

CITY OF PLANO, TEXAS

Comprehensive Annual Financial Report

FOR FISCAL YEAR ENDED SEPTEMBER 30, 2011

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**CITY OF PLANO, TEXAS
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011
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January 9, 2012

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, 2011, 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, 2011. 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. The Plano Economic Development Board, a discretely presented component unit, was dissolved effective September 30, 2011. Additionally, the Tax Increment Financing (TIF) Mall project was concluded during the current fiscal year leaving the City with only one component unit, TIF East Side. 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 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 2002, Plano's population grew an estimated 11.13% to 262,200 in 2011. According to residential development projections by the City's planning department, it is projected to grow to 269,200 by 2020 and to 276,000 by 2030.

According to the United States Census Bureau, the median household income of Plano is \$82,866.

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 5th place ranking as one of the big "Best Cities for Jobs" and 32nd of all 336 cities compared in April 2009.

In August 2011, *Men's Health Magazine* named Plano the #1 most iPad-friendly city in the U.S. Additionally, *Men's Health* and *Women's Health* magazines ranked Plano as the "#1 Best City to live in for Women" and the "#3 Best City to live in for Men."

Plano is noted by *mongabay.com*, an environmental and conservation news site, as having two zip codes listed among the 100 wealthiest cities in the United States.

The Business Journals named Plano as the top Texas City in "brainpower." The study looked at percentages of adults twenty-five or older with varying education backgrounds.

"*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*.

In August 2011, *Forbes* named Plano as one of top 25 suburbs for retirement citing its five hospitals, low crime, reasonable home prices, and a low cost of living.

Collin County Ranked 15th in the U.S. for "Counties with Best Job Growth" by *CNN Money.com*.

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 praised 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. Tax collections totaled \$118.8 million for fiscal year 2011, a decrease of 3.02% from the prior year. According to the Collin County Appraisal District, Plano property appraisals decreased 5.31% for 2011 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 \$62.4 million from October 2010 through September 2011, an increase of 6.3% over fiscal year 2010.

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 2011 ranged from 6.9 percent to 7.6 percent.

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, PepsiCo, Texas Health Presbyterian Hospital Plano, and Raytheon. Employing 500-999, companies having significant operations in Plano include AEGON DMS, Baylor Regional Medical Center, CA Technologies, Denbury Resources, Flextronics, Huawei Technologies USA, Intuit, McAfee, Pizza Hut/YUM! Restaurants International, 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 2010 through September 2011 have increased the number and scope of job opportunities and brought a variety of services to the community:

Air Systems Components relocated its corporate headquarters into 90,000 square feet at 605 Shiloh Road in the Research/Technology Crossroads and added 172 jobs to Plano. It is a supplier of heating, air conditioning and ventilation system components for commercial, industrial and residential applications.

Aimbridge Hospitality, one of the nation's leading independent hotel investment and management firms operating 50 hotels in 17 states, relocated its corporate headquarters into 25,000 square feet at 2500 Dallas Parkway with 60 employees.

Retail electric-delivery provider, **Ambit Energy** relocated its call center into 69,000 square feet at 1600 W. Plano Parkway. Ambit Energy is on a rapid path to growth and recently claimed the title of "America's Fastest

Growing Company” when it reached the top spot of the *Inc. 500* list. The project brings 237 jobs and \$5 million in improvements to Plano.

Applied Concepts was retained at 2609 Technology Drive in 31,415 square feet. For the past 33 years, Applied Concepts (doing business as Stalker Radar) has been designing and manufacturing high quality electronics and is the nation’s largest manufacturer of speed radar. It employs 104 people and plans to add new jobs in the future.

Capital One completed its fourth building totaling 135,000 square feet and added an additional 200 jobs on its campus at 7933 Preston Road. The campus consists of almost 600,000 square feet. Capital One houses operations for banking, auto finance and a mortgage division and has an employee count of 3,500.

Semiconductor manufacturer **Diodes** relocated its headquarters into 10,500 square feet at 4949 Hedgcoxe Road. It plans to construct a 40,000-square-foot building worth at least \$7.5 million and create at least 110 jobs during the next four years.

Encana Oil & Gas (U.S.A.) began construction on its 320,000-square-foot office building at 5851 Legacy Circle in Legacy Town Center. Its 13-story tower was considered one of the Dallas areas major construction projects in 2010. The company expects more than 500 people to work in the new facility when it opens in early 2012, and it plans to increase employment to 1,000. In addition to the first building, two additional 12-story office buildings and a 347,000-square-foot parking garage will be constructed.

GGNSC Holdings, a senior health care company doing business as Golden Living, relocated its corporate headquarters into 27,150 square feet in the One Legacy Town Center at 7160 Dallas Parkway. The company initially brought 50 people to work in the new facility, and it plans to increase employment to 200.

Huawei Technologies U.S.A., a global telecommunications company specializing in wireless communications, completed its renovation of over 100,000 square feet at 5700 Tennyson Parkway in the Legacy business park. The company has created nearly 900 jobs in the U.S. with approximately 600 now in Plano. The new location is home to over 500 employees in sales and marketing and corporate operations.

Hyundai Capital America moved into a 50,000-square-foot office at 6100 W. Plano Parkway in the International Business Park. This project was named winner of the *Dallas Business Journal’s* Best Private Green Deal of the Year. Hyundai Capital America is headquartered in Irvine, California and serves more than 1,500 Hyundai and Kia dealerships and 500,000 customers in the U.S. It has over 500 employees and will be bringing 270 people to Plano with plans to add over 100 additional positions.

Interactive TKO, an enterprise software company, relocated its headquarters into 17,794 square feet at 5800 Granite Parkway with 45 employees

Internap Network Systems purchased 1221 Coit Road and plans to redevelop the 132,000 square foot building into a data center. The project is expected to add \$65 million in infrastructure and \$25 million in business property improvements. Construction is expected to be complete at the end of 2011.

Keste was retained at 6100 W. Plano Parkway in the International Business Park in 32,425 square feet. Its corporate headquarters employs 90 people and has plans to expand.

Masergy was retained and expanded to 35,000 square feet at 2740 Dallas Parkway with 120 employees. Masergy provides managed, secure virtualized network services to enterprises that have complex needs across multiple locations.

California-based **O’Neil Digital Solutions** and the **Investor’s Business Daily** purchased 3100 E. Plano Parkway. Combined, the companies will occupy 218,000 square feet, employ 250 and generate over \$18 million in improvements. O’Neil Digital Solutions relies on its proprietary database to provide custom printing and fulfillment for enterprise customers. Sister company Investor’s Business Daily, a competitor to the Wall Street Journal, now touts “Printed in Plano Texas” on its masthead.

Palo Alto Networks opened its first U.S. office, aside from its headquarters based in Santa Clara, CA, in Plano in the Research/ Technology Crossroads. It leased 25,000 square feet at 800 Klein Road. The West Coast supplier of technology security systems plans to boost its 12-person staff to 50 people by the end of 2012, and may eventually employ as many as 150 people.

Telect unveiled its new 100,000-square-foot U.S. manufacturing operations in December 2010. It invested more than \$3 million in the state-of-the-art facility, located at 1801 10th Street. With the expansion, it employs 125 people. Telect is a developer and manufacturer of power and connectivity systems, equipment racks and cabinets, fiber optic and copper connectivity and other layer one network infrastructure solutions for communications and data center service providers.

VuCOMP, a medical Computer-Aided Detection (CAD) company specializing in the detection of early stage disease, relocated its corporate office into 12,500 square feet at 2500 Dallas Parkway. It employs 14 people.

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 2011-12 combined budget appropriations of \$410,110,936 reflect an increase of \$13.3 million, or 3.3% above the FY 2010-11 re-estimated budget. The 2011-12 budget for total General Fund revenues is estimated at \$203,270,103 which is \$1.0 million above the 2010-11 re-estimated budget. The 2011-12 total appropriations for General Fund expenditures is \$217,032,365, \$3.2 million higher than the 2010-11 Re-Estimate Budget.

Funding for Capital Reserves will be accomplished by transferring \$3.0 million from the Water and Sewer Fund and \$10.5 million from the General Fund. The Capital Reserve funding is a factor for maintaining the City's AAA bond ratings.

Of the \$51.3 million budgeted for General Obligation capital expenditures in 2011-12, \$13.9 million pertains to municipal facilities, \$10.3 million for parks and recreation and \$27.1 million for street improvements and enhancements.

The Equipment Replacement Fund provides resources for the purchase of equipment and the replacement of equipment that has exceeded its useful life, 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 2011-12 Equipment Replacement Fund projected revenues total \$8.2 million and includes \$7.4 million in depreciation transfers, \$225,000 in interest income, \$315,000 from equipment auction revenues and \$250,000 from the recreation equipment replacement fee.

A General Obligation bond sale of \$27.0 million occurred in October 2011. The sale will fund the renovation of Arbor Hills Nature Preserve renovations, Sunset and Frank Beverly Park Improvements, Plano Aquatic Center Improvements, Fire Stations #2, #6, and #7 improvements, renovations for the Technology Services Building and several major street projects

Even though the North Texas Municipal Water District (NTMWD) is passing along both water and sewer rate increases, the City of Plano will not be passing through a rate increase for 2011-12.

Relevant Financial Policies

Financial Policies. 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 and on a periodic basis, the financial policies are reviewed and updated.

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 assignments 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 Budget Committee which consists of the City Manager, Deputy City Managers, Director of Budget and Research, Director of Finance, Director of Human Resources and Director of Policy and Government Relations. 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 Budget Committee 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 Budget Committee. 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.

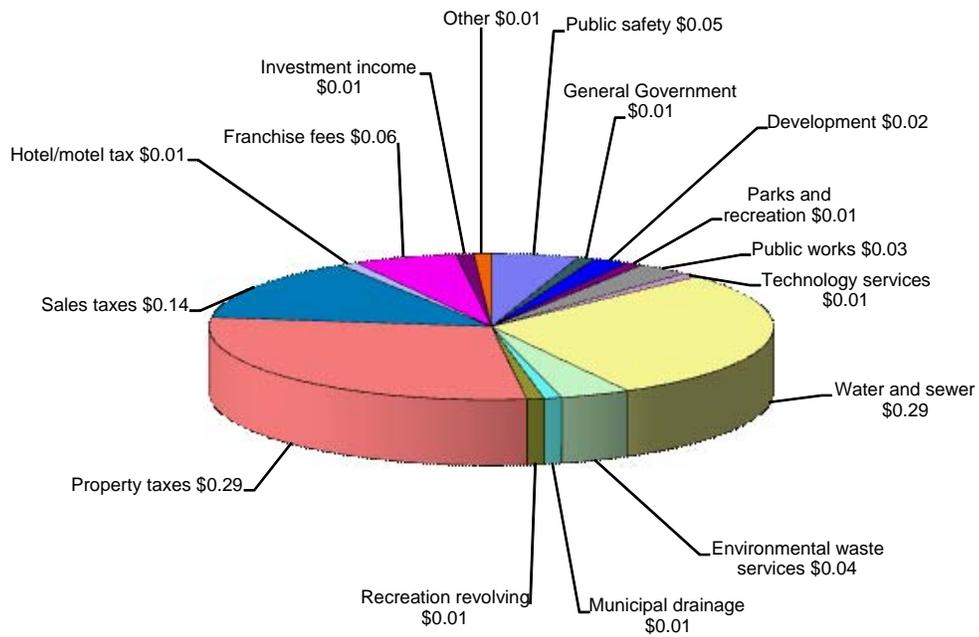
Major Initiatives

The City of Plano's fiscal year 2010-11 budget reflected continued strength in the City's dynamic economy. The significant projects from the Community Investment Program for 2010-11 included Fire Station # 13, Fire Station #4, Carpenter Park Recreation Center renovation and Hoblitzelle Park improvements, intersection improvements – 14th Street to K Avenue to Ridgewood.

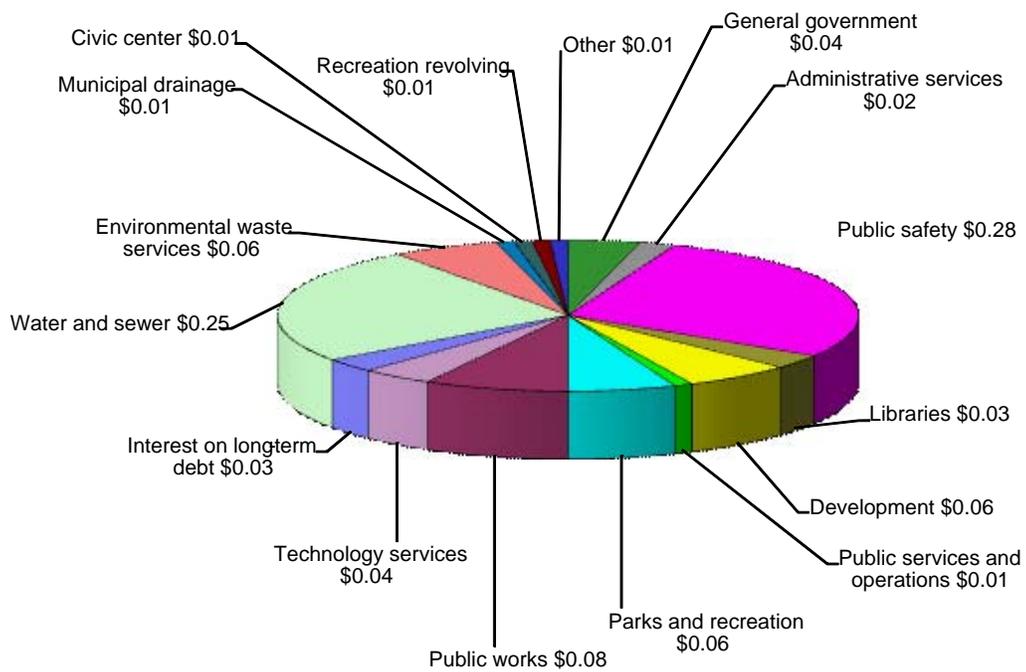
The City budgeted \$5.0 million for economic development incentives in order to remain competitive with surrounding neighboring cities. Fiscal year 2011 was the fifth year that two-cents of the property tax rate was dedicated for these incentives. The fiscal year 2011 total property tax rate remained the same as the previous year at .4886 cents (\$.3135 General Fund and \$.1751 Debt Service).

The following chart depicts the sources and uses of the City's financial breakout as of fiscal year end 2011:

Where the Money Comes From
Revenues per \$1



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, 2010. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

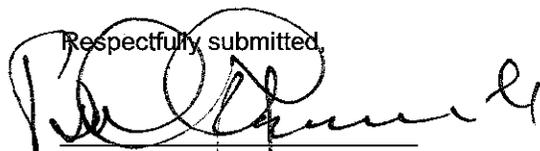
In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized CAFR whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

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 thirty consecutive years (Fiscal Years ended 1981-2010). 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,



Bruce D. Glasscock
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, 2010

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.



Linda C. Dandison

President

Jeffrey R. Emer

Executive Director





CITY OF PLANO, TEXAS
ELECTED OFFICIALS AND ADMINISTRATIVE OFFICERS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

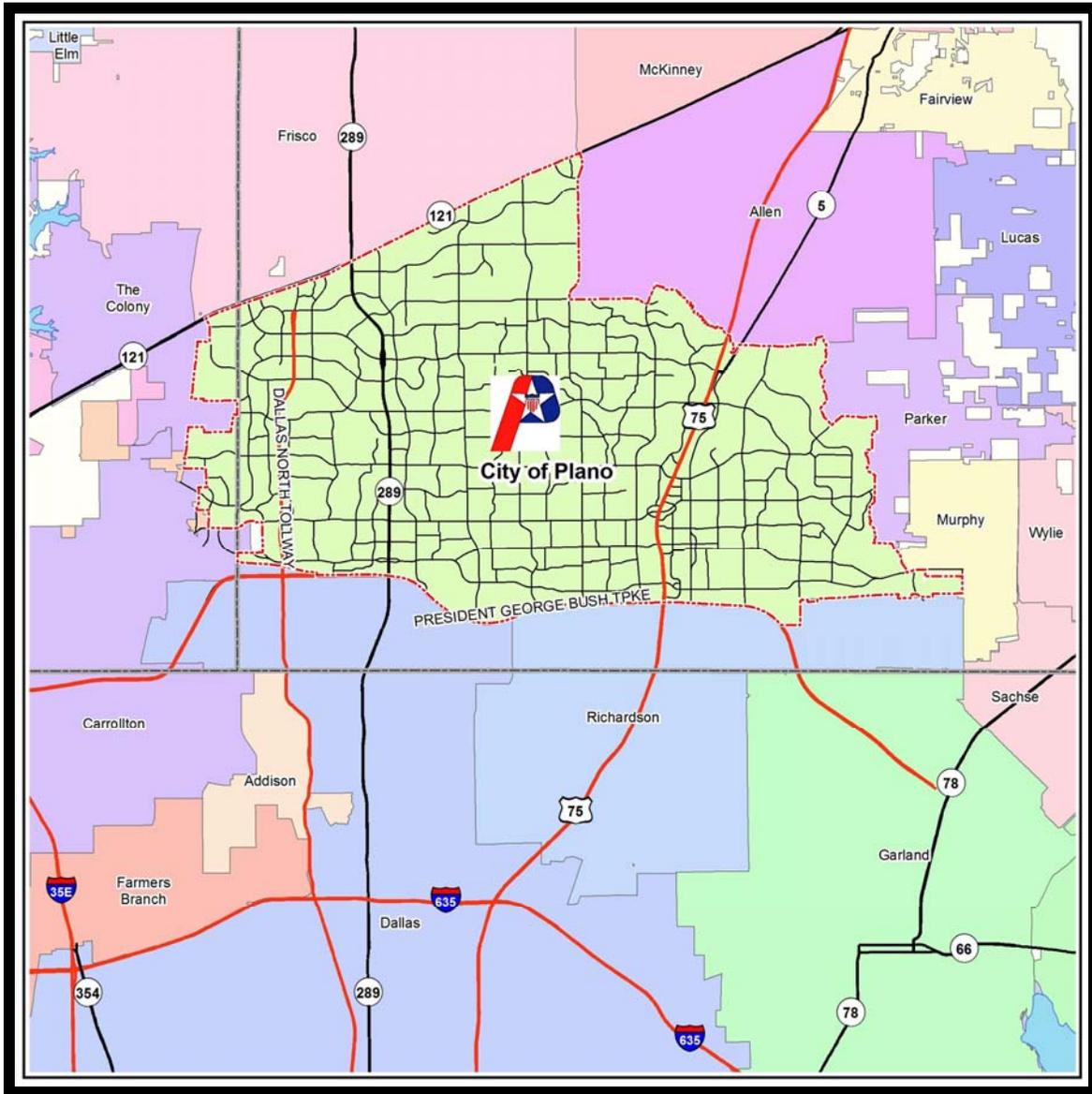
Elected Officials

<u>City Council</u>	<u>Term Expires</u>
Phil Dyer Mayor Place 6	May 2012
Pat Miner Mayor Pro Tem Place 1	May 2014
Lissa Smith Deputy Mayor Pro Tem Place 4	May 2012
Ben Harris Place 2	May 2012
André Davidson Place 3	May 2014
James Duggan Place 5	May 2014
Patrick Gallagher Place 7	May 2014
Lee Dunlap Place 8	May 2012

Administrative Officers

<u>Name</u>	<u>Position</u>
Bruce D. Glasscock	City Manager
Denise Tacke, CPA	Director of Finance
Andrea Cockrell, CPA	Controller

The City of Plano and Surrounding Areas







Independent Auditor's Report

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F 214.561.2370
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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, as of and for the year ended September 30, 2011, which collectively comprise the City of Plano's (the "City") 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, 2011, 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 January 9, 2012 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 70 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 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.

Grant Thornton LLP

Dallas, Texas
January 9, 2012

CITY OF PLANO, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2011

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, 2011. 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 \$44.5 million or 5.4 percent primarily due to the dissolution of the Plano Economic Development Board which resulted in the transfer of funds to governmental activities of \$17.2 million. Other transfers increased governmental activities by \$12.6 million. Additionally, sales tax revenue increased by \$3.8 million. Net assets of the City's business-type activities increased by \$19.3 million or 4.5 percent, primarily because of the increase in the water and sewer fund of \$18.7 million due to increased water rates and increased consumption.
- The City of Plano's total net assets increased by \$63.8 million, or 5.1 percent, during the current fiscal year. Sales tax revenue also increased \$3.8 million as a result of a slight improvement in the economy as well as improved consumer confidence. Hotel/Motel tax revenue increased \$624 thousand due to increased occupancy. Franchise fee revenue increased \$1.3 million due to hotter weather in the summer as it relates to electric franchise fees and due to increased Wi-Fi and cable usage as it relates to cable franchise fees. Investment income increased \$1.5 million as the average portfolio balance grew nearly \$35 million over the prior fiscal year.
- As of September 30, 2011, the City of Plano's governmental funds reported combined ending fund balances of \$200.7 million, an increase of \$26.2 million in comparison with the prior fiscal year.
- At the end of the current fiscal year, the unassigned fund balance for the general fund increased \$7.1 million to \$41.5 million. This amount is approximately 21.1 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, 2011**

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 in order to cover all or most of the cost of certain services the City 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. The Property Management Fund was closed as of September 30, 2011.
- Component units – The City includes three separate legal entities in its report – the Plano Economic Development Board, TIF (tax increment financing unit) Mall and TIF East Side. The Plano Economic Development Board was dissolved effective September 30, 2011. Additionally, the TIF Mall project was completed during fiscal year 2011. 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 you 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 reported twenty individual governmental funds as of September 30, 2011. 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

City of Plano, Texas
Management's Discussion and Analysis (continued)
September 30, 2011

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, for proprietary funds. 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 its employees and retirees.

City of Plano, Texas
Management's Discussion and Analysis (continued)
September 30, 2011

THE CITY AS A WHOLE – Government-Wide Financial Analysis

The City's combined net assets were \$1.3 billion as of September 30, 2011. 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 (77.8 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.

Table 1
Net Assets
(In Millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2011	2010	2011	2010	2011	2010
Current and other assets	\$ 314	\$ 292	\$ 102	\$ 81	\$ 416	\$ 373
Capital assets	963	956	381	386	1,344	1,342
Total assets	<u>1,277</u>	<u>1,248</u>	<u>483</u>	<u>467</u>	<u>1,760</u>	<u>1,715</u>
Long-term debt outstanding	370	376	27	31	397	407
Other liabilities	32	42	10	9	42	51
Total liabilities	<u>402</u>	<u>418</u>	<u>37</u>	<u>40</u>	<u>439</u>	<u>458</u>
Net assets:						
Invested in capital assets, net of related debt	666	664	362	367	1,028	1,031
Restricted	2	1	3	2	5	3
Unrestricted	207	165	81	58	288	223
Total net assets	<u>\$ 875</u>	<u>\$ 830</u>	<u>\$ 446</u>	<u>\$ 427</u>	<u>\$ 1,321</u>	<u>\$ 1,257</u>

**City of Plano, Texas
Management's Discussion and Analysis (continued)
September 30, 2011**

Governmental Activities

The City's general revenues increased when compared to the prior year by \$4.6 million or 2.1 percent. The primary reason for this increase was higher sales tax revenues of \$3.8 million, as a result of slight improvement in the economy as well as improved consumer confidence. Property tax revenue decreased \$1.5 million over the prior year and is attributable to the decline in property tax values. The assessed value of the property in the City decreased by \$1.4 billion, or 5.3 percent, as compared to the prior year. Franchise fees increased \$859 thousand as the electric franchises are directly related to the weather, and this summer was unseasonably hot. Cable franchises have also seen an increase due to increased Wi-Fi and cable movies. Although interest rates have been low, investment income increased \$1.3 million as the investment portfolio of the City has grown over the course of the year. The overall increases in the City's general revenues are detailed below (Table 2).

