	1.76	100	0.2500	100	1.420	100	1.610	100	0.232	100	0.094	100
2002	0.2690	0.1845	0.4535	100	1.6285	100	1.83	100	0.2500	100	1.440	100	1.670	100	0.252	100	0.093	100
2003	0.2864	0.1671	0.4535	100	1.7034	100	1.81	100	0.2500	100	1.498	100	1.770	100	0.249	100	0.092	100
2004	0.2908	0.1627	0.4535	100	1.7334	100	1.93	100	0.2500	100	1.558	100	1.770	100	0.247	100	0.092	100
2005	0.2810	0.1725	0.4535	100	1.7334	100	1.91	100	0.2500	100	1.630	100	1.770	100	0.255	100	0.091	100
2006	0.2888	0.1647	0.4535	100	1.7334	100	1.91	100	0.2500	100	1.580	100	1.770	100	0.246	100	0.089	100
2007	0.3080	0.1655	0.4735	100	1.5784	100	1.78	100	0.2450	100	1.580	100	1.640	100	0.232	100	0.088	100
2008	0.3210	0.1525	0.4735	100	1.268	100	1.47	100	0.2450	100	1.35	100	1.38	100	0.236	100	0.080	100
2009	0.3268	0.1467	0.4735	100	1.303	100	1.47	100	0.2425	100	1.37	100	1.38	100	0.236	100	0.086	100
2010	0.3284	0.1602	0.4886	100	1.3284	100	1.54	100	0.2425	100	1.39	100	1.4087	100	0.250	100	0.086	100

(1) For School Districts, fiscal years end on August 31, and, beginning in 1992, include the County Education District tax rate.

NOTE: Property tax rates are levied per \$100 assessed valuation.

Sources: Representatives of the various taxing jurisdictions.

**CITY OF PLANO, TEXAS  
PRINCIPAL TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO  
(unaudited)**

**Table 7**

Name of Taxpayer	2010			2001		
	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Valuation	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Valuation
J.C. Penney, Inc.	\$161,877,423	1	0.64	130,207,386	4	0.76
Oncor Electric Delivery Company	160,712,118	2	0.64	-	-	-
Willow Bend Association	110,000,000	3	0.44	-	-	-
Electronic Data Systems Corporation	101,172,615	4	0.40	320,098,103	1	1.88
The Shops at Legacy	90,757,191	5	0.36	-	-	-
The Campus at Legacy	90,134,300	6	0.36	-	-	-
United Dominion Realty	83,736,600	7	0.33	-	-	-
Tollway/121 Partners LTD	82,024,204	8	0.33	-	-	-
Collin Creek Mall	79,335,993	9	0.31	87,684,915	5	0.51
HSP of Texas Incorporated	71,099,041	10	0.28	-	-	-
Alcatel USA Sourcing LP	-	-	-	163,166,001	2	0.96
TU Electric Delivery Company	-	-	-	153,994,472	3	0.90
Texas Instruments	-	-	-	75,000,000	6	0.44
Frito-Lay	-	-	-	67,734,164	7	0.40
Dallas Morning News	-	-	-	63,982,140	8	0.38
G.T.E	-	-	-	63,537,388	9	0.37
Countrywide Home Loans, Inc.	-	-	-	61,045,000	10	0.36
<b>Total</b>	<b>1,030,849,485</b>		<b>4.09</b>	<b>1,186,449,569</b>		<b>6.96</b>

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Source: Collin County Appraisal District