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

	2011	2010	Increase (decrease)
Property taxes	\$128,275	\$129,741	(\$1,466)
Sales taxes	62,442	58,653	3,789
Mixed drink taxes	1,141	1,104	37
Other taxes	206	78	128
Franchise fees	23,220	22,361	859
Investment Income	4,756	3,473	1,283
Total general revenues	\$220,040	\$215,410	\$4,630

Governmental and Business-type activities increased the City's net assets by \$63.8 million in 2011. The key elements of this increase are as follows:

City of Plano, Texas
Management's Discussion and Analysis (continued)
September 30, 2011

Table 3
Changes in Net Assets
(in Thousands)

	Governmental		Business-type		Total	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program revenues:						
Charges for services	\$37,455	\$33,708	\$155,021	\$143,696	\$192,476	\$177,404
Operating grants and contributions	5,624	6,859	1,568	60	7,192	6,919
Capital grants and contributions	13,737	20,766	1,378	3,722	15,115	24,488
General revenues:						
Property taxes	128,275	129,741	-	-	128,275	129,741
Sales taxes	62,442	58,653	-	-	62,442	58,653
Other taxes	1,347	1,182	4,722	4,099	6,069	5,281
Franchise fees	23,220	22,361	6,761	6,286	29,981	28,647
Investment income	4,756	3,473	796	532	5,552	4,005
Total revenues	276,856	276,743	170,246	158,395	447,102	435,138
Expenses:						
General government	17,854	18,439	-	-	17,854	18,439
Administrative services	7,596	7,800	-	-	7,596	7,800
Police	66,434	66,061	-	-	66,434	66,061
Fire	44,652	43,655	-	-	44,652	43,655
Libraries	10,137	10,295	-	-	10,137	10,295
Development	24,694	18,945	-	-	24,694	18,945
Public services and operations	5,602	5,663	-	-	5,602	5,663
Parks and recreation	25,774	27,220	-	-	25,774	27,220
Public works	30,869	34,002	-	-	30,869	34,002
Technology services	14,738	13,806	-	-	14,738	13,806
Other	-	2,076	-	-	-	2,076
Interest on long-term debt	13,821	14,119	-	-	13,821	14,119
Water and sewer	-	-	101,646	97,546	101,646	97,546
Environmental waste services	-	-	23,431	21,163	23,431	21,163
Municipal drainage	-	-	3,953	4,051	3,953	4,051
Civic center	-	-	5,890	6,393	5,890	6,393
Municipal golf course	-	-	232	718	232	718
Property management	-	-	-	60	-	60
Recreation revolving	-	-	3,177	3,217	3,177	3,217
Downtown center development	-	-	54	48	54	48
Total expenses	262,171	262,081	138,383	133,196	400,554	395,277
Increase in net assets before transfers	14,685	14,662	31,863	25,199	46,548	39,861
Transfers	29,825	11,013	(12,603)	(11,013)	17,223	-
Increase in net assets	44,510	25,675	19,260	14,186	63,771	39,861
Net assets – October 1	830,132	804,457	427,249	413,063	1,257,381	1,217,520
Net assets – September 30	\$874,642	\$830,132	\$446,509	\$427,249	\$1,321,152	\$1,257,381

**City of Plano, Texas
Management's Discussion and Analysis (continued)
September 30, 2011**

The most significant governmental expense for the City was for police activity. Of a total \$66.4 million spent, personnel costs were \$55.7 million, an increase over the prior year by \$373 thousand. Overall, governmental activities expenses were very consistent with the prior year due to a continued effort to keep expenses down. The largest governmental activities revenue decrease was capital grants and contributions which decreased \$7.0 million. The decrease is primarily due to a decline in the amount spent on federal and state transportation grants as well as lower funding from Collin County through interlocal agreements.

Business-type Activities

Revenues of the City's business-type activities were \$170.2 million for the fiscal year ended September 30, 2011. Revenues increased approximately \$11.9 million or 7.5 percent as compared to the prior fiscal year. Expenses for the City's business-type activities increased \$5.2 million or 3.9 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 \$128.1 million, an increase of \$11.6 million or 9.9 percent from the prior year primarily due to a six percent water rate increase effective October 1, 2010 and increased consumption due to extremely hot weather during the summer. Expenses increased over the prior year by \$4.1 million or 4.2 percent.
- The City's environmental waste services activities operated with program expenses exceeding program revenues by \$5.5 million. The City's percentage of contractual payments to North Texas Municipal Water District (NTMWD) increased \$383 thousand over the prior year. Payment is based on allocation of tonnage between member cities. Recycling revenues increased \$545 thousand due to an increase in prices.
- The City's municipal drainage activity operated with charges for services exceeding expenses by \$1.3 million, compared to \$1.1 million in the prior year. The municipal drainage system recorded charges for services of \$5.2 million, a 1.3 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 \$4.1 million as compared to \$4.2 million in the prior fiscal year. Charges for services are reported at \$1.8 million which is a decrease of \$358 thousand from the prior fiscal year. This decrease was offset by the increase in Hotel/motel tax revenue of \$624 thousand as a result of increased occupancy.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of the fiscal year 2011, 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 \$1.6 million over the prior fiscal year.

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

	Governmental		Business-type		Totals	
	Activities	Activities	Activities	Activities	2011	2010
	2011	2010	2011	2010	2011	2010
Land	\$126,889	\$122,700	\$7,972	\$9,264	\$134,861	\$131,964
Buildings and improvements	179,392	171,801	329,113	324,744	508,505	496,545
Equipment	44,273	44,980	2,609	3,301	46,882	48,281
Construction in progress	47,053	54,820	12,827	20,839	59,880	75,659
Public Art	1,699	1,699	-	-	1,699	1,699
Infrastructure	563,218	559,988	-	-	563,218	559,988
Drainage improvements	-	-	28,674	28,003	28,674	28,003
Totals	\$962,524	\$955,988	\$381,195	\$386,151	\$1,343,719	\$1,342,139

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

Reconstruction of 14th Street from K Avenue to Ridgewood Drive	\$	3.5
Land acquisitions in accordance with the Park Master Plan		2.1
Renovation of Pecan Hollow Golf Course		6.1
Construction of a new cart facility and improvements to Pecan Hollow Golf Course		1.1
Replacement of various sections of street and alley pavement		4.0
Arterial joint sealing program		2.0
Arterial concrete repair throughout the City		2.0
Purchase of land and construction of a new fire station		3.1
New radio system infrastructure		1.5
Expansion and renovation of Carpenter Park Recreation Center		4.8
	\$	30.2

The City's fiscal year 2011-2012 General Obligation (G.O.) capital budget includes \$51.25 million for capital projects, principally for three major categories: municipal facilities, parks and recreation, and street improvements. Estimated expenditures for municipal facilities are \$13.8 million including \$6 million to renovate fire facilities and \$7 million to renovate the Technology Services facility. Estimated expenditures for parks and recreation facilities are \$10.2 million including \$2 million to renovate the Plano Aquatic Center, \$1.2 million for construction of Legacy Trail and additional parking at Arbor Hills Nature Preserve. An additional \$3.5 million is planned for land acquisitions. The remaining funds for park improvements are for a variety of projects. The City plans to spend \$27.3 million on street improvements including \$3.3 million to reconstruct 15th Street from G Avenue to U.S. 75, \$3.3 million for intersection improvements along Spring Creek Parkway, \$3.0 million for intersection improvements along Preston Road, \$2.4 million to extend Communications Parkway as a six-lane divided thoroughfare from Spring Creek Parkway to Tennyson Parkway, \$2.0 million for intersection improvements along Park Boulevard at Coit Road, Custer Road, Alma Drive, K Avenue and Jupiter Road. The

City of Plano, Texas
Management's Discussion and Analysis (continued)
September 30, 2011

remaining street improvements are for a variety of projects. An additional \$31.09 million in general obligation bond proceeds will be required to support the entire 2011-2012 general obligation capital investment 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 \$353.4 million in bonds and tax anticipation notes outstanding as compared to \$363.8 million at the end of the prior fiscal year, a decrease of 2.8 percent – as shown in Table 5.

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

	Governmental Activities		Business-type Activities		Totals	
	2011	2010	2011	2010	2011	2010
General obligation bonds and tax anticipation notes (backed by the City)	\$329,288	\$336,476	\$ -	\$ -	\$329,288	\$336,476
Revenue bonds (backed by fee revenues)	-	-	24,169	27,283	24,169	27,283
Totals	\$329,288	\$336,476	\$24,169	\$27,283	\$353,457	\$363,759

During the current fiscal year, the City issued \$21.4 million in general obligation bonds. Subsequent to year-end, the City issued \$27.0 million in general obligation bonds due to favorable interest rates.

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 Aa2 and AAA 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 1.36 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 \$6.2 million outstanding at year-end compared with \$5.5 million at the end of the prior fiscal year. \$3.9 million is related to property/liability losses which are \$270 thousand higher than prior year while \$2.3 million is related to health claims which increased 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, 2011, the governmental funds of the City reported a combined fund balance of \$200.7 million and the enterprise funds of the City reported combined net assets of \$435.8 million. The most significant changes impacting the increase in governmental fund balance were due to the \$17.2 million transfer of funds resulting from the dissolution of the Plano Economic Development Board and also the decrease in capital outlay of \$17.5 million. Also, intergovernmental revenue increased \$5.0 million due to increased American Recovery and Reinvestment Act (ARRA) funds. Enterprise funds' net assets increased primarily due to the increase of \$18.7 million in the Water and Sewer Fund Net Assets. In addition, other changes in fund balances should be noted:

- The City's Debt Service fund balance of \$2.0 million increased from the prior year fund balance by \$860 thousand. Since fiscal year 2009-10, the allocation to the Debt Service portion of the ad valorem tax rate has increased to \$0.1751 from \$0.1602, a \$0.0149 increase which resulted in increased ad valorem tax revenue of \$2.4 million.
- The City's Capital Reserve fund balance of \$43.5 million remained consistent with the prior year ending fund balance, increasing \$351 thousand over the prior year.
- The City's Municipal Facilities fund balance of \$19.8 million decreased by \$6.4 million from the prior year. This is due primarily to a decrease in bonds sold related to facilities of \$10.5 million from the prior year.
- The City's Street Improvements fund balance of \$25.5 million increased by \$11.4 million from the prior year. Capital outlay expenditures of \$9.4 million decreased \$5.6 million. Additionally, \$3.0 million more bonds were sold related to Street Improvement projects than in the prior year.
- The City's Water and Sewer fund net assets of \$404.0 million increased by \$18.7 million over the prior year. In the current fiscal year, total operating revenues increased by \$11.7 million due primarily to a six percent water rate increase and increased consumption.
- The City's Environmental Waste Services fund net assets increased slightly over the prior year by \$62 thousand to \$2.2 million.
- The City's Municipal Drainage fund net assets increased slightly over the prior year by \$1.1 million to \$21.1 million.

General Fund Budgetary Highlights

With adjustments made during FY 2010-11, the actual on a budgetary basis expenditures were \$198.9 million compared to the re-estimated budget amount of \$203.6 million. Actual expenditures were \$11.3 million lower than the original budget implemented for fiscal year 2010-11 and \$7.4 million lower as compared to the re-estimate. Decreases were due to reductions by City departments in anticipation of budget shortfalls.

For FY 2010-11, the actual on a budgetary basis revenues were \$197.5 million as compared to the re-estimated budget amount and original budget amount of \$191.6 million and \$192.0 million, respectively. The primary reason for the increase in actual revenue compared to the re-estimated budget is related to a \$5.1 million variance in other tax revenue as a result of the slight improvement in the local economy.

**City of Plano, Texas
Management's Discussion and Analysis (continued)
September 30, 2011**

The City of Plano has an actual on a budgetary basis General Fund balance of \$42.0 million as of the fiscal year end, compared to the re-estimated budget fund balance and original budget fund balance of \$30.1 million and \$26.7 million respectively. The variance in fund balance is primarily due to expenditure reductions by City departments in anticipation of budget shortfalls and higher than expected sales tax revenues.

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 2012 Budget, tax rates, and business-type activity fee structures. Financial forecasts in March 2011 projected a \$9.3 million General Fund budget deficit for fiscal year 2012, increasing to \$21.1 million in fiscal year 2013. In order to offset the deficit, total General Fund full-time positions are to be reduced by (13) full-time positions and (5) part-time positions effective October 1, 2011. City-wide, a total of (17) full-time positions and (5) part-time positions will be eliminated. These eliminated positions, along with a variety of other operational reductions, produced overall savings in the Combined Budget of \$8.3 million and in the General Fund of \$7.0 million including \$3.6 million in one-time expenditure reductions and \$3.4 million in on-going reductions. Over the past four fiscal years, a total of (142) full-time positions and (22) part-time positions have been eliminated from the General Fund budget with operating expenditure reductions totaling \$39.5 million.

After three years of significant budget reductions in order to offset declining revenue sources, the local economy is slowly recovering. According to the Collin County and the Denton County Central Appraisal Districts (CAD), total assessed property value for 2011-12 is \$25.0 billion which includes \$182.4 million of new property. Additionally, existing property values increased by \$150.7 million or 0.61%. This is the first positive change in existing assessed property values since fiscal year 2009 and provides an additional \$1.6 million in property tax revenue for the City. The total change in value for fiscal year 2012 equals an increase in \$333.1 million or 1.35%.

The average home value as reported by the Collin County CAD is now \$245,074, down from \$245,802. 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 \$5.22 billion in assessed property value, which equates to \$25.5 million in lost property tax revenue. Of this amount, \$772 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 .14 cents for operations and maintenance (O&M) from 31.35 cents to 31.49 cents coupled with a .14 cents decrease for debt service from 17.51 cents down to 17.37 cents. Of the current 48.86 cent tax rate, two-cents is still solely dedicated for the Economic Development Incentive Program which was implemented by the City Council six years ago. 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.

In addition to an increase in property values, sales tax collections have started to rebound state wide. Fiscal year 2011 has seen stabilization of sales tax collections with eight (8) of the twelve (12) months reporting increases as compared to the same period last year.

The 2011-12 combined budget appropriation totals \$410.1 million for ten operating funds. This represents an increase of \$13.3 million or 3.3 percent under the 2010-11 re-estimated budget.

General Fund expenditures are expected to be \$217.0 million, an increase of \$3.2 million or 1.5 percent from the 2010-11 re-estimated budget. The budget includes a 2.5% attrition allowance and a 2% across the board salary increase for both civil and non-civil service employees totaling \$2.4 million. Expected retiree payouts in

**City of Plano, Texas
Management's Discussion and Analysis (continued)
September 30, 2011**

fiscal year 2011-12 are budgeted at \$2.0 million. Contribution rates for the Texas Municipal Retirement System (TMRS) will increase on January 1, 2011 from 16.94% to 17.67%. The Retirement Security Plan (RSP) contribution rate is projected to be 3.23%. Included in the 2011-12 General Fund budget is \$189,519 for capital improvement projects.

If these estimates are realized, the City's budgetary General Fund balance is expected to decrease from the re-estimated 2011 Budget by approximately \$13.4 million.

The Water and Sewer fund continues to face challenges in the City's business type activities. Due to the state-wide drought that began in 2011, Stage III watering restrictions are in effect. In fiscal year 2011, 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. Although NTMWD is increasing both water and sewer rates, the City is not planning a rate increase for fiscal year 2012.

The following recent items are of note regarding the City's business type activities:

- Revenue projections in 2011-12 increase water income by \$1.4 million, or 2.2% over the 2010-11 re-estimate. Sewer revenues are projected to increase \$208,825, over the 2010-11 re-estimate.
- Total Environmental Waste Services revenues for 2011-12 are projected at \$23.3 million. Total 2010-11 revenues were \$808,286 higher than the original budget and \$36,087 below the re-estimate due to increases in commercial franchise revenue and higher recycling revenues. No rate adjustment will be required in 2011-12.
- A municipal drainage rate adjustment will not be required in 2011-12. 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 \$4.6 million in fiscal year 2012. This represents a 15.8% increase from the original budget and a 3% increase from the budget re-estimate. Occupancy has increased throughout the year which resulted in the large increase. Civic Center fees are projected to be approximately \$1.9 million for 2011-12, a decrease of 5.2% from the original budget primarily due to the downturn in the economy and increased competition.
- Golf fees are projected to be \$930,000 in 2011-12, an increase of \$862,000 from the original budget due to the re-opening of the Pecan Hollow Golf Course on November 1, 2011.
- Recreation fees are projected to increase from \$3.0 million to \$3.3 million over the original 2010-11 budget amount for 2011-12 primarily due to the re-opening of the renovated Carpenter Recreation Center which was closed during the majority of fiscal year 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, 2011

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and cash equivalents	\$ 79,658,206	\$ 7,457,070	\$ 87,115,276	\$ 2,775,973
Investments	195,845,227	18,327,636	214,172,863	6,854,564
Receivables (net of allowance for uncollectibles)	17,476,753	23,741,816	41,218,569	-
Internal balances	(10,668,304)	10,668,304	-	-
Due from other governments	4,349,271	-	4,349,271	-
Inventories	1,037,475	-	1,037,475	-
Prepays and other assets	23,281,767	1,157,275	24,439,042	-
Restricted assets:				
Cash and cash equivalents	934,480	11,692,303	12,626,783	-
Investments	2,298,604	28,760,281	31,058,885	-
Receivables	8,863	110,901	119,764	-
Capital assets:				
Non-depreciable	175,640,919	20,798,626	196,439,545	110,629
Depreciable (net)	786,883,498	360,396,415	1,147,279,913	1,296,967
Total Assets	1,276,746,759	483,110,627	1,759,857,386	11,038,133
LIABILITIES				
Accounts payable	3,986,530	4,142,913	8,129,443	5,346
Accrued liabilities	6,320,299	662,529	6,982,828	-
Accrued interest payable	1,135,742	358,064	1,493,806	-
Contracts payable	4,732,509	363,103	5,095,612	-
Customer deposits	-	2,247,125	2,247,125	-
Unearned revenue	12,378,214	774,917	13,153,131	-
Due to other governments	2,169,876	-	2,169,876	-
Retainage payable	514,850	268,792	783,642	-
Seized assets payable	115,708	-	115,708	-
Non-current liabilities				
Due within one year:				
Compensated absences	4,896,531	342,511	5,239,042	-
Bonds and notes payable	29,020,520	2,313,390	31,333,910	-
Liability for insurance claims	5,091,705	-	5,091,705	-
Due in more than one year:				
Compensated absences	30,380,873	3,272,433	33,653,306	-
Bonds and notes payable	300,267,139	21,855,736	322,122,875	-
Liability for insurance claims	1,093,767	-	1,093,767	-
Total Liabilities	402,104,263	36,601,513	438,705,776	5,346
NET ASSETS				
Invested in capital assets (net of related debt)	665,695,098	362,757,006	1,028,452,104	1,407,596
Restricted for:				
Debt service	2,052,020	2,514,172	4,566,192	-
Unrestricted	206,895,378	81,237,936	288,133,314	9,625,191
Total Net Assets	\$ 874,642,496	\$ 446,509,114	\$ 1,321,151,610	\$ 11,032,787

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, 2011**

Function/Program Activities	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General government	\$ 17,854,055	\$ 4,739,503	\$ 268,379	\$ 534,819
Administrative services	7,595,755	-	-	-
Police	66,433,966	15,458,080	1,408,397	142,527
Fire	44,652,064	3,630,026	324,857	-
Libraries	10,136,834	473,956	283,051	-
Development	24,693,554	4,833,730	2,611,709	-
Public services and operations	5,602,338	1,319,479	330,102	-
Parks and recreation	25,773,639	4,179,352	238,027	523,149
Public works	30,868,916	194,348	159,491	12,535,903
Technology services	14,738,189	2,626,768	-	-
Interest on Long-Term Debt	13,821,383	-	-	-
Total governmental activities	262,170,693	37,455,242	5,624,013	13,736,398
Business-type Activities:				
Water and sewer	101,645,618	128,109,639	-	1,377,582
Environmental waste services	23,431,488	16,368,530	1,568,388	-
Municipal drainage	3,952,974	5,228,986	-	-
Civic center	5,889,739	1,822,231	-	-
Municipal golf course	231,640	65,906	-	-
Property management	-	9,967	-	-
Recreation revolving	3,176,716	3,347,434	-	-
Downtown center development	55,683	68,128	-	-
Total business-type activities	138,383,858	155,020,821	1,568,388	1,377,582
Total primary government	\$ 400,554,551	\$ 192,476,063	\$ 7,192,401	\$ 15,113,980
Component units:				
Economic Development	\$ 5,239,288	\$ -	\$ 5,763,599	\$ -
TIF Mall	8,439,853	-	-	-
TIF East Side	4,942,588	-	-	-
Total component units	\$ 18,621,729	\$ -	\$ 5,763,599	\$ -

General revenues:
Property taxes
Sales taxes
Mixed drink taxes
Hotel/Motel tax
Other taxes
Franchise fees based upon gross receipts
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

Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
\$ (12,311,354)		\$ (12,311,354)	
(7,595,755)		(7,595,755)	
(49,424,962)		(49,424,962)	
(40,697,181)		(40,697,181)	
(9,379,827)		(9,379,827)	
(17,248,115)		(17,248,115)	
(3,952,757)		(3,952,757)	
(20,833,111)		(20,833,111)	
(17,979,174)		(17,979,174)	
(12,111,421)		(12,111,421)	
(13,821,383)		(13,821,383)	
<u>(205,355,040)</u>		<u>(205,355,040)</u>	
	\$ 27,841,603	27,841,603	
	(5,494,570)	(5,494,570)	
	1,276,012	1,276,012	
	(4,067,508)	(4,067,508)	
	(165,734)	(165,734)	
	9,967	9,967	
	170,718	170,718	
	12,445	12,445	
	<u>19,582,933</u>	<u>19,582,933</u>	
<u>(205,355,040)</u>	<u>19,582,933</u>	<u>(185,772,107)</u>	
			\$ 524,311
			(8,439,853)
			<u>(4,942,588)</u>
			<u>(12,858,130)</u>
128,274,660	-	128,274,660	15,742,291
62,441,697	-	62,441,697	-
1,140,818	-	1,140,818	-
-	4,722,431	4,722,431	-
206,389	-	206,389	-
23,220,388	6,761,347	29,981,735	-
4,756,044	795,789	5,551,833	237,227
29,825,475	(12,602,560)	17,222,915	(17,222,915)
<u>249,865,471</u>	<u>(322,993)</u>	<u>249,542,478</u>	<u>(1,243,397)</u>
44,510,431	19,259,940	63,770,371	(14,101,527)
830,132,065	427,249,174	1,257,381,239	25,134,314
<u>\$ 874,642,496</u>	<u>\$ 446,509,114</u>	<u>\$ 1,321,151,610</u>	<u>\$ 11,032,787</u>

**CITY OF PLANO, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF SEPTEMBER 30, 2011**

	<u>General</u>	<u>Debt Service</u>	<u>Capital Reserve</u>
ASSETS			
Cash and cash equivalents	\$ 13,917,169	\$ 593,110	\$ 12,861,194
Investments	34,138,908	1,458,910	31,635,475
Receivables (net of allowance for uncollectibles)			
Taxes	11,033,247	502,094	-
Accounts	2,281,266	-	-
Accrued interest	131,641	5,626	121,987
Assessments	-	-	-
Other	-	-	-
Due from other funds	426,966	-	-
Due from other governments	28,740	-	-
Prepaid items and other assets	176,588	-	751
Total Assets	<u>62,134,525</u>	<u>2,559,740</u>	<u>44,619,407</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	2,709,589	-	-
Accrued liabilities	6,032,936	-	-
Contracts payable	-	-	1,168,301
Deferred revenue	8,097,988	502,094	-
Due to other funds	35	-	-
Due to other governments	460,252	22,005	-
Retainage payable	-	-	-
Seized assets payable	-	-	-
Total Liabilities	<u>17,300,800</u>	<u>524,099</u>	<u>1,168,301</u>
Fund Balance:			
Nonspendable:			
Prepaid items and other assets	176,588	-	751
Restricted for:			
Debt service	-	2,035,641	-
Municipal facilities	-	-	-
Street improvements	-	-	-
Other capital projects	-	-	-
Special revenue	-	-	-
Committed to:			
Special revenue	-	-	-
Assigned to:			
Encumbrances	2,638,755	-	-
Capital reserve	-	-	43,450,355
Municipal facilities	-	-	-
Street improvements	-	-	-
Other capital projects	-	-	-
Other purposes	471,372	-	-
Unassigned			
General fund	41,547,010	-	-
Total Fund Balance	<u>44,833,725</u>	<u>2,035,641</u>	<u>43,451,106</u>
Total Liabilities and Fund Balance	<u>\$ 62,134,525</u>	<u>\$ 2,559,740</u>	<u>\$ 44,619,407</u>

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

Municipal Facilities	Street Improvements	Other Governmental Funds	Total Governmental Funds
\$ 6,570,255	\$ 10,379,387	\$ 19,451,316	\$ 63,772,431
16,161,259	25,530,820	47,845,365	156,770,737
-	-	-	11,535,341
-	-	441,882	2,723,148
62,319	98,448	184,492	604,513
-	1,347,266	-	1,347,266
28,916	-	837,621	866,537
-	-	35	427,001
-	3,282,340	1,038,191	4,349,271
-	-	3,654	180,993
<u>22,822,749</u>	<u>40,638,261</u>	<u>69,802,556</u>	<u>242,577,238</u>
-	-	382,857	3,092,446
-	-	20,026	6,052,962
2,913,881	137,096	513,231	4,732,509
-	14,676,624	1,517,480	24,794,186
-	-	426,966	427,001
-	-	1,687,619	2,169,876
85,276	323,416	106,158	514,850
-	-	115,708	115,708
<u>2,999,157</u>	<u>15,137,136</u>	<u>4,770,045</u>	<u>41,899,538</u>
-	-	3,654	180,993
-	-	-	2,035,641
16,390,020	-	-	16,390,020
-	19,455,034	-	19,455,034
-	-	18,656,693	18,656,693
-	-	23,466,830	23,466,830
-	-	16,052,538	16,052,538
-	-	-	2,638,755
-	-	-	43,450,355
3,433,572	-	-	3,433,572
-	6,046,091	-	6,046,091
-	-	6,852,796	6,852,796
-	-	-	471,372
-	-	-	41,547,010
<u>19,823,592</u>	<u>25,501,125</u>	<u>65,032,511</u>	<u>200,677,700</u>
<u>\$ 22,822,749</u>	<u>\$ 40,638,261</u>	<u>\$ 69,802,556</u>	<u>\$ 242,577,238</u>

**CITY OF PLANO, TEXAS
RECONCILIATION OF THE STATEMENT OF NET ASSETS
OF GOVERNMENTAL FUNDS
TO THE BALANCE SHEET
AS OF SEPTEMBER 30, 2011**

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

Total fund balance per balance sheet	\$ 200,677,700
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	928,866,648
Other long-term assets are not available to pay for current-period expenditures, and, therefore, are deferred in the funds.	35,284,598
Internal service funds are used by management to charge the costs of fleet management, property liability loss, health claims 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.	80,757,802
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(370,944,252)
Net assets of governmental activities	<u><u>\$ 874,642,496</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, 2011

	<u>General</u>	<u>Debt Service</u>	<u>Capital Reserve</u>
REVENUES			
Taxes-			
Property taxes	\$ 75,540,895	\$ 42,150,958	\$ -
Other taxes	63,851,345	-	-
Franchise fees	22,770,634	-	-
Fines and forfeitures	6,361,967	-	-
Contributions	-	-	525,741
Rollback taxes	-	-	172,594
Licenses and permits	6,619,204	-	-
Intragovernmental	8,879,036	-	-
Intergovernmental	1,231,291	-	-
Fees for services	10,427,849	-	-
Assessments	-	-	-
Investment income	979,287	457,543	658,855
Miscellaneous	1,051,587	142,527	6,551
Total revenues	<u>197,713,095</u>	<u>42,751,028</u>	<u>1,363,741</u>
EXPENDITURES			
Current operating:			
General government	21,355,266	-	-
Administrative services	7,978,998	-	-
Police	60,646,750	-	-
Fire	43,004,238	-	-
Libraries	9,284,607	-	-
Development	22,783,865	-	-
Public services and operations	4,614,534	-	-
Parks and recreation	18,792,674	-	-
Environmental waste services	-	-	-
Public works	5,538,454	-	-
Technology services	1,000,000	-	-
Capital outlay	1,240,138	-	13,126,385
Debt service:			
Principal retirement	-	28,405,000	-
Interest and fiscal charges	-	14,128,251	-
Total expenditures	<u>196,239,524</u>	<u>42,533,251</u>	<u>13,126,385</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,473,571</u>	<u>217,777</u>	<u>(11,762,644)</u>
OTHER FINANCING SOURCES (USES)			
Issuance of debt	-	-	-
Premium on sale of bonds	-	-	-
Disbursements from component units	1,150,709	642,709	-
Transfer of assets from Plano Economic Development Board	-	-	-
Transfers in	12,002,402	-	12,113,724
Transfers out	(11,193,534)	-	-
Total other financing sources	<u>1,959,577</u>	<u>642,709</u>	<u>12,113,724</u>
Net change in fund balances	3,433,148	860,486	351,080
Fund balances-beginning	41,400,577	1,175,155	43,100,026
Fund balances-ending	<u>\$ 44,833,725</u>	<u>\$ 2,035,641</u>	<u>\$ 43,451,106</u>

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

Municipal Facilities	Street Improvements	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 117,691,853
-	-	-	63,851,345
-	-	-	22,770,634
-	-	4,587,158	10,949,125
-	6,377,349	258,631	7,161,721
-	-	-	172,594
-	-	-	6,619,204
-	-	-	8,879,036
28,638	4,451,926	6,557,695	12,269,550
-	-	3,107,290	13,535,139
-	157,805	-	157,805
398,270	636,158	802,429	3,932,542
3,212	-	88,905	1,292,782
<u>430,120</u>	<u>11,623,238</u>	<u>15,402,108</u>	<u>269,283,330</u>
-	-	-	21,355,266
-	-	-	7,978,998
-	-	4,971,311	65,618,061
-	-	235,561	43,239,799
-	-	107,520	9,392,127
-	-	2,046,695	24,830,560
-	-	1,039,114	5,653,648
-	-	-	18,792,674
-	-	1,284,956	1,284,956
-	-	-	5,538,454
-	-	-	1,000,000
7,324,971	9,417,026	16,266,442	47,374,962
-	-	-	28,405,000
-	-	-	14,128,251
<u>7,324,971</u>	<u>9,417,026</u>	<u>25,951,599</u>	<u>294,592,756</u>
<u>(6,894,851)</u>	<u>2,206,212</u>	<u>(10,549,491)</u>	<u>(25,309,426)</u>
525,000	9,100,000	11,775,000	21,400,000
2,819	48,867	63,232	114,918
-	-	-	1,793,418
-	-	16,052,538	16,052,538
-	-	250,000	24,366,126
-	-	(568,478)	(11,762,012)
<u>527,819</u>	<u>9,148,867</u>	<u>27,572,292</u>	<u>51,964,988</u>
(6,367,032)	11,355,079	17,022,801	26,655,562
26,190,624	14,146,046	48,009,710	174,022,138
<u>\$ 19,823,592</u>	<u>\$ 25,501,125</u>	<u>\$ 65,032,511</u>	<u>\$ 200,677,700</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, 2011**

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

Net change in fund balance - total governmental funds	\$ 26,655,562
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.	5,251,878
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	82,825
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.	6,890,082
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.	314,747
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.	5,598,770
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.	(283,433)
Change in net assets of governmental activities	<u>\$ 44,510,431</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, 2011

	<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>				
REVENUES:						
Taxes-						
Property taxes	\$ 76,291,685	\$ 75,763,574	\$ 75,540,895	\$ (172,594)	\$ 75,368,301	\$ (395,273)
Other taxes	58,196,926	58,772,172	63,851,345	-	63,851,345	5,079,173
Franchise fees	21,378,509	22,104,574	22,770,634	-	22,770,634	666,060
Fines and forfeitures	7,849,020	6,270,276	6,361,967	-	6,361,967	91,691
Licenses and permits	5,163,489	5,919,028	6,619,204	-	6,619,204	700,176
Intragovernmental	8,879,036	8,879,036	8,879,036	-	8,879,036	-
Intergovernmental	1,276,575	1,245,047	1,231,291	-	1,231,291	(13,756)
Fees for services	11,050,205	10,976,846	10,427,849	-	10,427,849	(548,997)
Investment income	1,000,000	610,091	979,287	-	979,287	369,196
Miscellaneous	920,076	1,016,899	1,051,587	-	1,051,587	34,688
Total Revenues	192,005,521	191,557,543	197,713,095	(172,594)	197,540,501	5,982,958
EXPENDITURES:						
General government	24,012,815	23,179,796	21,355,266	481,371	21,836,637	1,343,159
Administrative services	8,571,031	8,550,364	7,978,998	181,309	8,160,307	390,057
Police	62,490,668	61,149,113	60,646,750	88,321	60,735,071	414,042
Fire	44,176,231	43,471,698	43,004,238	305,939	43,310,177	161,521
Libraries	9,780,621	9,677,052	9,284,607	205,461	9,490,068	186,984
Development	24,834,541	23,670,694	22,783,865	250,351	23,034,216	636,478
Public services and operations	4,811,416	4,580,368	4,614,534	17,307	4,631,841	(51,473)
Parks and Recreation	21,091,524	20,532,186	18,792,674	269,397	19,062,071	1,470,115
Public works	5,763,042	5,816,026	5,538,454	171,036	5,709,490	106,536
Technology services	1,000,000	1,000,000	1,000,000	-	1,000,000	-
Capital outlay	1,026,000	2,006,750	1,240,138	668,263	1,908,401	98,349
Total Expenditures	207,557,889	203,634,047	196,239,524	2,638,755	198,878,279	4,755,768
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(15,552,368)</u>	<u>(12,076,504)</u>	<u>1,473,571</u>	<u>(2,811,349)</u>	<u>(1,337,778)</u>	<u>10,738,726</u>
OTHER FINANCING SOURCES (USES):						
Disbursements from component units	-	-	1,150,709	-	1,150,709	1,150,709
Transfers in	10,864,127	10,745,192	12,002,402	-	12,002,402	1,257,210
Transfers out	<u>(10,500,000)</u>	<u>(10,500,000)</u>	<u>(11,193,534)</u>	<u>-</u>	<u>(11,193,534)</u>	<u>(693,534)</u>
Total Other Financing Sources	364,127	245,192	1,959,577	-	1,959,577	1,714,385
Net Change in Fund Balance	(15,188,241)	(11,831,312)	3,433,148	(2,811,349)	621,799	12,453,111
FUND BALANCE, October 1	41,896,911	41,896,911	41,400,577	-	41,400,577	-
FUND BALANCE, September 30	\$ 26,708,670	\$ 30,065,599	\$ 44,833,725	\$ (2,811,349)	\$ 42,022,376	\$ 12,453,111

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, 2011**

	Net Change in Fund Balance
GAAP basis	\$ 3,433,148
Revenues:	
Decrease due to rolled back taxes	(172,594)
Expenditures:	
Increase due to encumbrances	<u>(2,638,755)</u>
Budgetary basis	<u>\$ 621,799</u>

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, 2011

Business-type Activities
Enterprise Funds

	Water and Sewer	Environmental Waste Services	Municipal Drainage	Other Enterprise Funds	Total	Governmental Activities- Internal Service Funds
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 4,891,367	\$ 282,830	\$ 1,000,535	\$ 1,282,338	\$ 7,457,070	\$ 15,885,775
Investments	12,025,756	694,097	2,461,080	3,146,703	18,327,636	39,074,490
Receivables (net of allowance for uncollectibles)						
Accounts	19,814,221	1,343,970	646,986	494,301	22,299,478	144,308
115 trust	-	-	-	-	-	104,968
Accrued interest	46,372	2,676	9,490	12,134	70,672	150,672
Other	141	1,369,274	-	2,251	1,371,666	-
Interfund receivable	139,785	-	-	-	139,785	-
Inventories	-	-	-	-	-	1,037,475
Prepaid expenses & other assets	735,310	388,146	-	33,819	1,157,275	232,148
Restricted assets:						
Revenue bond debt service-						
Cash and cash equivalents	98,073	-	1,099,593	-	1,197,666	-
Investments	241,237	-	1,063,909	-	1,305,146	-
Accrued interest receivable	930	-	10,430	-	11,360	-
Revenue bond reserve fund-						
Investments	-	-	1,640,828	-	1,640,828	-
Revenue bond construction fund-						
Cash and cash equivalents	8,598,243	-	1,896,394	-	10,494,637	934,480
Investments	21,149,630	-	4,664,677	-	25,814,307	2,298,604
Accrued interest receivable	81,554	-	17,987	-	99,541	8,863
Total current assets	<u>67,822,619</u>	<u>4,080,993</u>	<u>14,511,909</u>	<u>4,971,546</u>	<u>91,387,067</u>	<u>59,871,783</u>
Advances to other funds	296,567	-	-	-	296,567	-
Capital assets:						
Land	4,886,870	-	92,541	2,992,153	7,971,564	62,522
Buildings	2,744,295	8,581	52,921	13,782,224	16,588,021	5,844,458
Improvements other than buildings	523,570,364	-	-	2,037,373	525,607,737	-
Equipment	12,940,398	7,005,051	264,643	2,114,634	22,324,726	41,493,454
Furniture and fixtures	208,643	53,028	8,124	455,259	725,054	117,448
Rolling equipment	114,195	133,694	-	-	247,889	49,123,327
Drainage improvements	-	-	33,467,393	-	33,467,393	-
Construction in progress	10,913,483	-	1,913,579	-	12,827,062	-
Less accumulated depreciation	<u>(210,690,448)</u>	<u>(6,906,003)</u>	<u>(5,075,254)</u>	<u>(15,892,700)</u>	<u>(238,564,405)</u>	<u>(62,983,440)</u>
Total capital assets (net of accumulated depreciation)	<u>344,687,800</u>	<u>294,351</u>	<u>30,723,947</u>	<u>5,488,943</u>	<u>381,195,041</u>	<u>33,657,769</u>
Total noncurrent assets	<u>344,984,367</u>	<u>294,351</u>	<u>30,723,947</u>	<u>5,488,943</u>	<u>381,491,608</u>	<u>33,657,769</u>
Total assets	<u>\$ 412,806,986</u>	<u>\$ 4,375,344</u>	<u>\$ 45,235,856</u>	<u>\$ 10,460,489</u>	<u>\$ 472,878,675</u>	<u>\$ 93,529,552</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, 2011
(continued)

Business-type Activities
Enterprise Funds

	Water and Sewer	Environmental Waste Services	Municipal Drainage	Other Enterprise Funds	Total	Governmental Activities- Internal Service Funds
LIABILITIES						
Current liabilities:						
Accounts payable	\$ 3,524,792	\$ 163,826	\$ 242,940	\$ 211,355	\$ 4,142,913	\$ 894,084
Accrued liabilities	117,861	442,642	13,672	88,354	662,529	267,337
Deferred revenue	-	4,230	-	770,687	774,917	-
Interfund payable	-	139,785	-	-	139,785	-
Accrued interest payable	-	1,517	-	-	1,517	-
Customer deposits	2,004,095	-	-	243,030	2,247,125	-
Liability for compensated absences	110,271	99,867	22,762	109,611	342,511	110,585
Liability for insurance claims	-	-	-	-	-	5,091,705
Total current liabilities	<u>5,757,019</u>	<u>851,867</u>	<u>279,374</u>	<u>1,423,037</u>	<u>8,311,297</u>	<u>6,363,711</u>
Current liabilities payable from restricted assets:						
Contracts payable	363,103	-	-	-	363,103	-
Current portion of long-term debt	379,233	-	1,934,157	-	2,313,390	-
Accrued interest payable	2,317	-	354,230	-	356,547	-
Retainage payable	230,574	-	38,218	-	268,792	-
Total current liabilities payable from restricted assets	<u>975,227</u>	<u>-</u>	<u>2,326,605</u>	<u>-</u>	<u>3,301,832</u>	<u>-</u>
Total current liabilities	<u>6,732,246</u>	<u>851,867</u>	<u>2,605,979</u>	<u>1,423,037</u>	<u>11,613,129</u>	<u>6,363,711</u>
Noncurrent liabilities:						
Advance from other funds	-	296,567	-	-	296,567	-
Bonds payable	393,720	-	21,462,016	-	21,855,736	-
Liability for compensated absences	1,716,507	1,036,772	94,812	424,342	3,272,433	831,440
Liability for insurance claims	-	-	-	-	-	1,093,767
Total noncurrent liabilities	<u>2,110,227</u>	<u>1,333,339</u>	<u>21,556,828</u>	<u>424,342</u>	<u>25,424,736</u>	<u>1,925,207</u>
Total liabilities	<u>8,842,473</u>	<u>2,185,206</u>	<u>24,162,807</u>	<u>1,847,379</u>	<u>37,037,865</u>	<u>8,288,918</u>
NET ASSETS						
Invested in capital assets (net of related debt)	343,914,847	294,351	13,058,865	5,488,943	362,757,006	33,657,769
Restricted for:						
Debt service	340,240	-	2,173,932	-	2,514,172	-
Unrestricted	<u>59,709,426</u>	<u>1,895,787</u>	<u>5,840,252</u>	<u>3,124,167</u>	<u>70,569,632</u>	<u>51,582,865</u>
Total Net Assets	<u>\$ 403,964,513</u>	<u>\$ 2,190,138</u>	<u>\$ 21,073,049</u>	<u>\$ 8,613,110</u>	<u>\$ 435,840,810</u>	<u>\$ 85,240,634</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, 2011**

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

Total net assets of proprietary funds	\$ 435,840,810
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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.	10,668,304
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Net assets of business type activities	<u><u>\$ 446,509,114</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, 2011

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	\$ 125,794,445	\$ 13,791,367	\$ 5,219,286	\$ 5,250,006	\$ 150,055,104	\$ 65,285,803
Franchise fees	-	6,761,347	-	-	6,761,347	-
Sale of trash bags	-	1,266,890	-	-	1,266,890	-
Penalties	1,418,381	-	-	-	1,418,381	-
Taps and meters	242,239	-	-	-	242,239	-
Construction water	176,259	-	-	-	176,259	-
Contributions	-	108,290	-	-	108,290	-
Miscellaneous charges	359,527	1,113,153	9,700	58,158	1,540,538	195,110
Total operating revenues	<u>127,990,851</u>	<u>23,041,047</u>	<u>5,228,986</u>	<u>5,308,164</u>	<u>161,569,048</u>	<u>65,480,913</u>
Operating expenses:						
Personnel services	9,136,845	6,029,350	1,500,410	4,124,743	20,791,348	8,132,947
Contractual services	7,586,518	7,279,174	673,403	4,164,595	19,703,690	12,136,048
Supplies	5,501,943	381,148	232,897	807,108	6,923,096	7,405,281
Claims expense	-	-	-	-	-	20,814,029
Depreciation	13,658,631	6,289	660,082	332,476	14,657,478	7,914,392
Landfill services	-	7,674,633	-	-	7,674,633	-
Wastewater treatment	21,704,872	-	-	-	21,704,872	-
Charges in lieu of taxes	7,986,468	892,568	-	-	8,879,036	-
Water supply	35,437,094	-	-	-	35,437,094	-
Other post employment benefits	-	-	-	-	-	4,192,847
Miscellaneous	847,328	190,079	4,585	86,960	1,128,952	42,476
Total operating expenses	<u>101,859,699</u>	<u>22,453,241</u>	<u>3,071,377</u>	<u>9,515,882</u>	<u>136,900,199</u>	<u>60,638,020</u>
Operating income (loss)	<u>26,131,152</u>	<u>587,806</u>	<u>2,157,609</u>	<u>(4,207,718)</u>	<u>24,668,849</u>	<u>4,842,893</u>
Nonoperating revenues (expenses):						
Investment income	520,415	8,233	203,691	63,450	795,789	823,502
Gain (loss) on property disposition	-	-	-	(1,801)	(1,801)	841,806
Interest and fiscal charges	(21,876)	(22,830)	(938,826)	-	(983,532)	-
Auction proceeds	61,229	-	-	-	61,229	-
Hotel/motel tax	-	-	-	4,722,431	4,722,431	-
Intergovernmental revenues	-	-	-	-	-	16,240
Miscellaneous	57,559	88,830	(690)	5,502	151,201	36,469
Total nonoperating revenue (expenses)	<u>617,327</u>	<u>74,233</u>	<u>(735,825)</u>	<u>4,789,582</u>	<u>4,745,317</u>	<u>1,718,017</u>
Income before contributions and transfers	26,748,479	662,039	1,421,784	581,864	29,414,166	6,560,910
Contributions from developers	1,377,582	-	-	-	1,377,582	-
Transfers in	700,000	100,000	-	-	800,000	625,179
Transfers out	(10,108,947)	(700,000)	(360,176)	(889,793)	(12,058,916)	(800,000)
Capital asset transfer out	-	-	-	(1,343,644)	(1,343,644)	-
Change in net assets	18,717,114	62,039	1,061,608	(1,651,573)	18,189,188	6,386,089
Total net assets-beginning	<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>
Total net assets-ending	<u>\$ 403,964,513</u>	<u>\$ 2,190,138</u>	<u>\$ 21,073,049</u>	<u>\$ 8,613,110</u>	<u>\$ 435,840,810</u>	<u>\$ 85,240,634</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, 2011**