**CITY OF PLANO, TEXAS  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
(unaudited)**

**Table 8**

<b>Fiscal Year</b>	<b>Total Tax Levy</b>	<b>Collection Current Year's Taxes During Period</b>	<b>Collections Transferred to TIF Component Units</b>	<b>Total Current Year Collections</b>	<b>Percent of Levy Collected During Fiscal Period</b>	<b>Collections in Subsequent Years</b>	<b>Total Tax Collections</b>	<b>Accumulated Delinquent Taxes</b>	<b>Ratio of Total Tax Collections to Current Levy</b>
2001	78,095,849	76,907,817	370,402	77,278,219	99.0	784,808	78,063,027	32,822	99.96
2002	85,697,627	84,108,496	729,535	84,838,031	99.0	826,782	85,664,813	32,814	99.96
2003	91,504,269	89,097,226	1,491,645	90,588,871	99.0	821,327	91,410,198	94,071	99.90
2004	92,724,955	90,573,604	1,349,783	91,923,387	99.1	696,688	92,620,075	104,880	99.89
2005	94,735,250	92,286,096	1,455,736	93,741,832	99.0	853,685	94,595,517	139,733	99.85
2006	98,580,157	95,754,030	1,588,800	97,342,830	98.7	1,068,696	98,411,526	168,631	99.83
2007	108,186,053	105,461,839	1,870,213	107,332,052	99.2	690,084	108,022,136	163,917	99.85
2008	116,214,292	113,215,333	2,127,954	115,343,287	99.3	715,366	116,058,653	155,639	99.87
2009	121,434,014	118,459,942	2,205,306	120,665,248	99.4	429,137	121,094,385	339,629	99.72
2010	123,231,506	120,537,005	1,976,550	122,513,555	99.4	-	122,513,555	717,951	99.42

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**CITY OF PLANO, TEXAS  
RATIO OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS  
(unaudited)**

**Table 9**

Fiscal Year	Governmental Activities		Business-Type Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Tax Anticipation Notes	Water and Sewer Revenue Bonds	Municipal Drainage Revenue Bonds			
2001	253,904,888	17,670,000	27,078,407	18,180,000	316,833,295	4.61	1,375
2002	251,053,582	15,155,000	23,668,407	17,365,000	307,241,989	3.67	1,302
2003	252,765,133	12,200,000	18,187,939	20,255,000	303,408,072	3.50	1,261
2004	234,577,991	9,115,000	15,555,143	19,325,000	278,573,134	3.34	1,132
2005	252,290,000	5,900,000	12,988,168	21,445,000	292,623,168	3.43	1,176
2006	276,470,000	2,555,000	10,472,042	21,730,000	311,227,042	3.28	1,225
2007	291,125,000	11,000,000	8,030,000	22,475,000	332,630,000	3.24	1,291
2008	310,580,000	26,405,000	5,750,000	23,170,000	365,905,000	3.37	1,399
2009	311,790,000	28,860,000	3,895,000	23,490,000	368,035,000	3.40	1,393
2010	311,295,000	23,990,000	1,955,000	25,650,000	362,890,000	3.70	1,369

Note: See Table 15 for personal income and population data.

**CITY OF PLANO, TEXAS  
RATIO OF GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS  
(unaudited)**

**Table 10**

	<b>Governmental Activities</b>			<b>Percentage of Actual Taxable Value</b>	<b>Per Capita</b>
	<b>General Obligation Bonds</b>	<b>Tax Anticipation Notes</b>	<b>Total Primary Government</b>		
2001	253,904,888	17,670,000	271,574,888	1.59	1,179
2002	251,053,582	15,155,000	266,208,582	1.41	1,128
2003	252,765,133	12,200,000	264,965,133	1.31	1,102
2004	234,577,991	9,115,000	243,692,991	1.19	990
2005	252,290,000	5,900,000	258,190,000	1.24	1,037
2006	276,470,000	2,555,000	279,025,000	1.28	1,098
2007	291,125,000	11,000,000	302,125,000	1.32	1,173
2008	310,580,000	26,405,000	336,985,000	1.37	1,289
2009	311,790,000	28,860,000	340,650,000	1.33	1,289
2010	311,295,000	23,990,000	335,285,000	1.31	1,265

See Table 5 for property value data.  
See Table for 15 for population data.

**CITY OF PLANO, TEXAS  
COMPUTATION OF DIRECT AND OVERLAPPING DEBT  
SEPTEMBER 30, 2010  
(unaudited)**

**Table 11**

Taxing Body	Net General Bonded Debt	Percentage of Debt Applicable to Area	City of Plano Share of Debt
City of Plano	\$ 334,109,845	100.00%	\$ 334,109,845
<b>Total direct debt</b>	<b><u>334,109,845</u></b>		<b><u>334,109,845</u></b>
Plano Independent School District	1,007,770,000	74.93%	755,122,061
Collin County	383,805,000	47.42%	182,000,331
Denton County	496,900,000	0.53%	2,633,570
Frisco Independent School District	1,257,309,013	3.21%	40,359,619
Allen Independent School District	422,814,830	0.69%	2,917,422
Lewisville Independent School District	972,386,237	1.24%	12,057,589
Collin College	43,099,423	47.42%	20,437,746
<b>Total overlapping debt</b>	<b><u>4,584,084,503</u></b>		<b><u>1,015,528,339</u></b>
<b>Total direct and overlapping bonded debt</b>	<b><u>\$ 4,918,194,348</u></b>		<b><u>\$ 1,349,638,184</u></b>
Ratio of overlapping bonded debt to taxable assessed valuation (valued at 100% of market value)			<u>6.21%</u>
Per capita overlapping bonded debt			<u>\$ 5,312</u>

Sources: For net bonded debt, representatives (business manager or finance officer) of the taxing jurisdictions. For percentage of debt applicable to City, the Municipal Advisory Council of Texas.