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

Net change in net assets - total proprietary funds	\$18,189,188
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.	787,319
The net revenues of grant activities of special revenue funds is reported within business-type activities.	283,433
Change in net assets of business-type activities	<u><u>\$19,259,940</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, 2011

	Business-type Activities Enterprise Funds				Total	Governmental Activities- Internal Service Funds
	Water and Sewer	Environmental Waste Services	Municipal Drainage	Other Enterprise Funds		
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash received from customers	\$ 125,903,834	\$ 16,019,300	\$ 5,209,997	\$ 5,525,672	\$ 152,658,803	\$ 65,392,782
Franchise fees	-	6,761,347	-	-	6,761,347	-
Charges in lieu of taxes	(7,986,468)	(892,568)	-	-	(8,879,036)	-
Cash payments to suppliers for goods and services	(71,823,556)	(16,085,256)	(1,014,979)	(5,267,998)	(94,191,789)	(44,480,218)
Cash payments to employees for services	(9,017,285)	(5,921,449)	(1,524,353)	(3,840,262)	(20,303,349)	(8,125,629)
Net cash provided (used) by operating activities	37,076,525	(118,626)	2,670,665	(3,582,588)	36,045,976	12,786,935
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Advances from other funds	133,194	301,943	-	-	435,137	-
Repayments (to) from other funds	-	(438,121)	-	-	(438,121)	38,336
Hotel/motel tax	-	-	-	4,722,431	4,722,431	-
Transfers (to) other funds	(9,408,947)	(600,000)	(360,176)	(889,793)	(11,258,916)	(174,821)
Grant receipts	-	-	-	-	-	16,240
Net cash provided (used) by noncapital financing activities	(9,275,753)	(736,178)	(360,176)	3,832,638	(6,539,469)	(120,245)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition and construction of capital assets	(7,597,458)	(9,250)	(1,932,773)	-	(9,539,481)	(7,777,578)
Proceeds from sale of equipment	-	-	-	-	-	952,909
Principal paid on long-term debt	(1,260,000)	-	(1,835,000)	-	(3,095,000)	-
Interest and fees paid on long-term debt	(75,046)	(22,830)	(1,077,232)	-	(1,175,108)	-
Contributions by developers	-	-	14,997	-	14,997	-
Proceeds from insurance damages	48,953	88,830	3,222	5,502	146,507	36,469
Proceeds from sale of equipment	61,229	-	-	-	61,229	-
Proceeds from construction participation	8,606	-	-	-	8,606	-
Net cash provided (used) by capital and related financing activities	(8,813,716)	56,750	(4,826,786)	5,502	(13,578,250)	(6,788,200)
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of investment securities	(33,416,623)	(694,097)	(9,830,494)	(3,146,703)	(47,087,917)	(41,373,094)
Proceeds from sale and maturities of investment securities	19,329,774	1,237,722	11,320,437	2,882,335	34,770,268	36,321,533
Interest on investments	298,803	8,432	170,848	49,020	527,103	690,623
Increase in fair value of investments	147,754	647	27,146	10,495	186,042	-
Net cash provided (used) by investing activities	(13,640,292)	552,704	1,687,937	(204,853)	(11,604,504)	(4,360,938)
Net increase (decrease) in cash and cash equivalents	5,346,764	(245,350)	(828,360)	50,699	4,323,753	1,517,552
Cash and cash equivalents, October 1	8,240,919	528,180	4,824,882	1,231,639	14,825,620	15,302,703
Cash and cash equivalents, September 30	\$ 13,587,683	\$ 282,830	\$ 3,996,522	\$ 1,282,338	\$ 19,149,373	\$ 16,820,255
Classified as:						
Current assets	\$ 4,891,367	\$ 282,830	\$ 1,000,535	\$ 1,282,338	\$ 7,457,070	\$ 15,885,775
Restricted assets	8,696,316	-	2,995,987	-	11,692,303	934,480
Total	\$ 13,587,683	\$ 282,830	\$ 3,996,522	\$ 1,282,338	\$ 19,149,373	\$ 16,820,255
Non-cash disclosure:						
Developers contributions	\$ 1,377,582	\$ -	\$ -	\$ -	\$ 1,377,582	\$ -
Gain (loss) on property disposition	61,229	-	-	(1,801)	59,428	(111,103)
Increase in fair value of investments	147,754	647	27,146	10,495	186,042	76,470
Transfer in (out) of capital assets	16,283,949	(239,882)	1,327,178	(84)	17,371,161	6,845

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, 2011
(continued)

	Business-type Activities Enterprise Funds					Governmental Activities- Internal Service Funds
	Water and Sewer	Environmental Waste Services	Municipal Drainage	Other Enterprise Funds	Total	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Operating income (loss)	\$ 26,131,152	\$ 587,806	\$ 2,157,609	\$ (4,207,718)	\$ 24,668,849	\$ 4,842,893
Adjustments to reconcile operating income to net cash provided (used) by operating activities:						
Depreciation	13,658,631	6,289	660,082	332,476	14,657,478	7,914,392
Change in assets and liabilities:						
(Increase) decrease in-						
Accounts receivable	(2,256,296)	558,051	(18,989)	68,467	(1,648,767)	(177,313)
Other accounts receivable	713	(818,451)	-	(200)	(817,938)	-
Due from other funds	-	-	-	-	-	(419)
Due from other governments	-	-	-	-	-	-
Prepaid expenses & other assets	(245,822)	(386,196)	-	1,408	(630,610)	(9,999)
Inventories	-	-	-	-	-	(127,079)
Increase (decrease) in-						
Accounts payable	(499,979)	(174,026)	(103,971)	54,990	(722,986)	(433,226)
Accrued liabilities	25,691	104,959	462	35,733	166,845	23,732
Due to other funds	-	-	(123)	(690)	(813)	89,602
Liability for compensated absences	93,869	2,942	(24,405)	(13,595)	58,811	(16,414)
Customer deposits	168,566	-	-	57,120	225,686	-
Deferred revenue	-	-	-	89,421	89,421	-
Liability for insurance claims	-	-	-	-	-	680,766
Total adjustments	10,945,373	(706,432)	513,056	625,130	11,377,127	7,944,042
Net cash provided (used) by operating activities	\$ 37,076,525	\$ (118,626)	\$ 2,670,665	\$ (3,582,588)	\$ 36,045,976	\$ 12,786,935

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, 2011**

	Pension and Other Employee Benefit Trust funds	Agency Funds
ASSETS		
Cash and cash equivalents	\$ 5,688,726	\$ 727,005
Investment pool	-	1,788,260
Other U.S. government obligations	5,822,584	-
Corporate bonds	26,517,560	-
Common stocks	50,703,998	-
Foreign equities	1,380,830	-
Mutual funds	18,199,532	-
Real estate investment trusts	486,910	-
Accrued interest	397,949	6,896
Pending trades accrued interest	46,148	-
Total Assets	109,244,237	2,522,161
LIABILITIES		
Accounts payable	54,459	-
Payable to health claims fund	104,968	-
Developers' escrow liability	-	2,454,278
Unclaimed property payable	-	67,883
Total Liabilities	159,427	2,522,161
NET ASSETS		
Held in trust for pension benefits	74,196,054	
Held in trust for other postemployment benefits	34,888,756	
Total Net Assets	\$ 109,084,810	

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

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

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 accounting and reporting policies of the City relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America (GAAP) applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled *State and Local Governments – Audit and Accounting Guide* and by the Financial Accounting Standards Board when applicable. As allowed in Section P80 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, the City has elected not to apply Financial Accounting Standards Board Statements and Interpretations issued after November 30, 1989. The more significant accounting policies of the City are described below.

A. Financial Statement Presentation

The basic financial statements are prepared in conformity with GAAP 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. The City does not have any Special Revenue funds with legally adopted budgets.

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

CITY OF PLANO, TX
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2011

government is considered to be financially accountable. Blended component units, although legally separate 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 Units.

Effective September 30, 2011, The Plano Economic Development Board, Inc. (Board) legally dissolved and will no longer be reported as a discretely presented component unit. Prior to this date, the Board was legally separate from the City and the City did not appoint a majority of its governing board; however, the City Manager was a designated position on the Board and City Council appointed one member who was a Council Member to serve on the Board. The City Council contracted with the Board to provide marketing and economic development services to the City and the City provided for custody and investment of the Board's assets, various administrative/personnel/legal services and the majority of funding for the Board's budget. Effective October 1, 2011, the operating expenses of the City's economic development administration efforts will reside in the General Fund. On September 30, 2011, the net asset balance associated with the \$.02 tax earmarked for economic development and incentives was transferred to a Special Revenue Fund called the Economic Development Incentive Fund.

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. As of September 30, 2011, this TIF was completed and all remaining funds were distributed back to the participating taxing entities. 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 2011 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

CITY OF PLANO, TX
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2011

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.

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 and sales taxes, franchise fees, 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 and replacement, 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.

CITY OF PLANO, TX
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2011

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.

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, downtown center development, 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:

CITY OF PLANO, TX
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2011

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. The 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.
- b. The 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. The 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. The Municipal Facilities Fund accounts for the financing and construction of various City facilities. Funds are provided primarily through bond sales and interest earnings.
- e. The 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. The Water and Sewer Fund accounts for the operation of the City's water and sewer utilities. 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 financial integrity of the Fund.
- b. The Environmental Waste Services Fund accounts for the provision of environmental services to customers who are billed monthly at a rate sufficient to cover the cost of providing such services.
- c. The Municipal Drainage Fund accounts for the City's storm water management program.
- d. Other Enterprise Funds are 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.

CITY OF PLANO, TX
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2011

- b. Agency Funds are used to account for assets held by the City in an agency capacity for individuals 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.

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 for government-wide 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, except for certificates of deposit and government agencies which are recorded at amortized cost. Amortized cost approximates fair value. 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 receive services occurring in the subsequent fiscal year. Inventories and prepaid items are reflected as nonspendable fund balance in the governmental funds.

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 nonspendable 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.

CITY OF PLANO, TX
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2011

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.

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 2011, \$71,794 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 – 10
Furniture and fixtures	5 – 10
Drainage improvements	50
Meters	10
Storm/sanitary sewer	50
System infrastructure	30-50

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) and Street Improvements Fund (Capital Projects). Several of the Federal grants are a part of the American Reinvestment and Recovery Act Grants. Various state grants are included in the Grant Fund, General Fund and Street Improvements Funds. 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 Special Revenue Funds.

CITY OF PLANO, TX
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2011

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 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 are deferred and amortized over the life of the bonds using the effective interest method in the government-wide financial statements. Bond issuance costs are deferred and amortized over the life of the bonds using the straight-line method. 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 System 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).

N. Nature and Purpose of Classifications of Fund Balance

Governmental fund balances classified as restricted are balances with constraints placed on the use of resources by creditors, grantors, contributors or laws or regulations of other governments. Fund balances classified as committed can only be used for specific purposes pursuant to constraints imposed by the City Council through an ordinance or resolution. Assigned fund balances are constrained by intent to be used for specific purposes but are neither restricted nor committed. Assignments are made by City management based upon City Council direction. Fund balances classified as nonspendable are resources that cannot be spent because of their form or because they must be maintained intact.

For the classification of Governmental Fund balances, the City considers an expenditure to be made from the most restrictive first when more than one classification is available.

CITY OF PLANO, TX
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2011

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 \$370,944,252 difference are as follows:

Bonds payable, certificates of obligation and tax anticipation notes	\$ 328,280,000
Add: Issuance premium (to be amortized as interest expense)	6,078,571
Less: Deferred charges from refunding and bond issuance costs	(5,070,912)
Accrued interest payable	1,135,742
Claims and judgments	6,185,472
Compensated absences	<u>34,335,379</u>
Net adjustment to reduce fund balance – total governmental funds	
To arrive at net assets – governmental activities	<u>\$ 370,944,252</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 \$5,251,878 difference are as follows:

Capital outlay	\$ 47,374,962
Depreciation expense	(43,030,376)
Other capital related transactions	<u>907,292</u>
Net adjustment to increase net changes in fund balances- total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 5,251,878</u>

**CITY OF PLANO, TX
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2011**

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 \$6,890,082 difference are as follows:

Debt issued or incurred:	
Issuance of general obligation bonds	\$(21,400,000)
Add: premium	(114,918)
Principal repayments:	
General obligation debt	<u>28,405,000</u>
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 6,890,082</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 \$314,747 difference are as follows:

Changes in:	
Compensated absences	\$ (994,585)
Accrued interest	8,908
Amortization of bond discount / deferred charge on refunding	(708,118)
Amortization of bond premium	1,006,078
Record change in net OPEB asset	1,281,088
Record change in net pension asset	217,710
Other	<u>(496,334)</u>
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 314,747</u>

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.

CITY OF PLANO, TX
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2011

- 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 \$172,594 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:

For the year ended September 30, 2011, there are no fund deficits.

**CITY OF PLANO, TX
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2011**

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, 2011 the carrying amount of the City's demand deposits was \$49,099,165, which includes component unit deposits of \$3,522,126. The bank balance was \$60,335,280. At September 30, 2011 the City's cash on hand totaled \$44,709. At September 30, 2011, the carrying value and the bank balance of the City's non-negotiable certificates of deposit (CD's) was \$32,468,791. At September 30, 2011 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 \$5,688,726.

Investments

At September 30, 2011, the City's investment balances were as follows:

Investment type	Fair Value		Total	Weighted Avg Maturity (Years) ^a
	Primary Government	Component Units		
U.S. Agencies	\$ 205,498,807	\$ 15,906,971	\$ 221,405,778	1.31
Texas Local Government Investment Pools	50,220,222	3,880,944	54,101,166	.0004
Total	\$ 255,719,029	\$ 19,787,915	\$ 275,506,944	1.3104
Investment Trust Funds				
Retirement Security Plan:				
Government Agency Obligations			\$ 2,825,865	3.38
Corporate Bonds			18,285,594	5.56
Equities:				
Common Stocks			41,993,330	N/A
Foreign Equities			1,380,830	N/A
CTF/Mutual Funds			4,277,432	N/A
Real Estate Investment Trusts			486,910	N/A
Postemployment Benefit:				
Government Agency Obligations			2,996,719	.99
Corporate Bonds			8,231,966	3.62
Equities:				
Common Stocks			8,710,668	N/A
Mutual Funds			13,922,100	N/A
Total Investment Trust Funds			103,111,414	
Total Investments			\$ 378,618,358	

^a Fair value basis

CITY OF PLANO, TX
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2011

Investments in both the Retirement Security Plan and the Postemployment Benefit Trust Fund are held by a bank trust department, apart from the overall City's cash and investments.

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, 2011.

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, 2011, 5% or more of the City's total investments are in: Federal Home Loan Mortgage Corporation securities (23.17%), Federal Home Loan Bank securities (18.47%), Federal National Mortgage Association securities (18.46%), Certificates of Deposits (8.83%), Investment Pools (14.69%), and bank accounts (16.38%), on a fair value basis.

2. PROPERTY TAXES:

The City's ad valorem or 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, 2010 upon which the original 2011 levy was based, was \$24,499,553,861. Subsequent adjustments decreased this value to \$24,425,113,518.

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, 2011, were 99.6% 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, 2011, was \$0.4886 (\$0.3135 for general government and \$0.1751 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 \$491,286,733 in additional taxes from the present assessed valuation.

CITY OF PLANO, TX
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2011

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.

3. RECEIVABLES:

Receivables at September 30, 2011 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	\$ 1,724,537	933,930	-	-	-	-	-	-	-	2,658,467
Sales Taxes	9,889,422	-	-	-	-	-	-	-	-	9,889,422
Mixed Drink Taxes	244,873	-	-	-	-	-	-	-	-	244,873
Accounts	2,281,266	-	-	-	-	20,003,379	1,390,720	656,034	1,089,354	25,420,753
Accrued Interest	131,641	5,626	121,987	62,319	98,448	128,856	2,676	37,907	347,298	936,758
Assessments	-	-	-	-	1,347,266	-	-	-	-	1,347,266
115 Trust	-	-	-	-	-	-	-	-	104,968	104,968
Other	-	-	-	28,916	-	141	1,369,274	-	839,872	2,238,203
Gross Receivables	14,271,739	939,556	121,987	91,235	1,445,714	20,132,376	2,762,670	693,941	2,381,492	42,840,710
Less: Allowance for Uncollectibles	(825,585)	(431,836)	-	-	-	(189,158)	(46,750)	(9,048)	-	(1,502,377)
Net total Receivables	\$13,446,154	507,720	121,987	91,235	1,445,714	19,943,218	2,715,920	684,893	2,381,492	41,338,333

The Enterprise Fund accounts receivable includes unbilled charges for services of \$8,677,565 rendered at September 30, 2011.

**CITY OF PLANO, TX
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2011**

4. CAPITAL ASSETS:

Capital asset activity for the year ended September 30, 2011 was as follows:

Primary Government

	Balance at Beginning Of Year	Additions And Transfers	Retirements And Transfers	Balance at End Of Year
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 122,699,724	4,189,536	-	126,889,260
Construction in progress	54,820,420	45,205,910	(52,973,411)	47,052,919
Public art	1,698,740	-	-	1,698,740
Total capital assets, not being depreciated	179,218,884	49,395,446	(52,973,411)	175,640,919
Capital assets, being depreciated:				
Buildings	161,211,787	8,428,301	-	169,640,088
Improvements other than buildings	148,824,313	11,611,776	-	160,436,089
Equipment	179,285,123	13,801,923	(9,004,214)	184,082,832
Infrastructure	988,265,406	28,008,782	-	1,016,274,188
Total capital assets being depreciated	1,477,586,629	61,850,782	(9,004,214)	1,530,433,197
Less accumulated depreciation for:				
Buildings	(77,494,848)	(6,926,104)	(177,322)	(84,598,274)
Improvements other than buildings	(60,739,921)	(5,345,500)	-	(66,085,421)
Equipment	(134,305,101)	(13,894,438)	8,389,487	(139,810,052)
Infrastructure	(428,277,226)	(24,778,726)	-	(453,055,952)
Total accumulated depreciation	(700,817,096)	(50,944,768)	8,212,165	(743,549,699)
Total capital assets, being depreciated, net	776,769,533	10,906,014	(792,049)	786,883,498
Governmental activities capital assets, net	\$ 955,988,417	60,301,460	(53,765,460)	962,524,417

CITY OF PLANO, TX
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2011

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

Governmental activities:	
General government	\$ 8,299,025
Administrative services	31,028
Police	750,143
Fire	385,110
Libraries	1,009,316
Development	127,762
Public services and operations	65,706
Parks and recreation	7,211,227
Public works	25,151,059
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	7,914,392
Total depreciation expense – governmental activities	<u>\$ 50,944,768</u>

	Balance at Beginning Of Year	Additions And Transfers	Retirements And Transfers	Balance at End Of Year
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 9,263,986	40,904	(1,333,326)	7,971,564
Construction in progress	20,839,022	9,605,049	(17,617,009)	12,827,062
Total capital assets, not being depreciated	<u>30,103,008</u>	<u>9,645,953</u>	<u>(18,950,335)</u>	<u>20,798,626</u>
Capital assets, being depreciated:				
Buildings	16,742,810	16,977	(171,766)	16,588,021
Improvements other than buildings	508,007,293	17,616,319	(15,875)	525,607,737
Drainage improvements	32,140,124	1,327,269	-	33,467,393
Furniture and fixtures	736,255	-	(11,201)	725,054
Equipment	22,675,314	303,714	(406,413)	22,572,615
Total capital assets being depreciated	580,301,796	19,264,279	(605,255)	598,960,820
Less accumulated depreciation for:				
Buildings	(13,878,156)	(383,033)	171,764	(14,089,425)
Improvements other than buildings	(186,128,508)	(12,870,024)	5,557	(198,992,975)
Drainage improvements	(4,136,985)	(656,076)	-	(4,793,061)
Furniture and fixtures	(524,483)	(10,311)	11,201	(523,593)
Equipment	(19,586,085)	(738,034)	158,768	(20,165,351)
Total accumulated depreciation	<u>(224,254,217)</u>	<u>(14,657,478)</u>	<u>347,290</u>	<u>(238,564,405)</u>
Total capital assets, being depreciated, net	<u>356,047,579</u>	<u>4,606,801</u>	<u>(257,965)</u>	<u>360,396,415</u>
Business-type activities capital assets, net	<u>\$ 386,150,587</u>	<u>14,252,754</u>	<u>(19,208,300)</u>	<u>381,195,041</u>

CITY OF PLANO, TX
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2011

Business-type activities:	
Water and sewer	\$ 13,658,631
Environmental waste services	6,289
Municipal drainage	660,082
Nonmajor	332,476
 Total depreciation expense – business-type activities	 <u><u>\$ 14,657,478</u></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 \$142,822,000 of the 2005 bonds have been issued. In May 2009, \$128,622,500 of various purpose General Obligation Bonds were authorized and \$6,015,000 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
Economic development activities:				
Capital assets, being depreciated:				
Equipment	\$ 57,115	-	(57,115)	-
Total capital assets being depreciated	<u>57,115</u>	<u>-</u>	<u>(57,115)</u>	<u>-</u>
Less accumulated depreciation for:				
Equipment	(57,115)	-	57,115	-
Total accumulated depreciation	<u>(57,115)</u>	<u>-</u>	<u>57,115</u>	<u>-</u>
 Economic development activities capital assets, net	 <u><u>\$ -</u></u>	 <u><u>-</u></u>	 <u><u>-</u></u>	 <u><u>-</u></u>

CITY OF PLANO, TX
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2011

	Balance at Beginning Of Year	Additions And Transfers	Retirements And Transfers	Balance at End Of Year
TIF East Side activities:				
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	(4,069,260)	(1,295,913)	-	(5,365,173)
Improvements other than buildings	(3,644)	(1,054)	-	(4,698)
Equipment	(24,204)	(1,862)	-	(26,066)
Total accumulated depreciation	(4,097,108)	(1,298,829)	-	(5,395,937)
Total capital assets, being depreciated, net	2,595,796	(1,298,829)	-	1,296,967
TIF East Side activities capital assets, net	\$ 2,706,425	(1,298,829)	-	1,407,596

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 842 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 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.