**CITY OF PLANO, TEXAS  
COMPUTATION OF LEGAL DEBT MARGIN  
SEPTEMBER 30, 2010  
(unaudited)**

**Table 12**

As a home rule city, the City of Plano is not limited by the law in the amount of debt it may issue. The City's Charter (Section 9.18) states

The City Council shall have the power under the provisions of the state law to levy, assess and collect an annual tax upon real and personal property within the City to the maximum provided by the Constitution and the general laws of the State of Texas. The City Council shall also have the power to levy occupation taxes on such occupations as consistent with the general laws of the State of Texas.

Article II, Section 5 of the State of Texas Constitution states in part:

...but no tax for any purpose shall ever be lawful for any one year, which shall exceed two and one-half percent of the taxable property of such city.

The tax rate at October 1, 2009, is \$0.4886 per \$100.00 with assessed valuation at 100% of market value.

**CITY OF PLANO, TEXAS  
SCHEDULE OF REVENUE BOND COVERAGE - WATER AND SEWER BONDS  
LAST TEN FISCAL YEARS  
(unaudited)**

**Table 13**

Fiscal Year	Total Operating Revenue	Direct Operating Expense	Net Revenue Available for Debt Service	Average Annual Debt Service Requirements			
				Principal	Interest	Total	Coverage
2001	55,670,700	44,854,515	10,816,185	2,337,704	890,986	3,228,690	3.35
2002	63,036,735	47,308,016	15,728,719	2,236,385	848,490	3,084,875	5.10
2003	78,194,671	52,483,907	25,710,764	1,666,071	473,851	2,139,922	12.01
2004	74,706,630	54,579,731	20,126,899	1,568,586	414,900	1,983,486	10.15
2005	80,074,804	58,161,700	21,913,104	1,456,617	318,752	1,775,369	12.34
2006	89,735,898	61,879,529	27,856,369	1,322,784	218,834	1,541,618	18.07
2007	83,223,811	61,514,435	21,709,376	1,357,183	143,305	1,500,488	14.47
2008	99,931,712	64,224,159	35,707,553	1,169,492	107,551	1,277,043	27.96
2009	107,388,857	77,222,182	30,166,675	994,468	73,915	1,068,383	28.24
2010	116,274,847	77,198,970	39,075,877	670,286	40,269	710,555	54.99

Note: Direct operating expense excludes depreciation and charges in lieu of taxes.

**CITY OF PLANO, TEXAS  
SCHEDULE OF REVENUE BOND COVERAGE - MUNICIPAL DRAINAGE BONDS  
LAST TEN FISCAL YEARS  
(unaudited)**

**Table 14**

Fiscal Year	Gross Revenue	Operating and Maintenance Expense	Gross Revenues Times Expense	Average Annual Debt Service Requirement			Coverage
				Principal	Interest	Total	
2001	3,885,818	1,381,379	2.81	909,000	516,680	1,425,680	1.76
2002	4,529,784	1,660,378	2.73	913,947	427,026	1,340,973	2.14
2003	4,813,110	1,576,324	3.05	1,012,750	452,982	1,465,732	2.21
2004	4,856,102	1,619,998	3.00	1,017,105	426,202	1,443,307	2.24
2005	4,787,315	1,938,716	2.47	1,072,250	398,113	1,470,363	1.94
2006	5,620,198	2,062,502	2.72	1,086,500	392,652	1,479,152	2.41
2007	5,590,039	2,099,427	2.66	1,123,750	397,823	1,521,573	2.29
2008	5,490,072	2,248,948	2.44	1,158,500	403,715	1,562,215	2.07
2009	5,250,108	2,444,101	2.15	1,250,250	436,656	1,686,906	1.66
2010	5,331,169	2,475,433	N/A	1,282,500	421,898	1,704,398	1.68

NOTE: 1995 is the first Fiscal Year of coverage for the bonds. Bond ordinance requires that revenues are at least 1.25 times the average annual debt service for all outstanding bonds.