CITY OF PLANO, TX
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2011

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 2010):

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, 2009 valuation is effective for rates beginning January 2011)

Contributions by the City were \$19,883,712 or 16.65% of the covered payroll of \$119,479,717 as required by the actuarial valuation. The total fiscal year 2011 payroll was \$122,456,145. Annual City TMRS pension cost and related information for the last three fiscal years is as follows:

	2011	2010	2009
Annual pension cost	\$ 19,883,712	19,272,054	18,687,379
Contributions made	19,883,712	19,272,054	18,687,379
Contributions as % of			
Annual pension cost	100%	100%	100%
Net Pension Obligation (NPO)			
At end of year	-	-	-
Actuarial valuation date	12/31/10	12/31/09	12/31/08
Actuarial cost method	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
Amortization method	Level %	Level %	Level %
Asset valuation method	10-year Smoothed Market	10-year Smoothed Market	Amortized Cost
Amortization period	27.1 years- Closed	28 years- Closed	29 years- Closed
Actuarial assumptions:			
Investment rate of return	7%	7.5%	7.5%
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, 2011

The City's net pension obligation (NPO) for TMRS at December 31, 2010, 2009 and 2008 is calculated as follows:

	2010	2009	2008
Annual required contribution (ARC)	\$ 19,883,712	19,272,054	18,687,379
Annual pension cost	19,883,712	19,272,054	18,687,379
Contribution made	(19,883,712)	(19,272,054)	(18,687,379)
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, 2010, 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
12/31/08	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%)
12/31/10	517,246,424	635,988,264	81.3%	(118,741,840)	121,259,388	(97.9%)

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 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 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.

CITY OF PLANO, TX
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2011

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, 2011, 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 \$3,554,303 or 3.23% of the covered payroll for the year ended September 30, 2011, as compared to the revised December 31, 2009 biennial actuarial requirement of 3.23%.

CITY OF PLANO, TX
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2011

The covered payroll was \$110,025,108 and the City's total payroll was \$122,456,145 for the year ended September 30, 2011. The contribution amount is a 25-year level percentage of pay funding with a 3.5% 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:

	2011*	2010	2009
Annual pension cost	\$ 3,336,593	3,539,064	3,429,700
Contributions made	3,554,303	3,549,068	3,479,512
Contributions as % of			
Annual pension cost	107%	100%	101%
Net Pension Asset (NPA)			
At end of year	(497,824)	(280,114)	(270,110)
Actuarial valuation date	12/31/09*	12/31/09	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	25 years-	30 years-	30 years-
	Closed	Open	Open
Actuarial assumptions:			
Investment rate or return	7.75%	8%	8%
Inflation rate	3%	4%	4%
Projected salary increases	3.5%-8.10%	4%-9.43%	4%-9.43%

*Reflects change in actuarial assumptions of 12/31/09 actuarial valuation revised on November 30, 2010

The City's net pension asset (NPA) for the Retirement Security Plan (RSP) at September 30, 2011, 2010 and 2009 is calculated as follows:

	2011*	2010	2009
Annual required contribution (ARC)	\$ 3,341,915	3,577,150	3,447,764
Interest on NPA	(21,709)	(21,609)	(17,623)
Adjustment to the ARC	16,387	(16,477)	(441)
Annual pension cost	3,336,593	3,539,064	3,429,700
Contribution made	(3,554,303)	(3,549,068)	(3,479,512)
Change in NPA	(217,710)	(10,004)	(49,812)
NPA, beginning of year	(280,114)	(270,110)	(220,298)
NPA, end of year	\$ (497,824)	(280,114)	(270,110)

*Reflects change in actuarial assumptions of 12/31/09 actuarial valuation revised on November 30, 2010

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

CITY OF PLANO, TX
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2011

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%
12/31/09	75,217,522	82,733,359	90.9%	(7,515,837)	110,025,108	(6.83%)
12/31/09*	75,217,522	76,550,304	98.3%	(1,332,782)	110,025,108	(1.2%)

*Reflects change in actuarial assumptions of 12/31/09 actuarial valuation revised on November 30, 2010

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 2011 was 355 of which 213 were on the same plan as the active employees and 142 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 2011 were \$3,306,936.

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 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

CITY OF PLANO, TX
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2011

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, 2011 the City contributed \$4.2 million to the Trust which represents approximately 103.9% of the annual required contribution of the employer (ARC). In addition, retirees contributed \$0.9 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.

	2011	2010	2009
Annual required contribution (ARC)	\$ 4,036,553	\$ 4,036,553	\$ 6,031,883
Interest on net OPEB asset	(1,476,372)	(1,307,028)	(1,253,187)
Adjustment to the ARC	1,259,911	1,115,395	982,562
Annual OPEB cost	3,820,092	3,844,920	5,761,258
Contributions made	(5,101,180)	(6,264,121)	(6,530,416)
Increase in net OPEB asset	(1,281,088)	(2,419,201)	(769,158)
Net OPEB asset beginning of year	(21,091,030)	(18,671,829)	(17,902,671)
Net OPEB asset end of year	<u>\$ (22,372,118)</u>	<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
9/30/2009	7%	5,761,258	113.4%	(18,671,829)
9/30/2010	7%	3,844,920	162.9%	(21,091,030)
9/30/2011	7%	3,820,092	133.5%	(22,372,118)

CITY OF PLANO, TX
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2011

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	21,356,792	55,831,704	38.3%	(34,474,912)	111,166,521	(31.01%)
10/01/09	27,256,812	50,657,828	53.8%	(23,401,016)	113,388,754	(20.64%)
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 –

	2011	2010	2009
Actuarial valuation date	10/01/09	10/01/09	10/01/07
Actuarial cost method	Projected	Projected	Projected
	Unit Credit	Unit Credit	Unit Credit
Amortization method	Level %	Level %	Level %
Remaining Amortization period	25.8 years- Closed	25.8 years- Closed	30 years- Open
Asset valuation method	Market	Market	Market
Actuarial assumptions:			
Investment rate or return	7%	7%	7%
Payroll growth	3%	3%	3%
Inflation rate	3%	3%	3%
Medical inflation trend rate	6.6% initial	6.6% initial	7.3% initial

In the October 1, 2009, actuarial valuation, the projected 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 with an ultimate trend rate of 4.5% reached in 81 years. Both rates include a 3% inflation assumption. The initial 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.

**CITY OF PLANO, TX
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2011**

6. LONG-TERM DEBT:

A summary of long-term debt transactions, including current portion, for the year ended September 30, 2011, is as follows (in thousands of dollars):

	Balance Beginning Of Year	Increase	Decrease	Balance End of Year	Due Within One Year
Governmental Activities:					
General obligation bonds & certificates	\$ 311,295	21,400	(23,355)	309,340	22,980
of obligation					
Tax anticipation notes	23,990	-	(5,050)	18,940	5,830
Deferred amounts:					
For issuance (discounts) / premiums					
/ deferred charge on refunding	1,191	107	(290)	1,008	211
Total bonds and notes payable	336,476	21,507	(28,695)	329,288	29,021
Compensated absences	34,299	5,499	(4,521)	35,277	4,897
Liability for insurance claims	5,505	20,814	(20,134)	6,185	5,092
Governmental activity					
Long-term debt	\$ 376,280	47,820	(53,350)	370,750	39,010

The compensated absences liability attributable to the governmental activities will be liquidated by several of the City's governmental and internal service funds. Approximately 95.1% has been paid by the General Fund, 0.7% by Special Revenue Funds and 4.2% by Internal Service Funds.

The liability for insurance claims will be liquidated through a variety of funds. The General Fund bears approximately 83.2% of the claims and judgments liability. The Enterprise Funds bear approximately 12.7% of the claims and judgment liability, while the Internal Service and Special Revenue Funds bear approximately 3.9% and 0.2%, respectively.

**CITY OF PLANO, TX
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2011**

	Balance			Balance	Due Within
	Beginning	Increase	Decrease	End of	One Year
	Of Year			Year	
Business Type Activities:					
Water & Sewer					
Revenue bonds	\$ 1,955	-	(1,260)	695	330
Municipal Drainage					
Revenue bonds	25,650	-	(1,835)	23,815	1,965
Deferred amounts:					
For issuance (discounts) / premiums/ (deferred charges) on refunding	(322)	-	(19)	(341)	18
Total bonds payable	27,283	-	(3,114)	24,169	2,313
Compensated absences	3,556	360	(301)	3,615	343
Business-type activity					
Long-term debt	\$ 30,839	360	(3,415)	27,784	2,656

	Balance			Balance	Due
	Beginning	Increase	Decrease	End of	Within
	Of Year			Year	One Year
Discretely Presented Component Unit:					
Economic Development compensated absences	\$ 133	-	(133)	-	-
TIF Mall note payable	2,202	-	(2,202)	-	-
	\$ 2,335	-	(2,335)	-	-

Long-term debt at September 30, 2011 includes the following individual issues (not including the unamortized premium of \$6,079 and the unamortized deferred charges of \$5,071 of the General Obligation Bonds, the unamortized premium of \$143 and deferred charges of \$65 of the Water & Sewer Revenue Bonds and the unamortized premium of \$386 and unamortized deferred charges of \$805 of the Municipal Drainage Revenue Bonds):

CITY OF PLANO, TX
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2011

	Interest Rate (%)	Issue Date	Maturity Date	Original Issue	Net Retirement	Outstanding
General Obligation Bonds:						
2002 Refunding and Improvements	3.25 – 5.25	8/1/2002	9/1/2022	56,130,000	45,415,000	10,715,000
2003 Refunding and Improvements	2.00 – 5.00	5/1/2003	9/1/2023	41,370,000	24,090,000	17,280,000
2004 Refunding	2.00 – 5.00	10/15/2004	9/1/2017	30,690,000	12,730,000	17,960,000
2005 Refunding and Improvements	3.50 – 5.00	5/15/2005	9/1/2025	84,880,000	12,250,000	72,630,000
2006 Various purpose	4.00 – 5.00	2/1/2006	9/1/2026	40,925,000	7,275,000	33,650,000
2007 Various purpose	4.25 – 5.25	5/1/2007	9/1/2027	35,675,000	4,945,000	30,730,000
2008 Various purpose	3.50 – 5.00	1/15/2008	9/1/2028	41,295,000	4,230,000	37,065,000
2009 Refunding and Improvements	2.25 – 4.75	1/15/2009	9/1/2029	35,330,000	5,140,000	30,190,000
2010 Refunding and Improvements	2.00 - 4.00	1/15/2010	9/1/2030	28,520,000	3,000,000	25,520,000
2011 Various purpose	2.50- 4.75	1/15/2011	9/1/2031	21,400,000	-	21,400,000
				<u>416,215,000</u>	<u>119,075,000</u>	<u>297,140,000</u>
Tax Anticipation Notes:						
2007 Tax anticipation notes	4.00 – 4.00	5/1/2007	9/1/2013	11,000,000	7,060,000	3,940,000
2008 Tax anticipation notes	3.00 – 3.25	1/15/2008	9/1/2015	17,075,000	6,765,000	10,310,000
2009 Tax anticipation notes	2.25 – 3.00	1/15/2009	9/1/2016	6,355,000	1,665,000	4,690,000
				<u>34,430,000</u>	<u>15,490,000</u>	<u>18,940,000</u>
Certificates of Obligation:						
2006 Various purpose	4.25 – 4.50	2/1/2006	9/1/2026	3,765,000	650,000	3,115,000
2010 Various purpose	2.00 - 4.00	1/15/2010	9/1/2022	9,660,000	575,000	9,085,000
				<u>13,425,000</u>	<u>1,225,000</u>	<u>12,200,000</u>
Water & Sewer Revenue						
2003 General Obligation Refunding	2.00 – 5.00	5/1/2003	9/1/2013	16,825,000	16,130,000	695,000
Municipal Drainage Revenue						
Bonds:						
2005 Refunding and Improvements	3.00 – 5.00	5/15/2005	5/15/2025	11,610,000	2,755,000	8,855,000
2006 Improvements	4.00 – 5.00	2/1/2006	5/15/2026	1,455,000	230,000	1,225,000
2007 Improvements	4.00 – 5.50	5/1/2007	5/15/2027	2,000,000	270,000	1,730,000
2008 Improvements	4.00 – 4.50	1/15/2008	5/15/2028	2,085,000	185,000	1,900,000
2009 Refunding and Improvements	3.00 –3.50	1/15/2009	5/15/2029	4,790,000	1,010,000	3,780,000
2010 Refunding and Improvements	2.00 - 4.25	1/15/2010	5/15/2030	6,790,000	465,000	6,325,000
				<u>\$ 28,730,000</u>	<u>4,915,000</u>	<u>23,815,000</u>

CITY OF PLANO, TX
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2011

The annual requirements to amortize debt outstanding as of September 30, 2011, including interest payments of \$115,683, 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:

Year Ended September 30,	General Obligation, Tax Anticipation Notes & Certificates of Obligation		Proprietary Fund Types			
	Principal	Interest	Water and Sewer		Municipal Drainage	
			Principal	Interest	Principal	Interest
2012	\$ 28,810	13,583	330	28	1,965	945
2013	29,235	12,566	365	14	2,035	878
2014	26,545	11,473	-	-	2,110	808
2015	25,590	10,498	-	-	1,875	723
2016	23,860	9,501	-	-	1,955	645
2017-2021	98,845	33,666	-	-	7,350	2,228
2022-2026	71,605	14,658	-	-	4,735	965
2027-2031	23,790	2,335	-	-	1,790	169
Total	\$ 328,280	108,280	695	42	23,815	7,361

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.

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 \$2,035,641 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, 2011.

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 \$239,436 at September 30, 2011. As provided for by the bond indentures, this amount has been recorded in the General Fund in "Due to other governments" for the benefit of the federal government and will be paid as required by applicable regulations.

In January of 2011, the City issued \$21,400,000 in General Obligation refunding and improvement bonds, with interest ranging from 2.5% to 4.75%.

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.

CITY OF PLANO, TX
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2011

Accordingly, the trust accounts and the defeased bonds are not included in the City's financial statements. At September 30, 2011, all of the defeased bonds were redeemed.

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 \$340,240 at September 30, 2011, 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, 2011. The City is in compliance with all requirements of the bond ordinances for the year ended September 30, 2011.

Restricted assets of the Water and Sewer Fund at September 30, 2011 are as follows:

Cash and cash equivalents	\$	8,696,316
Investments		21,390,867
Accrued interest receivable		<u>82,484</u>
	\$	<u><u>30,169,667</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, 2011 \$2,173,932 is restricted within the Municipal Drainage Fund for debt service requirements.

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, 2011 the reserve required and restricted within the Municipal Drainage Fund is \$1,640,828.

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, 2011, \$2,260,000 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 \$462 were estimated at September 30, 2011. This amount is included in "Due to other governments." The City is in compliance with all requirements of the bond ordinance for the year ended September 30, 2011.

**CITY OF PLANO, TX
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2011**

Restricted assets of the Municipal Drainage Fund at September 30, 2011 are as follows:

Cash and cash equivalents	\$	2,995,987
Investments		7,369,414
Accrued interest receivable		28,417
		<u>10,393,818</u>
	\$	<u>10,393,818</u>

7. INTERFUND TRANSACTIONS:

A summary of interfund receivables and payables at September 30, 2011 is as follows:

Due From	Due To		
	General Fund	Nonmajor Governmental Funds	Total
General Fund	\$ -	426,966	426,966
Nonmajor Governmental Funds	35	-	35
Total	\$ 35	426,966	427,001

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

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 2011, charges in lieu of taxes were \$8,879,036.

Transfers between funds during the year were as follows:

Transfers Out	Transfers In							Total
	General Fund	Capital Reserve	Internal Service	Nonmajor Governmental Funds	Water and Sewer	Environmental Waste Services	Component Unit	
General Fund	\$ -	10,500,000	625,179	-	-	-	68,355	11,193,534
Nonmajor Governmental Funds	568,478	-	-	-	-	-	-	568,478
Internal Service	550,000	-	-	250,000	-	-	-	800,000
Water and Sewer	8,808,947	1,200,000	-	-	-	100,000	-	10,108,947
Municipal Drainage	360,176	-	-	-	-	-	-	360,176
Environmental Waste Services	-	-	-	-	700,000	-	-	700,000
Nonmajor Enterprise Funds	476,069	413,724	-	-	-	-	-	889,793
Component Unit	1,238,732	-	-	-	-	-	-	1,238,732
Total	\$ 12,002,402	12,113,724	625,179	250,000	700,000	100,000	68,355	25,859,660

**CITY OF PLANO, TX
 NOTES TO BASIC FINANCIAL STATEMENTS (continued)
 SEPTEMBER 30, 2011**

In addition to the operating transfers, the City also had transfers of \$1,343,644 related to capital assets of the Plano Economic Development Board and the Property Management fund to the governmental activities. Additionally, the remaining net asset balance of the Plano Economic Development Board of \$16,052,538 was transferred to the Economic Development Incentive Fund.

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.

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, 2011, was \$35,437,094. 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 2011 this payment was \$869,232. Future years' payments to debt service are as follows:

2012	\$ 869,898
2013	873,695
2014	880,325
2015	879,480
2016	886,490
2017 – 2018	1,173,793

**CITY OF PLANO, TX
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2011**

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, 2011 was \$21,704,872, 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, 2011 was \$7,674,633.

CITY OF PLANO, TX
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2011

9. COMMITMENTS AND CONTINGENCIES:

The City has contractual commitments of \$17,247,723 in the Capital Projects Funds, \$11,334,971 in the Water and Sewer Fund, and \$640,972 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 2011 and 2010 were:

Fund	Liability Beginning Of Year	Current Year Claims And Changes in Estimates	Claim Payments	Liability End of Year
2011:				
Property/Liability Loss	\$ 3,640,888	3,602,114	(3,332,488)	3,910,514
Health Claims	1,863,818	17,211,915	(16,800,775)	2,274,958
Total	\$ 5,504,706	20,814,029	(20,133,263)	6,185,472
2010:				
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

**CITY OF PLANO, TX
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2011**

11. SUBSEQUENT EVENT – DEBT ISSUANCE

In October 2011, the City issued \$46,400,000 in General Obligation refunding and improvements bonds, with interest rates ranging from 2.0% to 5.0%. The portion of the debt that represents refunded bonds were Series 2002 and 2003 general obligation bonds totaling \$21,465,000 and carried interest rates ranging from 3.5% to 4.75% with maturity dates in 2013 through 2023. The aggregate difference between the refunding debt and the refunded debt resulted in savings of \$1,602,000. 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 \$1,374,156.

12. ACCOUNTING CHANGES:

The following statement for the Governmental Accounting Standards Board (GASB) was effective for the City in the fiscal year ending September 30, 2011.

GASB Statement 54 "Fund Balance Reporting and Governmental Fund Type Definitions" enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. Changes to the government fund type fund balance reporting is reflected in the financial statements and schedules and related disclosures are included in footnote 1N and Statistical Table 3.



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 Payroll	Annual		
								Required Contributions	Actual Contributions	Percent Contributed
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	478,126,771	(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%
2011	12/31/10	517,246,424	635,988,264	(118,741,840)	81.33%	121,259,388	-97.92%	19,883,712	19,883,712	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	UAAL as Percent of Payroll	Annual		
								Required Contributions	Actual Contributions	Percent Contributed
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%
2011	12/31/09*	75,217,522	76,550,304	(1,332,782)	98.26%	110,025,108	-1.21%	3,341,915	3,554,303	106.36%

* The RSP actuarial valuation as of December 31, 2009 was revised on November 30, 2010 to reflect the assumptions from the 2010 Experience Study as adopted by the Retirement Committee in October 2010.

SCHEDULE OF OPEB TRUST - POSTEMPLOYMENT BENEFITS 115 TRUST FUNDING PROGRESS AND CONTRIBUTIONS
LAST FOUR 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 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%
2011	10/1/09	27,256,812	50,657,828	(23,401,016)	53.81%	113,388,754	-20.64%	4,036,553	5,101,180	126.37%

See accompanying independent auditors' report.



NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

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.

ECONOMIC DEVELOPMENT INCENTIVE FUND – to account for \$0.02 of ad valorem revenue designated by the City Council for stimulating economic development for the City of Plano through usage of 380 agreements and tax incentives.

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

PTN FUND (formerly 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. The Industrial Revenue Bond Authority fund was closed in fiscal year 2011.

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 31st 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.

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 are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other government.