**CITY OF PLANO, TEXAS  
 DEMOGRAPHIC AND ECONOMIC STATISTICS  
 LAST TEN FISCAL YEARS  
 (unaudited)**

**Table 15**

<b>DEMOGRAPHICS</b>					
<b>Fiscal Year</b>	<b>Population</b>	<b>Personal Income (thousands of dollars)</b>	<b>Per Capita Personal Income</b>	<b>PISD School Enrollment</b>	<b>Unemployment Rate (%)</b>
2001	230,409	6,873,745	29,833	47,364	4.3
2002	235,949	8,360,561	35,434	50,632	5.6
2003	240,545	8,663,388	36,016	51,800	5.9
2004	246,098	8,337,833	33,880	51,244	3.8
2005	248,912	8,535,705	34,292	51,446	4.4
2006	254,082	9,491,143	37,355	53,181	4.0
2007	257,600	10,250,853	39,794	52,997	3.9
2008	261,500	10,861,901	41,537	53,683	4.8
2009	264,250	10,813,110	40,920	54,203	7.6
2010	265,000	9,813,480	37,032	54,939	7.0

Sources: Population estimates were prepared by the City of Plano. Personal income estimates were obtained from the U. S. Census Bureau for the year 2008. School enrollment figures were provided by the Plano Independent School District (PISD). Unemployment rates were provided by the Texas Workforce Commission.

**CITY OF PLANO, TEXAS  
 PRINCIPAL EMPLOYERS  
 CURRENT YEAR AND NINE YEARS AGO  
 (unaudited)**

**Table 16**

<b>2010</b>			<b>2001</b>		
<b>Employer</b>	<b>Employees</b>	<b>Percentage of Total City Employment</b>	<b>Employer</b>	<b>Employees</b>	<b>Percentage of Total City Employment</b>
HP Enterprise Services	6,000	4.37	Electronic Data Systems	10,530	8.48
Bank of America Home Loans	5,400	3.93	Alcatel	5,560	4.48
JCPenney	5,000	3.64	J.C. Penney, Inc.	3,700	2.98
Dell	3,000	2.19	Countrywide Home Loans	3,000	2.42
Alcatel - Lucent	2,400	1.75	Frito-Lay	2,400	1.93
Frito-Lay	2,400	1.75	Perot Systems	1,500	1.21
Ericsson	2,200	1.60	J.C. Penney Direct Marketing Plans	1,200	0.97
Capital One	1,800	1.31	Medical Center of Plano	1,200	0.97
Medical Center of Plano	1,300	0.95	Raytheon	1,200	0.97
Dr. Pepper Snapple Group	1,250	0.91	Dr. Pepper/SevenUp Corporation	1,100	0.89
<b>Total</b>	<b>30,750</b>	<b>22.40</b>	<b>Total</b>	<b>31,390</b>	<b>25.30</b>

Sources: Plano Economic Development Board

**CITY OF PLANO, TEXAS**  
**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION**  
**LAST TEN FISCAL YEARS**  
**(unaudited)**

**Table 17**

	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>
General government	54.5	64.5	63.5	65.0	67.0	62.5	63.0	64.0	64.0	63.0
Administrative services	79.5	79.5	86.0	79.0	74.5	77.5	73.0	75.0	82.0	80.5
Police	620.0	651.5	661.0	661.5	622.0	630.5	607.0	613.5	612.5	587.0
Fire	335.0	334.0	335.5	333.0	322.0	298.5	300.5	293.5	292.5	288.0
Libraries	157.0	156.0	172.0	170.0	167.0	161.0	161.5	173.0	174.5	170.5
Development	149.5	159.5	164.0	164.0	174.0	170.0	167.0	174.5	178.0	178.5
Public services and operations	60.5	66.0	64.0	66.5	64.0	71.0	66.5	68.5	66.5	68.0
Parks and recreation	387.5	378.0	376.5	311.5	303.5	299.5	301.5	293.0	300.0	263.5
Public works	64.0	61.5	65.5	61.0	63.0	64.0	62.5	61.0	65.0	62.5
Technology services	49.0	50.0	50.0	47.0	46.0	46.0	41.0	40.0	40.0	36.0
Water and sewer	152.0	153.0	146.5	147.5	139.5	144.5	148.5	139.0	143.0	137.0
Environmental waste services	95.0	93.0	90.5	89.5	85.0	86.5	86.0	83.5	85.0	84.0
Municipal drainage	22.0	19.0	18.0	18.0	18.0	18.5	18.0	18.0	15.0	15.5
Civic center	48.5	50.0	47.5	49.0	46.0	48.0	47.0	40.5	40.5	39.0
Municipal golf course	6.0	7.0	8.0	9.0	9.0	10.0	10.0	9.0	10.0	10.0
Recreation revolving	160.5	169.0	148.0	107.0	111.5	131.0	135.5	143.0	142.0	124.0
<b>Total</b>	<b>2440.5</b>	<b>2491.5</b>	<b>2496.5</b>	<b>2378.5</b>	<b>2312.0</b>	<b>2,319.0</b>	<b>2,288.5</b>	<b>2,289.0</b>	<b>2,310.5</b>	<b>2,207.0</b>

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**CITY OF PLANO, TEXAS  
 OPERATING INDICATORS BY FUNCTION/PROGRAM  
 LAST TEN FISCAL YEARS  
 (unaudited)**

**Table 18**

		<u>Fiscal Year</u>									
<u>Function/Program</u>		<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Administrative Services											
Legal											
Ordinance/resolution review/preparation		266	552	658	677	605	525	500	700	600	600
Human Resources											
Full-time employees		1,349	1,387	1,422	2,050	1,991	1,952	1,840	1,856	1,890	1,875
Accounting											
Payment requests processed		70,850	81,677	86,869	82,630	84,642	76,872	70,000	84,000	58,000	70,000
Police											
Employees (uniformed)		340	341	344	343	335	329	323	315	322	315
Citations		68,598	92,133	87,801	79,224	101,199	93,502	101,804	109,422	102,345	88,204
Public Safety Communications											
911 calls*		157,277	234,876	228,214	165,194	169,559	168,560	161,332	178,410	177,398	182,848
911 dispatches*		240,175	229,669	222,252	146,277	150,904	142,993	146,592	137,212	141,008	134,670
Fire											
Employees (uniformed)		313	323	317	319	308	287	282	276	274	269
Fire runs		19,893	20,235	19,665	18,964	18,178	17,085	16,011	17,214	16,936	16,640
EMS runs		12,782	13,693	12,297	11,734	10,786	10,214	9,362	9,022	8,968	8,946
Libraries											
Volumes in collection		757,837	793,073	804,410	761,236	738,939	730,837	686,861	648,998	642,692	605,735
Registered borrowers		200,386	196,093	192,578	173,341	174,970	184,980	176,355	167,370	144,386	140,161
Development											
Building Inspections											
Inspections (all construction)		50,790	52,805	80,600	80,732	91,166	91,401	90,459	89,356	78,597	98,598
New construction permits issued		1,010	825	1,718	1,578	1,957	1,608	1,633	1,652	1,615	2,381
Engineering											
New Streets/Alleys paved (miles)		2	2	9	16	9	8	7	6	23	17
New Water lines installed (miles)		10	14	16	18	21	21	20	18	42	56
Public Services and Operations											
Environmental Health											
Inspections		4,554	3,931	3,961	3,909	3,445	3,593	3,476	3,292	2,984	2,602
Animal Control											
Animals impounded		9,616	8,728	8,307	6,241	5,464	6,848	5,413	5,546	5,723	3,544

(continued)