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, 2011

	Special Revenue			
	Criminal Investigation	Economic Development Incentive	Grant	PTN
ASSETS				
Cash and cash equivalents	\$ 436,356	\$ 4,627,096	\$ 194,542	\$ 133,382
Investments	1,073,332	11,381,555	478,293	328,088
Receivables (net of allowance for uncollectible)				
Accounts	-	-	-	184
Accrued interest	4,139	43,887	1,845	1,265
Other	-	-	837,621	-
Due from other funds	-	-	35	-
Due from other governments	10,225	-	844,047	-
Prepaid items and other assets	-	-	669	2,985
Total Assets	1,524,052	16,052,538	2,357,052	465,904
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	561	-	99,246	18,408
Accrued liabilities	31	-	2,278	8,938
Contracts payable	-	-	-	-
Deferred revenue	-	-	1,517,480	-
Due to other funds	-	-	426,966	-
Due to other governments	-	-	-	-
Retainage payable	-	-	-	-
Seized assets payable	-	-	-	-
Total Liabilities	592	-	2,045,970	27,346
Fund Balances:				
Nonspendable:				
Prepaid items and other assets	-	-	669	2,985
Restricted for:				
Capital projects	-	-	-	-
Special revenue	1,523,460	-	310,413	435,573
Committed to:				
Special revenue	-	16,052,538	-	-
Assigned to:				
Capital projects	-	-	-	-
Total fund balances	1,523,460	16,052,538	311,082	438,558
Total Liabilities and Fund Balance	\$ 1,524,052	\$ 16,052,538	\$ 2,357,052	\$ 465,904

Industrial Revenue Bond Auth.	Public Safety Communications	Municipal Court	Memorial Library	Seized Assets	Libraries	Animal Shelter Donations
\$ -	\$ 3,618,081	\$ 2,746,066	\$ 105,464	\$ 33,353	\$ 10,710	\$ 14,694
-	8,899,618	6,754,667	259,418	82,039	26,342	36,143
-	-	441,698	-	-	-	-
-	34,317	26,046	1,000	316	102	139
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	104,313	79,606	-	-	-	-
-	-	-	-	-	-	-
-	<u>12,656,329</u>	<u>10,048,083</u>	<u>365,882</u>	<u>115,708</u>	<u>37,154</u>	<u>50,976</u>
-	3,183	257,285	4,031	-	-	143
-	-	8,779	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	98,515	1,589,104	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	115,708	-	-
-	<u>101,698</u>	<u>1,855,168</u>	<u>4,031</u>	<u>115,708</u>	<u>-</u>	<u>143</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	12,554,631	8,192,915	361,851	-	37,154	50,833
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	<u>12,554,631</u>	<u>8,192,915</u>	<u>361,851</u>	<u>-</u>	<u>37,154</u>	<u>50,833</u>
\$ -	\$ 12,656,329	\$ 10,048,083	\$ 365,882	\$ 115,708	\$ 37,154	\$ 50,976

(continued)

CITY OF PLANO, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 AS OF SEPTEMBER 30, 2011
 (continued)

	Capital Projects				Total Nonmajor Governmental Funds
	DART	Park Improvements	Spring Creekwalk	Park Services	
ASSETS					
Cash and cash equivalents	\$ 77,168	\$ 6,031,710	\$ 7,035	\$ 1,415,659	\$ 19,451,316
Investments	189,814	14,836,570	17,303	3,482,183	47,845,365
Receivables (net of allowance for uncollectible)					
Accounts	-	-	-	-	441,882
Accrued interest	732	57,209	67	13,428	184,492
Other	-	-	-	-	837,621
Due from other funds	-	-	-	-	35
Due from other governments	-	-	-	-	1,038,191
Prepaid items and other assets	-	-	-	-	3,654
Total Assets	<u>267,714</u>	<u>20,925,489</u>	<u>24,405</u>	<u>4,911,270</u>	<u>69,802,556</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	-	-	-	-	382,857
Accrued liabilities	-	-	-	-	20,026
Contracts payable	-	513,231	-	-	513,231
Deferred revenue	-	-	-	-	1,517,480
Due to other funds	-	-	-	-	426,966
Due to other governments	-	-	-	-	1,687,619
Retainage payable	-	106,158	-	-	106,158
Seized assets payable	-	-	-	-	115,708
Total Liabilities	<u>-</u>	<u>619,389</u>	<u>-</u>	<u>-</u>	<u>4,770,045</u>
Fund Balances:					
Nonspendable:					
Prepaid items and other assets	-	-	-	-	3,654
Restricted for:					
Capital projects	267,714	18,388,979	-	-	18,656,693
Special revenue	-	-	-	-	23,466,830
Committed to:					
Special revenue	-	-	-	-	16,052,538
Assigned to:					
Capital projects	-	1,917,121	24,405	4,911,270	6,852,796
Total fund balances	<u>267,714</u>	<u>20,306,100</u>	<u>24,405</u>	<u>4,911,270</u>	<u>65,032,511</u>
Total Liabilities and Fund Balance	<u>\$ 267,714</u>	<u>\$ 20,925,489</u>	<u>\$ 24,405</u>	<u>\$ 4,911,270</u>	<u>\$ 69,802,556</u>



CITY OF PLANO, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Special Revenue				
	Criminal Investigation	Economic Development Incentive	Grant	PTN	Industrial Revenue Bond Auth.
REVENUES					
Fines and forfeitures	\$ 122,145	\$ -	\$ -	\$ -	\$ -
Contributions	-	-	-	150,000	-
Intergovernmental	81,570	-	5,831,767	-	-
Fees for services	-	-	-	450,413	-
Investment income	22,180	-	11,104	6,521	-
Miscellaneous	30,195	-	57,744	966	-
Total revenues	<u>256,090</u>	<u>-</u>	<u>5,900,615</u>	<u>607,900</u>	<u>-</u>
EXPENDITURES					
Police	58,658	-	319,596	-	-
Fire	-	-	199,298	-	-
Libraries	-	-	98,281	-	-
Development	-	-	2,046,695	-	-
Public services and operations	-	-	-	740,216	-
Sustainability & environmental services	-	-	1,284,956	-	-
Capital outlay	90,818	-	716,636	18,393	-
Total expenditures	<u>149,476</u>	<u>-</u>	<u>4,665,462</u>	<u>758,609</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>106,614</u>	<u>-</u>	<u>1,235,153</u>	<u>(150,709)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of bonds	-	-	-	-	-
Premium on sale of bonds	-	-	-	-	-
Transfer of assets from Plano Economic Development Board	-	16,052,538	-	-	-
Transfers in	-	-	-	250,000	-
Transfers out	-	-	(550,000)	-	(18,478)
Total other financing sources (uses)	<u>-</u>	<u>16,052,538</u>	<u>(550,000)</u>	<u>250,000</u>	<u>(18,478)</u>
Net change in fund balances	106,614	16,052,538	685,153	99,291	(18,478)
Fund balances-beginning	1,416,846	-	(374,071)	339,267	18,478
Fund balances-ending	<u>\$ 1,523,460</u>	<u>\$ 16,052,538</u>	<u>\$ 311,082</u>	<u>\$ 438,558</u>	<u>\$ -</u>

<u>Public Safety Communications</u>	<u>Municipal Court</u>	<u>Memorial Library</u>	<u>Libraries</u>	<u>Animal Shelter Donations</u>
\$ -	\$ 4,465,013	\$ -	\$ -	\$ -
-	-	52,865	-	55,766
121,209	-	-	-	-
1,551,335	880,287	-	-	-
180,658	138,942	5,624	367	3,213
-	-	-	-	-
<u>1,853,202</u>	<u>5,484,242</u>	<u>58,489</u>	<u>367</u>	<u>58,979</u>
366,658	4,226,399	-	-	-
36,263	-	-	-	-
-	-	9,239	-	-
-	-	-	-	-
26,402	-	-	-	272,496
-	-	-	-	-
-	12,208	83,438	7,421	-
<u>429,323</u>	<u>4,238,607</u>	<u>92,677</u>	<u>7,421</u>	<u>272,496</u>
<u>1,423,879</u>	<u>1,245,635</u>	<u>(34,188)</u>	<u>(7,054)</u>	<u>(213,517)</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>1,423,879</u>	<u>1,245,635</u>	<u>(34,188)</u>	<u>(7,054)</u>	<u>(213,517)</u>
<u>11,130,752</u>	<u>6,947,280</u>	<u>396,039</u>	<u>44,208</u>	<u>264,350</u>
<u>\$ 12,554,631</u>	<u>\$ 8,192,915</u>	<u>\$ 361,851</u>	<u>\$ 37,154</u>	<u>\$ 50,833</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, 2011
 (continued)

	<u>Capital Projects</u>				Total Nonmajor Governmental Funds
	<u>DART</u>	<u>Park Improvements</u>	<u>Spring Creekwalk</u>	<u>Park Services</u>	
REVENUES					
Fines and forfeitures	\$ -	\$ -	\$ -	\$ -	\$ 4,587,158
Contributions	-	-	-	-	258,631
Intergovernmental	-	523,149	-	-	6,557,695
Fees for services	-	-	-	225,255	3,107,290
Investment income	3,913	359,394	357	70,156	802,429
Miscellaneous	-	-	-	-	88,905
Total revenues	<u>3,913</u>	<u>882,543</u>	<u>357</u>	<u>295,411</u>	<u>15,402,108</u>
EXPENDITURES					
Police	-	-	-	-	4,971,311
Fire	-	-	-	-	235,561
Libraries	-	-	-	-	107,520
Development	-	-	-	-	2,046,695
Public services and operations	-	-	-	-	1,039,114
Environmental waste services	-	-	-	-	1,284,956
Capital outlay	-	15,336,628	-	900	16,266,442
Total expenditures	<u>-</u>	<u>15,336,628</u>	<u>-</u>	<u>900</u>	<u>25,951,599</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,913</u>	<u>(14,454,085)</u>	<u>357</u>	<u>294,511</u>	<u>(10,549,491)</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of bonds	-	11,775,000	-	-	11,775,000
Premium on sale of bonds	-	63,232	-	-	63,232
Transfer of assets from Plano Economic Development Board	-	-	-	-	16,052,538
Transfers in	-	-	-	-	250,000
Transfers out	-	-	-	-	(568,478)
Total other financing sources (uses)	<u>-</u>	<u>11,838,232</u>	<u>-</u>	<u>-</u>	<u>27,572,292</u>
Net change in fund balances	3,913	(2,615,853)	357	294,511	17,022,801
Fund balances-beginning	263,801	22,921,953	24,048	4,616,759	48,009,710
Fund balances-ending	<u>\$ 267,714</u>	<u>\$ 20,306,100</u>	<u>\$ 24,405</u>	<u>\$ 4,911,270</u>	<u>\$ 65,032,511</u>





**CITY OF PLANO, TEXAS
 BUDGETARY COMPARISON SCHEDULE-GAAP BASIS
 DEBT SERVICE FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Property taxes	\$ 42,412,652	\$ 42,207,865	\$ 42,150,958	\$ (56,907)
Investment income	225,000	200,000	457,543	257,543
Miscellaneous	142,527	142,527	142,527	-
Total Revenues	42,780,179	42,550,392	42,751,028	200,636
EXPENDITURES:				
Principal retirement	28,405,000	28,405,000	28,405,000	-
Interest and fiscal charges	14,209,079	14,238,968	14,128,251	110,717
Total Expenditures	42,614,079	42,643,968	42,533,251	110,717
Excess (Deficiency) Of Revenues Over (Under) Expenditures	166,100	(93,576)	217,777	311,353
OTHER FINANCING SOURCES:				
Disbursements from component units	-	-	642,709	642,709
Total Other Financing Uses:	-	-	642,709	642,709
Net Change in Fund Balance	166,100	(93,576)	860,486	954,062
FUND BALANCE, October 1	1,175,155	1,175,155	1,175,155	-
FUND BALANCE, September 30	\$ 1,341,255	\$ 1,081,579	\$ 2,035,641	\$ 954,062



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. The Property Management Fund was closed in fiscal year 2011.

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, 2011

	Business-type Activities Enterprise Funds					Total Nonmajor Enterprise Funds
	Civic Center	Municipal Golf Course	Property Management	Downtown Center Development	Recreation Revolving	
ASSETS						
Cash and cash equivalents	\$ 758,780	\$ 21,826	\$ -	\$ 51,401	\$ 450,331	\$ 1,282,338
Investments	1,859,737	53,687	-	126,434	1,106,845	3,146,703
Receivables -						
Accounts	488,084	-	-	-	6,217	494,301
Accrued Interest	7,171	207	-	488	4,268	12,134
Other	-	-	-	-	2,251	2,251
Prepaid expenses & other assets	33,067	-	-	-	752	33,819
Capital assets:						
Land	2,359,858	595,296	-	36,999	-	2,992,153
Buildings	11,354,841	2,427,383	-	-	-	13,782,224
Improvements other than buildings	790,021	1,247,352	-	-	-	2,037,373
Equipment	1,602,940	159,037	-	-	352,657	2,114,634
Furniture and fixtures	304,747	80,381	-	-	70,131	455,259
Less accumulated depreciation	(13,187,440)	(2,282,472)	-	-	(422,788)	(15,892,700)
Total capital assets (net of accumulated depreciation)	3,224,967	2,226,977	-	36,999	-	5,488,943
Total assets	6,371,806	2,302,697	-	215,322	1,570,664	10,460,489
LIABILITIES						
Current liabilities:						
Accounts payable	132,541	47,219	-	180	31,415	211,355
Accrued liabilities	46,899	22,640	-	-	18,815	88,354
Deferred revenue	173,090	-	-	-	597,597	770,687
Customer deposits	-	9,112	-	-	233,918	243,030
Liability for compensated absences	56,617	22,274	-	-	30,720	109,611
Total current liabilities	409,147	101,245	-	180	912,465	1,423,037
Noncurrent liabilities:						
Liability for compensated absences	366,250	7,588	-	-	50,504	424,342
Total noncurrent liabilities	366,250	7,588	-	-	50,504	424,342
Total liabilities	775,397	108,833	-	180	962,969	1,847,379
NET ASSETS						
Invested in capital assets (net of related debt)	3,224,967	2,226,977	-	36,999	-	5,488,943
Unrestricted	2,371,442	(33,113)	-	178,143	607,695	3,124,167
Total Net Assets	\$ 5,596,409	\$ 2,193,864	\$ -	\$ 215,142	\$ 607,695	\$ 8,613,110

CITY OF PLANO, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
 NONMAJOR ENTERPRISE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Business-type Activities					Total Nonmajor Enterprise Funds
	Civic Center	Municipal Golf Course	Property Management	Downtown Center Development	Recreation Revolving	
Operating revenues:						
Charges for sales and services:						
Service charges	\$ 1,796,317	\$ 65,577	\$ 9,967	\$ 68,128	\$ 3,310,017	\$ 5,250,006
Miscellaneous charges	20,741	-	-	-	37,417	58,158
Total operating revenues	1,817,058	65,577	9,967	68,128	3,347,434	5,308,164
Operating expenses:						
Personnel services	2,566,745	289,601	-	-	1,268,397	4,124,743
Contractual services	2,666,355	(194,218)	-	55,683	1,636,775	4,164,595
Supplies	530,311	22,058	-	-	254,739	807,108
Depreciation	169,395	159,703	-	-	3,378	332,476
Miscellaneous	61,550	857	-	-	24,553	86,960
Total operating expenses	5,994,356	278,001	-	55,683	3,187,842	9,515,882
Operating income (loss)	(4,177,298)	(212,424)	9,967	12,445	159,592	(4,207,718)
Nonoperating revenues (expenses):						
Investment income	34,557	474	-	2,532	25,887	63,450
Loss on property disposition	(1,801)	-	-	-	-	(1,801)
Hotel/motel tax	4,722,431	-	-	-	-	4,722,431
Miscellaneous	5,173	329	-	-	-	5,502
Total nonoperating revenue	4,760,360	803	-	2,532	25,887	4,789,582
Income (loss) before transfers	583,062	(211,621)	9,967	14,977	185,479	581,864
Transfers out	(313,992)	-	(413,724)	-	(162,077)	(889,793)
Capital asset transfer out	-	-	(1,343,644)	-	-	(1,343,644)
Change in net assets	269,070	(211,621)	(1,747,401)	14,977	23,402	(1,651,573)
Total net assets-beginning	5,327,339	2,405,485	1,747,401	200,165	584,293	10,264,683
Total net assets-ending	\$ 5,596,409	\$ 2,193,864	\$ -	\$ 215,142	\$ 607,695	\$ 8,613,110

CITY OF PLANO, TEXAS
 COMBINING STATEMENT OF CASH FLOWS
 NONMAJOR ENTERPRISE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Business-type Activities Enterprise Funds					Total Nonmajor Enterprise Funds
	Civic Center	Municipal Golf Course	Property Management	Downtown Center Development	Recreation Revolving	
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash received from customers	\$ 1,930,540	\$ 68,055	\$ -	\$ 68,128	\$ 3,458,949	\$ 5,525,672
Cash payments to suppliers for goods and services	(3,236,599)	(55,569)	-	(55,503)	(1,920,327)	(5,267,998)
Cash payments to employees for services	(2,518,588)	(40,651)	-	-	(1,281,023)	(3,840,262)
Net cash provided (used) by operating activities	(3,824,647)	(28,165)	-	12,625	257,599	(3,582,588)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Hotel/motel tax	4,722,431	-	-	-	-	4,722,431
Transfers to other funds	(313,992)	-	(413,724)	-	(162,077)	(889,793)
Net cash provided (used) by noncapital financing activities	4,408,439	-	(413,724)	-	(162,077)	3,832,638
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Proceeds from insurance damages	5,173	329	-	-	-	5,502
Net cash provided by capital and related financing activities	5,173	329	-	-	-	5,502
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of investment securities	(1,859,737)	(53,687)	-	(126,434)	(1,106,845)	(3,146,703)
Proceeds from sale and maturities of investment securities	1,399,076	72,133	289,510	114,177	1,007,439	2,882,335
Interest on investments	24,080	354	1,662	2,271	20,653	49,020
Increase (decrease) in fair value of investments	7,287	118	(839)	98	3,831	10,495
Net cash provided (used) by investing activities	(429,294)	18,918	290,333	(9,888)	(74,922)	(204,853)
Net increase (decrease) in cash and cash equivalents:	159,671	(8,918)	(123,391)	2,737	20,600	50,699
Cash and cash equivalents, October 1	599,109	30,744	123,391	48,664	429,731	1,231,639
Cash and cash equivalents, September 30	\$ 758,780	\$ 21,826	\$ -	\$ 51,401	\$ 450,331	\$ 1,282,338

Non-cash disclosure:

Increase (decrease) in fair value of investments	\$ 7,287	\$ 118	\$ (839)	\$ 98	\$ 3,831	\$ 10,495
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CITY OF PLANO, TEXAS
 COMBINING STATEMENT OF CASH FLOWS
 NONMAJOR ENTERPRISE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2011
 (continued)

	Business-type Activities Enterprise Funds					Total Nonmajor Enterprise Funds
	Civic Center	Municipal Golf Course	Property Management	Downtown Center Development	Recreation Revolving	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Operating income (loss)	\$ (4,177,298)	\$ (212,424)	\$ 9,967	\$ 12,445	\$ 159,592	\$ (4,207,718)
Adjustments to reconcile operating income to net cash provided by operating activities:						
Depreciation	169,395	159,703	-	-	3,378	332,476
Change in assets and liabilities:						
(Increase) decrease in-						
Accounts receivable	65,338	2,478	500	-	151	68,467
Other receivable	-	-	-	-	(200)	(200)
Prepaid expenses & other assets	(11,559)	-	-	-	12,967	1,408
Increase (decrease) in-						
Accounts payable	33,176	38,661	-	180	(17,027)	54,990
Accrued liabilities	13,866	18,159	-	-	3,708	35,733
Liability for compensated absences	34,291	(34,742)	-	-	(13,144)	(13,595)
Customer deposits	-	-	(10,467)	-	67,587	57,120
Due to other funds	(690)	-	-	-	-	(690)
Deferred revenue	48,834	-	-	-	40,587	89,421
Total adjustments	<u>352,651</u>	<u>184,259</u>	<u>(9,967)</u>	<u>180</u>	<u>98,007</u>	<u>625,130</u>
Net cash provided (used) by operating activities	<u>\$ (3,824,647)</u>	<u>\$ (28,165)</u>	<u>\$ -</u>	<u>\$ 12,625</u>	<u>\$ 257,599</u>	<u>\$ (3,582,588)</u>



INTERNAL SERVICE FUNDS

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

The City has five 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.

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, 2011**

	<u>Equipment Maintenance</u>	<u>Municipal Warehouse</u>
ASSETS		
Cash & cash equivalents	\$ 4,608,691	\$ 51,365
Investments	11,335,791	126,101
Receivables		
Accounts	-	139,193
115 trust	-	-
Accrued interest	43,711	486
Inventories	178,268	859,207
Prepaid items	1,682	-
Restricted assets:		
Cash & cash equivalents	-	-
Investments	-	-
Accrued interest receivable	-	-
Capital assets:		
Land	51,515	-
Buildings	5,264,915	-
Equipment	10,700,159	108,335
Furniture & fixtures	42,662	10,602
Rolling equipment	49,123,327	-
Less accumulated depreciation	<u>(41,673,792)</u>	<u>(115,610)</u>
Total capital assets (net of accumulated depreciation)	<u>23,508,786</u>	<u>3,327</u>
Total Assets	<u>39,676,929</u>	<u>1,179,679</u>
LIABILITIES:		
CURRENT LIABILITIES:		
Accounts payable	404,758	205,874
Accrued liabilities	30,516	5,901
Compensated absences	4,076	23,735
Liability for insurance claims	-	-
Total current liabilities	<u>439,350</u>	<u>235,510</u>
NONCURRENT LIABILITIES:		
Compensated absences	118,763	9,367
Liability for insurance claims	-	-
Total Liabilities	<u>558,113</u>	<u>244,877</u>
NET ASSETS		
Invested in capital assets	23,508,786	3,327
Unrestricted	<u>15,610,030</u>	<u>931,475</u>
Total net assets	<u>\$ 39,118,816</u>	<u>\$ 934,802</u>

	Technology Services	Property/ Liability Loss	Health Claims	Total
\$	3,611,200	\$ 1,265,312	\$ 6,349,207	\$ 15,885,775
	8,882,691	3,112,370	15,617,537	39,074,490
	-	5,115	-	144,308
	-	-	104,968	104,968
	34,252	12,001	60,222	150,672
	-	-	-	1,037,475
	9,413	4,599	216,454	232,148
	934,480	-	-	934,480
	2,298,604	-	-	2,298,604
	8,863	-	-	8,863
	11,007	-	-	62,522
	579,543	-	-	5,844,458
	30,152,620	532,340	-	41,493,454
	57,449	6,735	-	117,448
	-	-	-	49,123,327
	(20,654,963)	(539,075)	-	(62,983,440)
	10,145,656	-	-	33,657,769
	25,925,159	4,399,397	22,348,388	93,529,552
	148,247	105,253	29,952	894,084
	69,087	161,833	-	267,337
	63,845	18,929	-	110,585
	-	2,816,747	2,274,958	5,091,705
	281,179	3,102,762	2,304,910	6,363,711
	693,068	10,242	-	831,440
	-	1,093,767	-	1,093,767
	974,247	4,206,771	2,304,910	8,288,918
	10,145,656	-	-	33,657,769
	14,805,256	192,626	20,043,478	51,582,865
\$	24,950,912	\$ 192,626	\$ 20,043,478	\$ 85,240,634

**CITY OF PLANO, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	<u>Equipment Maintenance</u>	<u>Municipal Warehouse</u>	<u>Technology Services</u>
REVENUES:			
Charges for services	\$ 14,706,214	\$ 3,346,621	\$ 12,871,588
Miscellaneous	12,547	5,373	-
Total operating revenues	<u>14,718,761</u>	<u>3,351,994</u>	<u>12,871,588</u>
EXPENSES:			
Personnel services	2,274,605	507,317	4,903,622
Contractual services	930,147	39,445	7,023,286
Supplies	4,211,910	2,861,134	313,548
Claims expense	-	-	-
Depreciation	6,369,193	598	1,544,601
Other post employment benefits	-	-	-
Miscellaneous	13,605	21,623	1,358
Total operating expenses	<u>13,799,460</u>	<u>3,430,117</u>	<u>13,786,415</u>
Operating income (loss)	<u>919,301</u>	<u>(78,123)</u>	<u>(914,827)</u>
NONOPERATING REVENUES (EXPENSES):			
Investment income	235,869	3,044	227,641
Gain (loss) on capital asset disposal	754,607	87,996	(797)
Intergovernmental revenues	16,240	-	-
Miscellaneous	36,469	-	-
Total nonoperating revenues	<u>1,043,185</u>	<u>91,040</u>	<u>226,844</u>
Income (loss) before transfers	1,962,486	12,917	(687,983)
Transfers in	191,916	-	-
Transfers out	(550,000)	-	(250,000)
Change in net assets	<u>1,604,402</u>	<u>12,917</u>	<u>(937,983)</u>
Total net assets-beginning	37,514,414	921,885	25,888,895
Total net assets -ending	<u>\$ 39,118,816</u>	<u>\$ 934,802</u>	<u>\$ 24,950,912</u>

Property/ Liability Loss	Health Claims	Total
\$ 4,375,245	\$ 29,986,135	\$ 65,285,803
177,190	-	195,110
<u>4,552,435</u>	<u>29,986,135</u>	<u>65,480,913</u>
447,403	-	8,132,947
1,246,482	2,896,688	12,136,048
18,689	-	7,405,281
3,602,114	17,211,915	20,814,029
-	-	7,914,392
-	4,192,847	4,192,847
5,890	-	42,476
<u>5,320,578</u>	<u>24,301,450</u>	<u>60,638,020</u>
<u>(768,143)</u>	<u>5,684,685</u>	<u>4,842,893</u>
59,277	297,671	823,502
-	-	841,806
-	-	16,240
-	-	36,469
<u>59,277</u>	<u>297,671</u>	<u>1,718,017</u>
(708,866)	5,982,356	6,560,910
433,263	-	625,179
-	-	(800,000)
<u>(275,603)</u>	<u>5,982,356</u>	<u>6,386,089</u>
468,229	14,061,122	78,854,545
<u>\$ 192,626</u>	<u>\$ 20,043,478</u>	<u>\$ 85,240,634</u>

**CITY OF PLANO, TEXAS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	Equipment Maintenance	Municipal Warehouse	Technology Services
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 14,719,860	\$ 3,349,763	\$ 12,871,587
Cash payments to suppliers for goods and services	(5,540,421)	(3,067,556)	(7,379,538)
Cash payments to employees for services	(2,252,657)	(504,226)	(4,928,373)
Net cash provided (used) by operating activities	<u>6,926,782</u>	<u>(222,019)</u>	<u>563,676</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Repayments (to) from other other funds	(324)	-	38,660
Transfers (to) from other funds	(358,084)	-	(250,000)
Grant receipts	16,240	-	-
Net cash provided (used) by noncapital financing activities	<u>(342,168)</u>	<u>-</u>	<u>(211,340)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition and construction of capital assets	(6,500,334)	-	(1,277,244)
Proceeds on sale of equipment	864,913	87,996	-
Proceeds from insurance damages	36,469	-	-
Net cash provided (used) by capital and related financing activities	<u>(5,598,952)</u>	<u>87,996</u>	<u>(1,277,244)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of investment securities	(11,335,791)	(126,101)	(11,181,295)
Proceeds from sales and maturities of investment securities	10,333,024	219,138	11,625,137
Interest on investments	221,558	143	217,603
Net cash provided (used) by investing activities	<u>(781,209)</u>	<u>93,180</u>	<u>661,445</u>
Net increase (decrease) in cash and cash equivalents	204,453	(40,843)	(263,463)
Cash and cash equivalents, October 1	<u>4,404,238</u>	<u>92,208</u>	<u>4,809,143</u>
Cash and cash equivalents, September 30	<u>\$ 4,608,691</u>	<u>\$ 51,365</u>	<u>\$ 4,545,680</u>
Non-cash disclosure:			
Increase (decrease) in fair value of investments	\$ -	\$ 3,030	\$ -
Transfer in of capital assets	-	-	6,845

Property/ Liability Loss	Health Claims	Total
\$ 4,553,905	\$ 29,897,667	\$ 65,392,782
(4,553,717)	(23,938,986)	(44,480,218)
<u>(440,373)</u>	<u>-</u>	<u>(8,125,629)</u>
<u>(440,185)</u>	<u>5,958,681</u>	<u>12,786,935</u>
-	-	38,336
433,263	-	(174,821)
<u>-</u>	<u>-</u>	<u>16,240</u>
<u>433,263</u>	<u>-</u>	<u>(120,245)</u>
-	-	(7,777,578)
-	-	952,909
<u>-</u>	<u>-</u>	<u>36,469</u>
<u>-</u>	<u>-</u>	<u>(6,788,200)</u>
(3,112,370)	(15,617,537)	(41,373,094)
3,045,286	11,098,948	36,321,533
<u>45,727</u>	<u>205,592</u>	<u>690,623</u>
<u>(21,357)</u>	<u>(4,312,997)</u>	<u>(4,360,938)</u>
(28,279)	1,645,684	1,517,552
<u>1,293,591</u>	<u>4,703,523</u>	<u>15,302,703</u>
<u>\$ 1,265,312</u>	<u>\$ 6,349,207</u>	<u>\$ 16,820,255</u>
\$ 10,184	\$ 63,256	\$ 76,470
-	-	6,845

(continued)

**CITY OF PLANO, TEXAS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011
(continued)**

	<u>Equipment Maintenance</u>	<u>Municipal Warehouse</u>	<u>Technology Services</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ 919,301	\$ (78,123)	\$ (914,827)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation expenses	6,369,193	598	1,544,601
Changes in assets and liabilities-			
(Increase) decrease in			
Accounts receivable	1,099	(2,209)	-
Due from other funds	-	-	-
Prepaid items	(1,682)	-	8,669
Inventories	(61,443)	(65,636)	-
Increase (decrease) in			
Accounts payable	(321,634)	(79,718)	(50,016)
Accrued liabilities	6,521	1,303	13,794
Due to other funds	-	(22)	-
Compensated absences	15,427	1,788	(38,545)
Liability for insurance claims	-	-	-
Total adjustments	<u>6,007,481</u>	<u>(143,896)</u>	<u>1,478,503</u>
Net cash provided (used) by operating activities	<u>\$ 6,926,782</u>	<u>\$ (222,019)</u>	<u>\$ 563,676</u>

<u>Property/ Liability Loss</u>	<u>Health Claims</u>	<u>Total</u>
<u>\$ (768,143)</u>	<u>\$ 5,684,685</u>	<u>\$ 4,842,893</u>
-	-	7,914,392
1,889	(178,092)	(177,313)
(419)	-	(419)
(3,610)	(13,376)	(9,999)
-	-	(127,079)
53,442	(35,300)	(433,226)
2,114	-	23,732
-	89,624	89,602
4,916	-	(16,414)
<u>269,626</u>	<u>411,140</u>	<u>680,766</u>
<u>327,958</u>	<u>273,996</u>	<u>7,944,042</u>
<u><u>\$ (440,185)</u></u>	<u><u>\$ 5,958,681</u></u>	<u><u>\$ 12,786,935</u></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, 2011**

	<u>Pension Trust Fund</u>	<u>Postemployment Benefits Trust Fund</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 4,718,301	\$ 970,425	\$ 5,688,726
Investments			
Other U.S. government obligations	2,825,865	2,996,719	5,822,584
Corporate bonds	18,285,594	8,231,966	26,517,560
Common stocks	41,993,330	8,710,668	50,703,998
Foreign equities	1,380,830	-	1,380,830
Mutual funds	4,277,432	13,922,100	18,199,532
Real estate investment trusts	486,910	-	486,910
Accrued interest	267,113	130,836	397,949
Pending trades accrued interest	-	46,148	46,148
Total Assets	<u>74,235,375</u>	<u>35,008,862</u>	<u>109,244,237</u>
LIABILITIES			
Accounts payable	39,321	15,138	54,459
Payable to health claims fund	-	104,968	104,968
Total Liabilities	<u>39,321</u>	<u>120,106</u>	<u>159,427</u>
NET ASSETS			
Held in trust for pension benefits	74,196,054		74,196,054
Held in trust for other postemployment benefits		34,888,756	34,888,756
Total Net Assets	<u>\$ 74,196,054</u>	<u>\$ 34,888,756</u>	<u>\$ 109,084,810</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, 2011**

	<u>Pension Trust Fund</u>	<u>Postemployment Benefits Trust Fund</u>	<u>Total</u>
ADDITIONS			
Contributions:			
From employers	\$ 3,554,303	\$ 4,192,847	\$ 7,747,150
From retirees	-	908,333	908,333
Total contributions	<u>3,554,303</u>	<u>5,101,180</u>	<u>8,655,483</u>
Investment return:			
Net decrease in fair value of investments	(2,518,754)	(1,120,104)	(3,638,858)
Interest	938,558	437,136	1,375,694
Dividends	1,205,776	360,471	1,566,247
Miscellaneous	1,543	-	1,543
Total investment return	<u>(372,877)</u>	<u>(322,497)</u>	<u>(695,374)</u>
Less investment expenses:			
Trustee fees	36,000	62,580	98,580
Advisory fees	161,266	119,221	280,487
Audit fee	30,634	16,430	47,064
Actuary fee	36,532	-	36,532
Total investment expenses	<u>264,432</u>	<u>198,231</u>	<u>462,663</u>
Net investment return	<u>(637,309)</u>	<u>(520,728)</u>	<u>(1,158,037)</u>
Total additions, net	<u>2,916,994</u>	<u>4,580,452</u>	<u>7,497,446</u>
DEDUCTIONS			
Benefits	2,586,539	3,306,936	5,893,475
Miscellaneous expenses	7,154	123	7,277
Total deductions	<u>2,593,693</u>	<u>3,307,059</u>	<u>5,900,752</u>
Net increase	323,301	1,273,393	1,596,694
Net assets held in trust - beginning of year	<u>73,872,753</u>	<u>33,615,363</u>	<u>107,488,116</u>
Net assets held in trust - end of year	<u>\$ 74,196,054</u>	<u>\$ 34,888,756</u>	<u>\$ 109,084,810</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, 2011**

	<u>Agency Funds</u>		<u>Total Agency Funds</u>
	<u>Developers' Escrow</u>	<u>Unclaimed Property</u>	
ASSETS			
Cash and cash equivalents	\$ 707,438	\$ 19,567	\$ 727,005
Investments	1,740,130	48,130	1,788,260
Accrued interest	6,710	186	6,896
Total Assets	<u>2,454,278</u>	<u>67,883</u>	<u>2,522,161</u>
LIABILITIES			
Developers' escrow liability	2,454,278	-	2,454,278
Unclaimed property payable	-	67,883	67,883
Total Liabilities	<u>\$ 2,454,278</u>	<u>\$ 67,883</u>	<u>\$ 2,522,161</u>

CITY OF PLANO, TEXAS
 COMBINING STATEMENT OF CHANGES IN AGENCY FUNDS ASSETS AND LIABILITIES
 FIDUCIARY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2011

	<u>Balance</u> <u>September 30, 2010</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>September 30, 2011</u>
Developers' Escrow Fund				
ASSETS				
Cash and cash equivalents	\$ 693,473	\$ 13,965	\$ -	\$ 707,438
Investments	1,627,069	113,061	-	1,740,130
Accrued interest receivable	4,629	2,081	-	6,710
Total assets	<u>\$ 2,325,171</u>	<u>\$ 129,107</u>	<u>\$ -</u>	<u>\$ 2,454,278</u>
LIABILITIES				
Developers' escrow liability	2,325,171	129,107	-	2,454,278
Total liabilities	<u>\$ 2,325,171</u>	<u>\$ 129,107</u>	<u>\$ -</u>	<u>\$ 2,454,278</u>
Unclaimed Property Fund				
ASSETS				
Cash and cash equivalents	\$ 18,903	\$ 664	\$ -	\$ 19,567
Investments	44,353	3,777	-	48,130
Accrued interest receivable	126	60	-	186
Total assets	<u>\$ 63,382</u>	<u>\$ 4,501</u>	<u>\$ -</u>	<u>\$ 67,883</u>
LIABILITIES				
Unclaimed property payable	63,382	4,501	-	67,883
Total liabilities	<u>\$ 63,382</u>	<u>\$ 4,501</u>	<u>\$ -</u>	<u>\$ 67,883</u>
Total Fiduciary Funds				
ASSETS				
Cash and cash equivalents	\$ 712,376	\$ 14,629	\$ -	\$ 727,005
Investments	1,671,422	116,838	-	1,788,260
Accrued interest receivable	4,755	2,141	-	6,896
Total assets	<u>\$ 2,388,553</u>	<u>\$ 133,608</u>	<u>\$ -</u>	<u>\$ 2,522,161</u>
LIABILITIES				
Developers' escrow liability	2,325,171	129,107	-	2,454,278
Unclaimed property payable	63,382	4,501	-	67,883
Total liabilities	<u>\$ 2,388,553</u>	<u>\$ 133,608</u>	<u>\$ -</u>	<u>\$ 2,522,161</u>



COMPONENT UNITS

ECONOMIC DEVELOPMENT BOARD- organized to account for various financial and administrative services related to economic development of the City. The Economic Development Board was dissolved effective September 30, 2011.

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. The TIF Mall was completed as of September 30, 2011.

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, 2011**

	<u>Economic Development</u>	<u>TIF Mall</u>	<u>TIF East Side</u>	<u>Total</u>
ASSETS				
Current:				
Cash and cash equivalents	\$ -	\$ -	\$ 2,775,973	\$ 2,775,973
Investments	-	-	6,854,564	6,854,564
Noncurrent:				
Capital assets, net	-	-	1,407,596	1,407,596
Total Assets	<u>-</u>	<u>-</u>	<u>11,038,133</u>	<u>11,038,133</u>
LIABILITIES				
Current:				
Accounts payable	-	-	5,346	5,346
Total Liabilities	<u>-</u>	<u>-</u>	<u>5,346</u>	<u>5,346</u>
NET ASSETS				
Invested in capital assets (net of related debt)	-	-	1,407,596	1,407,596
Unrestricted	-	-	9,625,191	9,625,191
Total Net Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,032,787</u>	<u>\$ 11,032,787</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, 2011

	<u>Economic Development</u>	<u>TIF Mall</u>	<u>TIF East Side</u>	<u>Total</u>
REVENUES				
Operating grants and contributions	\$ 5,763,599	-	-	\$ 5,763,599
Total revenues	<u>5,763,599</u>	<u>-</u>	<u>-</u>	<u>5,763,599</u>
EXPENSES				
Personnel services	444,277	-	-	444,277
Contractual services	4,739,988	10,000	3,643,759	8,393,747
Supplies	14,063	-	-	14,063
Depreciation	-	-	1,298,829	1,298,829
Miscellaneous	40,960	-	-	40,960
Total operating expenses	<u>5,239,288</u>	<u>10,000</u>	<u>4,942,588</u>	<u>10,191,876</u>
Operating income (loss)	524,311	(10,000)	(4,942,588)	(4,428,277)
NONOPERATING REVENUES (EXPENSES)				
Property taxes	-	10,641,463	5,100,828	15,742,291
Investment income	237,227	-	-	237,227
Interest expense	-	(44,032)	-	(44,032)
Disbursements to participating entities	-	(6,592,403)	-	(6,592,403)
Total nonoperating revenues	<u>237,227</u>	<u>4,005,028</u>	<u>5,100,828</u>	<u>9,343,083</u>
NET INCOME BEFORE TRANSFERS				
	761,538	3,995,028	158,240	4,914,806
Disbursements to City of Plano	-	(1,793,418)	-	(1,793,418)
Transfers to Economic Development Incentive Fund	(16,052,538)	-	-	(16,052,538)
Transfers in	68,355	-	-	68,355
Transfers out	(1,238,732)	-	-	(1,238,732)
Change in net assets	(16,461,377)	2,201,610	158,240	(14,101,527)
Total net assets (deficit)-beginning	<u>16,461,377</u>	<u>(2,201,610)</u>	<u>10,874,547</u>	<u>25,134,314</u>
Total net assets-ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,032,787</u>	<u>\$ 11,032,787</u>

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF CASH FLOWS
DISCRETELY PRESENTED COMPONENT UNITS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Economic Development	TIF Mall	TIF East Side	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from grants	\$ 5,763,599	\$ -	\$ -	\$ 5,763,599
Cash payments to suppliers for goods and services	(4,797,851)	(2,211,610)	(3,638,413)	(10,647,874)
Cash payments to employees for services	(584,053)	-	-	(584,053)
Net cash provided (used) by operating activities	<u>381,695</u>	<u>(2,211,610)</u>	<u>(3,638,413)</u>	<u>(5,468,328)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Property taxes	-	10,641,463	5,100,828	15,742,291
Disbursements to participating entities	-	(8,385,821)	-	(8,385,821)
Transfers (to) other funds	(17,222,915)	-	-	(17,222,915)
Net cash provided (used) by noncapital financing activities	<u>(17,222,915)</u>	<u>2,255,642</u>	<u>5,100,828</u>	<u>(9,866,445)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Interest expense	-	(44,032)	-	(44,032)
Net cash used for operating and related financing activities	<u>-</u>	<u>(44,032)</u>	<u>-</u>	<u>(44,032)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchase of investment securities	-	-	(6,854,564)	(6,854,564)
Proceeds from sales and maturities of investment securities	11,654,459	-	5,706,936	17,361,395
Interest on investments	234,546	-	25,076	259,622
Net cash provided (used) by investing activities	<u>11,889,005</u>	<u>-</u>	<u>(1,122,552)</u>	<u>10,766,453</u>
Net increase (decrease) in cash and cash equivalents	(4,952,215)	-	339,863	(4,612,352)
Cash and cash equivalents, October 1	<u>4,952,215</u>	<u>-</u>	<u>2,436,110</u>	<u>7,388,325</u>
Cash and cash equivalents, September 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,775,973</u>	<u>\$ 2,775,973</u>
Non-cash disclosure:				
Capitalize interest on note payable	\$ -	\$ 44,032	\$ -	\$ 44,032

**CITY OF PLANO, TEXAS
COMBINING STATEMENT OF CASH FLOWS
DISCRETELY PRESENTED COMPONENT UNITS
FOR THE YEAR ENDED SEPTEMBER 30, 2011
(continued)**

	<u>Economic Development</u>	<u>TIF Mall</u>	<u>TIF East Side</u>	<u>Total</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating income (loss)	<u>\$ 524,311</u>	<u>\$ (10,000)</u>	<u>\$ (4,942,588)</u>	<u>\$ (4,428,277)</u>
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation expense	-	-	1,298,829	1,298,829
Changes in assets and liabilities-				
(Increase) decrease in				
Prepaid expenses	3,176	-	-	3,176
Increase (decrease) in				
Accounts payable	(6,016)	-	5,346	(670)
Notes payable	-	(2,201,610)	-	(2,201,610)
Accrued liabilities	(139,776)	-	-	(139,776)
Due to other governments	-	-	-	-
Total adjustments	<u>(142,616)</u>	<u>(2,201,610)</u>	<u>1,304,175</u>	<u>(1,040,051)</u>
Net cash provided (used) by operating activities	<u>\$ 381,695</u>	<u>\$ (2,211,610)</u>	<u>\$ (3,638,413)</u>	<u>\$ (5,468,328)</u>



**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.	105-110
<u>Revenue Capacity</u> - These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	111-114
<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.	115-120
<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.	121-122
<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.	123-127

Table 1

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

	Fiscal Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Governmental activities										
Invested in capital assets, net of related debt	\$665,695,098	\$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
Restricted	2,052,020	1,182,560	3,270,626	5,473,218	4,647,374	2,149,959	1,922,052	216,903	87,341,705	97,815,890
Unrestricted	206,895,378	165,352,118	72,524,094	78,416,391	78,312,580	75,071,790	56,238,723	51,176,536	49,956,552	35,423,813
Total governmental activities net assets	\$874,642,496	\$830,132,065	\$804,457,281	\$784,593,935	\$763,275,124	\$727,660,151	\$671,893,921	\$640,802,514	\$616,712,649	\$594,507,464
Business-type activities										
Invested in capital assets, net of related debt	\$362,757,006	\$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
Restricted	2,514,172	2,639,954	3,911,737	6,588,596	4,735,897	6,532,464	5,306,823	6,766,092	28,039,557	26,786,728
Unrestricted	81,237,936	57,584,753	25,620,288	25,092,659	19,637,859	24,893,803	18,175,790	15,882,295	25,278,444	26,035,008
Total business-type activities net assets	\$446,509,114	\$427,249,174	\$413,063,242	\$408,274,688	\$394,607,490	\$388,229,260	\$373,913,211	\$370,167,033	\$366,347,968	\$357,928,918
Primary government										
Invested in capital assets, net of related debt	\$1,028,452,104	\$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
Restricted	4,566,192	3,822,514	7,182,363	12,061,814	9,383,271	8,682,423	7,228,875	6,982,995	115,381,262	124,602,618
Unrestricted	288,133,314	222,936,871	98,144,382	103,509,050	97,950,439	99,965,593	74,414,513	67,058,831	75,234,996	61,458,821
Total primary government net assets	\$1,321,151,610	\$1,257,381,239	\$1,217,520,523	\$1,192,868,623	\$1,157,882,614	\$1,115,889,411	\$1,045,807,132	\$1,010,969,547	\$983,060,617	\$952,436,382

Source: Comprehensive Annual Financial Report

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

	Fiscal Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Expenses										
Governmental activities:										
General government	\$17,854,055	\$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
Administrative services	7,595,755	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
Police	66,433,966	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
Fire	44,652,064	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
Libraries	10,136,834	10,295,418	11,104,945	11,765,263	10,560,624	10,166,271	8,921,361	9,061,682	9,350,720	10,410,453
Development	24,693,554	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
Public services and operations	5,602,338	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
Parks and recreation	25,773,639	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
Public works	30,868,916	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
Technology services	14,738,189	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
Other	-	1,963,496	5,480,962	7,401,221	6,577,443	858,379	633,447	752,988	752,748	921,178
Interest on Long-Term Debt	13,821,383	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
Unallocated depreciation	-	111,959	96,934	102,199	100,907	93,337	37,954	39,323	41,175	81,359
Total governmental activities expenses	262,170,693	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
Business-type activities:										
Water and sewer	101,645,618	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
Environmental waste services	23,431,488	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
Municipal drainage	3,952,974	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
Civic center	5,889,739	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
Municipal golf course	231,640	718,046	870,436	1,000,257	885,158	935,483	1,052,789	1,188,468	927,797	872,512
Property management	-	59,678	32,053	39,291	78,759	25,940	65,746	86,193	75,118	33,117
Recreation revolving	3,176,716	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
Downtown center development	55,683	47,918	47,917	46,176	46,784	43,356	42,668	42,668	42,668	34,412
Total business-type activities expenses	138,383,858	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
Total primary government expenses	\$400,554,551	\$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
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$4,739,503	\$1,394,826	\$994,964	\$1,634,183	\$1,009,164	\$1,056,168	\$1,123,970	\$896,238	\$622,533	\$498,562
Police	15,458,080	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
Fire	3,630,026	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
Libraries	473,956	500,514	545,755	453,572	496,697	478,457	415,128	413,414	384,080	359,232
Development	4,833,730	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
Parks and recreation	1,319,479	1,333,016	1,277,357	1,150,449	1,016,193	1,005,080	900,055	882,984	803,013	700,666
Public works	4,179,352	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
Technology services	194,348	247,408	40,592	104,028	84,217	93,534	670,985	115,206	830,296	395,593
Operating grants and contributions	2,626,768	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
Capital grants and contributions	5,624,013	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
Total governmental activities program revenues	13,736,398	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
Total governmental activities program expenses	56,815,653	61,332,396	50,744,178	45,473,921	46,499,347	57,221,542	43,705,224	39,267,286	41,494,864	60,395,330

(continued)

Table 2
(continued)

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

	Fiscal Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Business-type activities:										
Charges for services:										
Water and sewer	\$128,109,639	\$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
Environmental waste services	16,368,530	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
Municipal drainage	5,228,986	5,161,087	4,950,406	4,986,648	4,918,531	4,918,531	4,683,546	4,684,635	4,651,887	4,250,933
Civic center	1,822,231	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
Municipal golf course	65,906	600,919	792,753	846,096	823,353	907,325	1,009,294	905,720	863,653	953,588
Property management	9,967	7,594	42,309	72,567	81,587	85,789	84,468	74,301	94,538	65,779
Recreation revolving	3,347,434	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
Downtown center development	68,128	68,128	68,127	68,127	68,127	68,127	67,679	67,679	84,596	736
Operating grants and contributions	1,568,388	60,194	339,804	60,609	289,052	22,828	259,951	15,107	260,702	-
Capital grants and contributions	1,377,582	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
Total business-type activities program revenues	157,966,791	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
Total primary government program revenues	\$214,782,444	\$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
Net (Expense) Revenue	(205,355,040)	(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)
Governmental Activities	19,582,833	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
Business-type Activities	(185,772,107)	(186,465,984)	(193,177,002)	(198,302,284)	(184,200,137)	(145,281,392)	(150,303,594)	(151,983,653)	(147,002,431)	(129,626,121)
Total primary government net (expense)	\$128,274,660	\$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
General revenues and transfers										
Governmental activities:										
Property taxes	62,441,697	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
Sales taxes	1,140,818	1,103,815	997,051	1,003,932	983,663	814,346	680,135	613,182	548,213	508,009
Mixed drink taxes	206,389	77,968	118,580	360,115	225,445	215,439	135,574	129,814	92,480	146,765
Franchise fees	23,220,388	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
Investment income	4,756,044	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
Transfers	29,825,475	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
Total governmental activities	249,865,471	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
Business-type activities:										
Hotel/Motel tax	4,722,431	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
Franchise fees	6,761,347	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
Investment income	795,789	531,546	604,201	1,411,359	1,803,285	1,882,100	542,748	745,804	924,075	1,850,368
Transfers	(12,602,560)	(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)
Total business-type activities	(322,993)	(96,924)	(2,551,940)	(175,262)	199,892	267,764	(2,718,032)	(1,430,273)	(1,029,371)	1,150,832
Total primary government	\$249,542,478	\$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
Change in Net Assets	\$44,510,431	\$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
Governmental activities	19,259,940	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
Business-type activities	\$63,770,371	\$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