**CITY OF PLANO, TEXAS  
OPERATING INDICATORS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS  
(unaudited)**

**Table 18**  
continued

	<u>Fiscal Year</u>									
<u>Function/Program</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Parks and Recreation										
Recreation attendance	2,361,390	2,377,182	2,341,119	1,691,348	1,675,541	1,864,361	1,874,506	1,849,450	1,874,666	1,750,812
Recreation center members	22,246	22,083	38,341	16,371	15,849	16,412	14,815	15,498	20,274	19,795
Public Works										
Streets										
Street Excavate/Replace (Sq Ft)	1,377,388	863,190	857,592	1,005,678	828,864	469,602	752,382	779,175	835,587	409,014
Water and Sewer										
Water Customers	79,243	77,082	77,440	77,961	77,400	76,305	75,307	74,014	73,109	71,920
Average Daily Water Consumption (gal)	63,893,260	62,645,000	61,657,000	52,211,000	66,758,838	53,531,312	57,239,000	53,580,000	41,400,000	53,623,000
Maximum Storage Capacity (gal)	257,000,000	88,000,000	88,000,000	88,000,000	88,000,000	88,000,000	88,000,000	88,000,000	88,000,000	88,000,000
Environmental Waste Services (residential)										
Refuse collected (tons)	59,530	60,670	62,982	63,154	61,095	66,048	67,187	65,573	65,954	66,419
Bulky waste pickups (tons)	5,142	5,264	5,650	5,240	4,717	4,786	3,118	5,132	4,858	4,382
Recyclables collected (tons)	19,435	19,632	20,867	20,469	20,667	20,449	20,721	20,435	20,056	18,743
Yard trimmings collected (tons)	21,704	21,465	26,836	24,541	19,021	20,649	19,636	20,211	19,417	21,069
Municipal Drainage										
Environmental assessment requests	65	54	82	120	128	99	90	95	70	102
Storm sewer inlets maintained	10,483	10,483	4,139	10,483	10,200	9,800	9,500	9,050	9,078	8,972
Civic Center										
Event days booked and serviced	834	1,145	1,200	1,256	1,205	861	803	1,000	1,370	853
Municipal Golf Course										
Rounds of golf played	41,592	54,109	55,004	51,254	55,670	58,917	61,188	54,654	61,428	66,183
Recreation Revolving										
Courses completed	7,046	6,822	6,896	6,504	6,220	6,514	6,005	5,270	5,670	5,551

**Source:** City Departments

**Notes:** N/A - Data not available.

\*911 calls and 911 dispatches include all calls to 911 which represents both police and fire

Operating indicators are not available for the general government, technology services, property management or downtown center development functions.

**CITY OF PLANO, TEXAS  
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS  
(unaudited)**

**Table 19**

Function/Program	Fiscal Year									
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Police										
Number of stations	3	3	3	3	1	1	1	1	1	1
Number of patrol units	143	166	189	135	140	115	109	113	103	113
Number of motorcycle units	6	6	6	8	9	8	9	9	9	10
Fire										
Number of stations	12	11	11	11	10	10	10	10	10	10
Number of fire engines/trucks	22	22	22	21	21	20	19	NA	NA	NA
Number of EMS trucks	10	7	7	8	9	8	8	NA	NA	NA
Libraries										
Number of libraries	5	5	5	5	5	5	5	5	5	5
Development										
Planning										
Streets- Paved (miles)	1016	1014	1012	1004	990	980	973	966	961	944
Alleys- Paved (miles)	518	517	517	516	515	513	512	512	512	506
Public Services and Operations										
Animal Services										
Animal control trucks	8	8	15	14	11	7	7	7	NA	NA
Parks and Recreation										
Parks* (acres)	3936	3858	3858	3858	3,827	3,820	3,809	3,658	3,657	3,638
Athletic fields	179	179	179	175	175	175	175	175	187	187
Playgrounds	71	71	71	68	67	60	68	63	59	59
Recreation centers	4	5	5	5	4	4	3	3	3	3
Tennis centers	1	1	1	1	1	1	1	1	1	1
Senior centers	1	1	1	1	1	1	1	1	1	1
Aquatic/Natatorium	9	9	9	4	3	3	3	3	3	3
Public Works										
Traffic signals	215	212	211	207	205	203	197	193	186	180

(continued)

**CITY OF PLANO, TEXAS  
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS**

**Table 19  
(continued)**

Function/Program	Fiscal Year									
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Water and Sewer										
Water mains (miles)	1362	1351	1335	1317	1,295	1,268	1,248	1,226	1,207	1,164
Sanitary sewers (miles)	1007	1001	999	992	981	968	959	952	923	923
Fire hydrants	14516	14,369	14,109	13,840	13,555	13,224	12,906	12,646	12,356	11,774
Environmental Waste Services										
Collection trucks	45	45	45	42	38	37	NA	NA	NA	NA
Municipal Drainage										
Storm sewers (miles)	662	656	646	635	622	467	600	590	466	466
Civic Center										
Civic Centers	1	1	1	1	1	1	1	1	1	1

**Source:** City Departments

**Notes:** N/A - Data not available.

\*Includes Golf Course

Capital asset indicators are not available for the general government, administrative services, property management, recreation revolving or downtown center development functions