Source: Comprehensive Annual Financial Report

Table 3

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

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
General Fund										
Nonspendable	\$ 176,588	\$ 2,321,839	\$ 6,976,517	\$ 6,678,087	\$ 7,015,867	\$ 7,539,035	\$ 7,818,018	\$ 8,030,656	\$ 7,518,648	\$ 7,036,037
Assigned	3,110,127	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
Unassigned	41,547,010	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
Total general fund	\$44,833,725	\$41,400,577	\$42,744,130	\$44,741,546	\$45,683,660	\$48,804,662	\$39,224,186	\$39,496,934	\$29,801,939	\$22,879,338
All Other Governmental Funds										
Nonspendable	4,405	-	2,680	6,195	2,702	4,490	980,407	958,260	325	150
Restricted	80,004,218	61,975,246	85,435,605	74,471,250	56,380,230	35,828,799	39,285,018	25,978,787	50,945,726	51,186,698
Committed	16,052,538	-	-	-	-	-	-	-	-	-
Assigned	59,782,814	71,516,720	61,199,709	76,924,976	61,357,467	73,919,423	45,872,910	42,363,802	35,241,892	42,063,171
Unassigned	-	(374,071)	-	-	-	-	(19,468)	-	(191,881)	(813,145)
Total all other governmental funds	155,843,975	133,117,895	146,637,994	151,402,421	117,740,399	109,752,712	86,118,867	69,300,849	85,996,062	92,436,874

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

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Revenues:										
Taxes-										
Property taxes	\$117,691,853	\$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
Other taxes	63,851,345	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
Franchise fees	22,770,634	21,896,667	23,586,443	22,628,847	22,039,441	21,720,865	19,200,896	19,226,216	19,698,926	19,700,523
Fines and forfeitures	10,949,125	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
Contributions	7,161,721	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
Rollback taxes	172,594	63,296	263,577	1,134,487	1,172,609	735,757	223,159	205,506	350,203	-
Licenses and permits	6,619,204	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
Intragovernmental	8,879,036	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
Intergovernmental	12,269,550	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
Fees for services	13,535,139	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
Assessments	157,805	88,375	10,094	25,465	99,741	443,672	202,427	197,763	542,131	44,445
Investment income	3,932,542	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
Proceeds from sale of capital assets	-	-	-	-	-	-	-	21,000	-	-
Miscellaneous	1,292,782	1,398,742	-	1,909,910	1,407,342	4,865,976	1,262,983	1,111,417	1,045,888	889,639
Total Revenues	269,283,330	263,396,334	257,093,223	254,326,993	242,430,097	236,767,451	207,758,606	200,363,036	197,437,315	199,915,396
Expenditures:										
Current-										
General government	21,355,266	392,129	613,652	878,675	1,255,206	1,309,980	577,990	2,764,025	2,912,453	3,194,862
Administrative services	7,978,998	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
Police	65,618,061	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
Fire	43,239,799	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
Libraries	9,392,127	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
Development	24,830,560	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
Public services and operations	5,653,648	5,634,193	5,757,144	5,377,281	5,403,953	5,063,124	4,786,528	4,548,593	4,363,610	4,632,888
Parks and recreation	18,792,674	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
Environmental waste services	1,284,956	88,202	300,339	53,576	258,275	19,845	215,025	14,194	249,778	-
Public works	5,538,454	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
Technology services	1,000,000	-	-	-	-	-	-	-	-	-
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
Capital outlay	47,374,962	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
Debt service-										
Principal retirement	28,405,000	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
Interest and fiscal charges	14,128,251	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
Escrow payment-refunding	-	-	-	-	-	-	-	-	-	-
Bond accretion	-	-	-	-	-	-	962,009	-	-	1,216,610
Total Expenditures	294,592,756	312,253,966	308,119,089	294,369,646	295,572,881	258,039,159	237,265,722	214,250,489	219,649,846	215,782,984
Deficiency Of Revenues	(25,309,426)	(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)
Over Expenditures										

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

Table 4
 (continued)

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Other Financing										
Sources:										
Proceeds from sale of bonds	21,400,000	22,615,000	29,315,000	58,370,000	46,675,000	44,690,000	37,190,000	-	20,314,000	15,630,000
Bond proceeds-refunding	-	16,633,613	12,370,000	-	-	-	78,380,000	-	22,796,533	42,842,287
Premium on sale of bonds	114,918	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	-	-	-
Disbursements from component units	1,793,418	-	-	-	-	-	-	-	-	-
Transfer of assets from Plano Economic Development Board	16,052,538	-	-	-	-	-	-	-	-	-
Operating transfers in	24,366,126	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
Operating transfers out	(11,762,012)	(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)
Total Other Financing	51,964,988	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
Sources	26,655,562	(14,863,652)	(6,761,843)	32,719,908	4,866,685	33,214,321	16,545,270	(7,000,218)	481,789	6,389,605
Net change in fund balances										
Debt service as a percentage of noncapital expenditures	17.2%	17.1%	16.4%	15.9%	14.9%	15.7%	16.1%	17.7%	18.1%	15.7%

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

Fiscal Year	Estimated Market Value			Less:		Total Taxable Assessed Value	Total Direct Tax Rate
	Real Property Residential	Real Property Non-Residential	Non-Real Property Personal	Tax-Exempt Property			
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	
2011	19,221,382,580	7,932,502,481	2,745,292,364	5,218,278,720	24,680,898,705	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)**

Fiscal Year (1)	City of Plano		Plano School District		Allen School District		Collin County		Frisco School District		Lewisville School District		Denton County		Collin College			
	General Fund	Debt Service Fund	Rate	Assessment Ratio	Rate	Assessment Ratio	Rate	Assessment Ratio	Rate	Assessment Ratio	Rate	Assessment Ratio	Rate	Assessment Ratio	Rate	Assessment Ratio		
2002	0.2690	0.1845	0.4535	100	1.6285	100	1.83	100	0.250	100	1.440	100	1.6700	100	0.2520	100	0.0930	100
2003	0.2864	0.1671	0.4535	100	1.7034	100	1.81	100	0.250	100	1.498	100	1.7700	100	0.2490	100	0.0920	100
2004	0.2908	0.1627	0.4535	100	1.7334	100	1.93	100	0.250	100	1.558	100	1.7700	100	0.2470	100	0.0920	100
2005	0.2810	0.1725	0.4535	100	1.7334	100	1.91	100	0.250	100	1.630	100	1.7700	100	0.2550	100	0.0910	100
2006	0.2888	0.1647	0.4535	100	1.7334	100	1.91	100	0.250	100	1.580	100	1.7700	100	0.2460	100	0.0890	100
2007	0.3080	0.1655	0.4735	100	1.5784	100	1.78	100	0.245	100	1.580	100	1.6400	100	0.2320	100	0.0880	100
2008	0.3210	0.1525	0.4735	100	1.2680	100	1.47	100	0.245	100	1.350	100	1.3800	100	0.2360	100	0.0800	100
2009	0.3268	0.1467	0.4735	100	1.3030	100	1.47	100	0.243	100	1.370	100	1.3800	100	0.2360	100	0.0860	100
2010	0.3284	0.1602	0.4886	100	1.3284	100	1.54	100	0.243	100	1.390	100	1.4087	100	0.2500	100	0.0860	100
2011	0.3135	0.1751	0.4886	100	1.3534	100	1.54	100	0.240	100	1.390	100	1.4267	100	0.2739	100	0.0863	100

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

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

Sources: Representatives of the various taxing jurisdictions.

Table 7
CITY OF PLANO, TEXAS
PRINCIPAL TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(unaudited)

Name of Taxpayer	2011			2002		
	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Valuation	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Valuation
Oncor Electric Delivery Company	182,122,685	1	0.80%			
J.C. Penney, Inc.	159,971,610	2	0.70%	131,290,177	4	0.70%
Legacy Campus LP	148,990,000	3	0.65%			
Willow Bend Shopping Center LP	101,200,000	4	0.44%	70,508,616	9	0.37%
Electronic Data Systems Corporation	95,498,438	5	0.42%	314,773,697	1	1.67%
HSP of Texas Incorporated	95,171,004	6	0.42%			
Bank of America NA	86,895,108	7	0.38%			
United Dominion Realty LP	86,263,585	8	0.38%			
Shops at Legacy (Inland) LP	83,616,991	9	0.37%			
Tollway/121 Partners LTD	83,487,355	10	0.37%			
Collin Creek Mall				75,943,203	6	0.40%
Alcatel USA Sourcing LP				209,521,981	2	1.11%
TU Electric Delivery Company				171,345,441	3	0.91%
Texas Instruments				73,338,044	7	0.39%
Frito-Lay				70,622,267	8	0.37%
Dallas Morning News				87,985,827	5	0.47%
DSC Telecom				67,896,159	10	0.36%
Total	\$ 1,123,216,776		4.93%	1,273,225,412		6.75%

Source: Collin County Appraisal District

Table 8

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

Fiscal Year	Total Tax Levy	Collection Current Year's Taxes During Period	Collections Transferred to TIF Component Units	Total Current Year Collections	Percent of Levy Collected During Fiscal Period		Collections in Subsequent Years	Total Tax Collections	Accumulated Delinquent Taxes	Ratio of Total Tax Collections to Current Levy
					Total Current Year Collections	Fiscal Period				
2002	85,697,627	84,108,496	729,535	84,838,031	99.0	833,320	85,671,351	26,276	99.97	
2003	91,504,269	89,097,226	1,491,645	90,588,871	99.0	836,071	91,424,942	79,327	99.91	
2004	92,724,955	90,573,604	1,349,783	91,923,387	99.1	713,401	92,636,788	88,167	99.90	
2005	94,735,250	92,286,096	1,455,736	93,741,832	99.0	893,150	94,634,982	100,268	99.89	
2006	98,580,157	95,754,030	1,588,800	97,342,830	98.7	1,117,756	98,460,586	119,571	99.88	
2007	108,186,053	105,461,839	1,870,213	107,332,052	99.2	721,491	108,053,543	132,510	99.88	
2008	116,214,292	113,215,333	2,127,954	115,343,287	99.3	751,220	116,094,507	119,785	99.90	
2009	121,434,014	118,459,942	2,205,306	120,665,248	99.4	545,421	121,210,669	223,345	99.82	
2010	123,231,506	120,537,005	1,976,550	122,513,555	99.4	370,326	122,883,881	347,625	99.72	
2011	* 119,311,553	117,076,366	1,740,962	118,817,328	99.6	-	118,817,328	494,225	99.59	

* 2011 Total Levy has been reduced by \$29,552 refund for tax abatement

Table 9

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

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	Drainage Revenue Bonds	Municipal Bonds			
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
2011	309,340,000	18,940,000	695,000	23,815,000		352,790,000	3.47	1,345

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

Table 10

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

	Governmental Activities			Percentage of Actual Taxable Value	Per Capita
	General Obligation Bonds	Tax Anticipation Notes	Total Primary Government		
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
2011	309,340,000	18,940,000	328,280,000	1.36	1,252

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, 2011
(unaudited)**

Table 11

Taxing Body	Net General Bonded Debt	Percentage of Debt Applicable to Area	City of Plano Share of Debt
City of Plano	\$ 326,244,359	100.00%	\$ 326,244,359
Total direct debt	326,244,359		326,244,359
Plano Independent School District	452,981,355	74.93%	339,418,929
Collin County	387,580,000	47.42%	183,790,436
Denton County	477,705,000	0.53%	2,531,837
Frisco Independent School District	1,353,143,294	3.21%	43,435,900
Allen Independent School District	458,967,254	0.69%	3,166,874
Lewisville Independent School District	992,000,824	1.24%	12,300,810
Collin College	387,580,000	47.42%	183,790,436
Total overlapping debt	4,509,957,727		768,435,222
Total direct and overlapping bonded debt	\$ 4,836,202,086		\$ 1,094,679,581
Ratio of overlapping bonded debt to taxable assessed valuation (valued at 100% of market value)			5.04%
Per capita overlapping bonded debt			\$ 4,308

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, 2011
(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, 2010, is \$0.4886 per \$100.00 with assessed valuation at 100% of market value.

Table 13

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

Fiscal Year	Total Operating Revenue	Direct Operating Expense	Net Revenue Available for Debt Service	Average Annual Debt Service Requirements		Coverage	
				Principal	Interest		
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
2011	127,990,851	80,214,600	47,776,251	362,609	22,122	384,731	124.18

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

Table 14

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

Fiscal Year	Gross Revenue	Operating and Maintenance Expense	Gross Revenues Times Expense	Average Annual Debt Service Requirement			
				Principal	Interest	Total	
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
2011	5,432,677	2,411,295	N/A	1,253,421	387,407	1,640,828	1.84

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. Beginning in Fiscal Year 2010, the City no longer has the requirement related to gross revenues times expense.

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

Table 15

Fiscal Year	DEMOGRAPHICS				Unemployment Rate (%)
	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	PISD School Enrollment	
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
2011	262,200	10,167,592	38,778	55,570	7.4

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.

Table 16

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

	2011			2005		
Employer	Employees	Percentage of Total City Employment	Employer	Employees	Percentage of Total City Employment	
Bank of America Home Loans	5,400	3.87	Electronic Data Systems	6,700	5.40	
JCPenney	5,000	3.58	Alcatel	5,080	4.09	
HP Enterprise Services	4,800	3.44	Perot Systems Corporation	4,311	3.47	
Capital One	3,500	2.51	JCPenney	3,800	3.06	
Dell	3,000	2.15	Shops at Willow Bend	3,240	2.61	
Frito-Lay	2,400	1.72	Frito-Lay	3,000	2.42	
Ericsson	2,200	1.58	Countrywide Home Loans	3,000	2.42	
Alcatel-Lucent	1,830	1.31	Collin Creek Mall	2,418	1.95	
Medical Center of Plano	1,500	1.07	Ericsson	1,664	1.34	
Dr. Pepper Snapple Group	1,250	0.90	Presbyterian Hospital of Plano	1,300	1.05	
Total	30,880	22.13	Total	34,513	27.81	

Sources: Plano Economic Development Board
 Sources: Texas Workforce Commission

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

Table 17

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
General government	93.5	54.5	64.5	63.5	65.0	67.0	62.5	63.0	64.0	64.0
Administrative services	79.0	79.5	79.5	86.0	79.0	74.5	77.5	73.0	75.0	82.0
Police	604.5	620.0	651.5	661.0	661.5	622.0	630.5	607.0	613.5	612.5
Fire	334.0	335.0	334.0	335.5	333.0	322.0	298.5	300.5	293.5	292.5
Libraries	159.0	157.0	156.0	172.0	170.0	167.0	161.0	161.5	173.0	174.5
Development	148.0	149.5	159.5	164.0	164.0	174.0	170.0	167.0	174.5	178.0
Public services and operations	67.5	60.5	66.0	64.0	66.5	64.0	71.0	66.5	68.5	66.5
Parks and recreation	342.0	387.5	378.0	376.5	311.5	303.5	299.5	301.5	293.0	300.0
Public works	56.5	64.0	61.5	65.5	61.0	63.0	64.0	62.5	61.0	65.0
Technology services	47.0	49.0	50.0	50.0	47.0	46.0	46.0	41.0	40.0	40.0
Water and sewer	144.5	152.0	153.0	146.5	147.5	139.5	144.5	148.5	139.0	143.0
Environmental waste services	95.5	95.0	93.0	90.5	89.5	85.0	86.5	86.0	83.5	85.0
Municipal drainage	20.0	22.0	19.0	18.0	18.0	18.0	18.5	18.0	18.0	15.0
Civic center	43.0	48.5	50.0	47.5	49.0	46.0	48.0	47.0	40.5	40.5
Municipal golf course	7.0	6.0	7.0	8.0	9.0	9.0	10.0	10.0	9.0	10.0
Recreation revolving	159.0	160.5	169.0	148.0	107.0	111.5	131.0	135.5	143.0	142.0
Total	2,400.0	2,440.5	2,491.5	2,496.5	2,378.5	2,312.0	2,319.0	2,288.5	2,289.0	2,310.5

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

Table 18

Function/Program	Fiscal Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Administrative Services										
Legal										
Ordinance/resolution review/preparation	258	266	552	658	677	605	525	500	700	600
Human Resources										
Full-time civilian employees	1,320	1,349	1,387	1,422	2,050	1,991	1,952	1,840	1,856	1,890
Accounting										
Payment requests processed	65,723	70,850	81,677	86,869	82,630	84,642	76,872	70,000	84,000	58,000
Police										
Employees (uniformed)	335	340	341	344	343	335	329	323	315	322
Citations	60,378	68,598	92,133	87,801	79,224	101,199	93,502	101,804	109,422	102,345
Public Safety Communications										
911 calls*	150,614	157,277	234,876	228,214	165,194	169,559	168,560	161,332	178,410	177,398
911 dispatches*	232,981	240,175	229,669	222,252	146,277	150,904	142,993	146,592	137,212	141,008
Fire										
Employees (uniformed)	315	313	323	317	319	308	287	282	276	274
Fire runs	21,040	19,893	20,235	19,665	18,964	18,178	17,085	16,011	17,214	16,936
EMS runs	12,902	12,782	13,693	12,297	11,734	10,786	10,214	9,362	9,022	8,968
Libraries										
Volumes in collection	798,347	757,837	793,073	804,410	761,236	738,939	730,837	686,861	648,998	642,692
Registered borrowers	204,234	200,386	196,093	192,578	173,341	174,970	184,980	176,355	167,370	144,386
Development										
Building Inspections										
Inspections (all construction)	53,890	50,790	52,805	80,600	80,732	91,166	91,401	90,459	89,356	78,597
New construction permits issued	1,885	1,010	825	1,718	1,578	1,957	1,608	1,633	1,652	1,615
Engineering										
New Streets/Alleys paved (miles)	3	2	2	9	16	9	8	7	6	23
New Water lines installed (miles)	2	10	14	16	18	21	21	20	18	42
Public Services and Operations										
Environmental Health										
Inspections	4,489	4,554	3,931	3,961	3,909	3,445	3,593	3,476	3,292	2,984
Animal Control										
Animals impounded	7,591	9,616	8,728	8,307	6,241	5,464	6,848	5,413	5,546	5,723

(continued)

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

Table 18
continued

Function/Program	Fiscal Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Parks and Recreation										
Recreation attendance	2,169,763	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
Recreation center members	21,690	22,246	22,083	38,341	16,371	15,849	16,412	14,815	15,498	20,274
Public Works										
Streets										
Street Excavate/Replace (Sq Ft)	1,588,379	1,377,388	863,190	857,592	1,005,678	828,864	469,602	752,382	779,175	835,587
Water and Sewer										
Water Customers	77,720	79,243	77,082	77,440	77,961	77,400	76,305	75,307	74,014	73,109
Average Daily Water Consumption (gal)	61,740,731	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
Maximum Storage Capacity (gal)	257,000,000	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
Environmental Waste Services (residential)										
Refuse collected (tons)	62,078	59,530	60,670	62,982	63,154	61,095	66,048	67,187	65,573	65,954
Bulky waste pickups (tons)	5,544	5,142	5,264	5,650	5,240	4,717	4,786	3,118	5,132	4,858
Recyclables collected (tons)	19,216	19,435	19,632	20,867	20,469	20,667	20,449	20,721	20,435	20,056
Yard trimmings collected (tons)	21,139	21,704	21,465	26,836	24,541	19,021	20,649	19,636	20,211	19,417
Municipal Drainage										
Environmental assessment requests	70	65	54	82	120	128	99	90	95	70
Storm sewer inlets maintained	10,483	10,483	10,483	4,139	10,483	10,200	9,800	9,500	9,050	9,078
Civic Center										
Event days booked and serviced	883	834	1,145	1,200	1,256	1,205	861	803	1,000	1,370
Municipal Golf Course										
Rounds of golf played	4,902	41,592	54,109	55,004	51,254	55,670	58,917	61,188	54,654	61,428
Recreation Revolving										
Courses completed	6,924	7,046	6,822	6,896	6,504	6,220	6,514	6,005	5,270	5,670

Source: City Departments

Notes: *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)**

Function/Program	Fiscal Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Police										
Number of stations	3	3	3	3	3	1	1	1	1	1
Number of patrol units	121	143	166	189	135	140	115	109	113	103
Number of motorcycle units	7	6	6	6	8	9	8	9	9	9
Fire										
Number of stations	13	12	11	11	11	10	10	10	10	10
Number of fire engines/trucks	22	22	22	22	21	21	20	19	NA	NA
Number of EMS trucks	10	10	7	7	8	9	8	8	NA	NA
Libraries										
Number of libraries	5	5	5	5	5	5	5	5	5	5
Development										
Planning										
Streets- Paved (miles)	1,019	1,016	1,014	1,012	1,004	990	980	973	966	961
Alleys- Paved (miles)	519	518	517	517	516	515	513	512	512	512
Public Services and Operations										
Animal Services										
Animal control trucks	8	8	8	15	14	11	7	7	7	NA
Parks and Recreation										
Parks* (acres)	3,994	3,936	3,858	3,858	3,858	3,827	3,820	3,809	3,658	3,657
Athletic fields	179	179	179	179	175	175	175	175	175	187
Playgrounds	71	71	71	71	68	67	60	68	63	59
Recreation centers	4	4	5	5	5	4	4	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	9	4	3	3	3	3	3
Public Works										
Traffic signals	216	215	212	211	207	205	203	197	193	186

(continued)

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

Table 19
(continued)

Function/Program	Fiscal Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Water and Sewer										
Water mains (miles)	1,367	1,362	1,351	1,335	1,317	1,295	1,268	1,248	1,226	1,207
Sanitary sewers (miles)	1,009	1,007	1,001	999	992	981	968	959	952	923
Fire hydrants	14,604	14,516	14,369	14,109	13,840	13,555	13,224	12,906	12,646	12,356
Environmental Waste Services										
Collection trucks	48	45	45	45	42	38	37	NA	NA	NA
Municipal Drainage										
Storm sewers (miles)	665	662	656	646	635	622	467	600	590	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