City of Plano, Texas

Comprehensive Annual Financial Report

for fiscal year ended September 30, 2009

Mission Statement

The mission of the City of Plano
is to provide outstanding services and facilities,
through cooperative efforts with our citizens,
that contribute to the quality of life in our community.

Cover: Maribelle M. Davis Library features exterior public art; Plano Police Department motorcycles lined up during the Police Memorial; fire engine and equipment at Station 11 and the Amphitheater at Oak Point Park.

CITY OF PLANO, TEXAS

Comprehensive Annual Financial Report

FOR FISCAL YEAR ENDED SEPTEMBER 30, 2009

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CITY OF PLANO

TEXAS

JUNE 2, 1873

CITY OF PLANO, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009
TABLE OF CONTENTS

		Page
I.	**INTRODUCTORY SECTION**	
	Letter of Transmittal	iii
	Certificate of Achievement	x
	Organizational Chart	xi
	Elected Officials and Administrative Officers	xii
	City of Plano Area Map	xiii
II.	**FINANCIAL SECTION**	
	Independent Auditors' Report	1
	A. MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)	3
	B. BASIC FINANCIAL STATEMENTS	
	Government-Wide Financial Statements	
	Statement of Net Assets	15
	Statement of Activities	16
	Fund Financial Statements	
	Government Fund Financial Statements	
	Balance Sheet	18
	Reconciliation of the Statement of Net Assets of Governmental Funds to the Balance Sheet	20
	Statement of Revenues, Expenditures and Changes in Fund Balances	21
	Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	23
	Budget and Actual Comparison	
	General Fund - Statement of Revenues, Expenditures and Changes in Fund Balances Budget and Actual	24
	Adjustments to Revenues, Expenditures and Other Financing Uses from GAAP Basis to Budgetary Basis	25
	Proprietary Fund Financial Statements	
	Statement of Net Assets	26
	Reconciliation of the Statement of Net Assets of Proprietary Funds to the Government-Wide Statement of Net Assets	28
	Statement of Revenues, Expenses and Changes in Fund Net Assets	29
	Reconciliation of the Statement of Revenues, Expenses and Changes in Net Assets of Proprietary Funds to the Statement of Activities	30
	Statement of Cash Flows	31
	Fiduciary Fund Financial Statements	
	Statement of Fiduciary Net Assets	33
	Statement of Changes in Fiduciary Net Assets	34
	Notes to the Basic Financial Statements	35
	C. REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)	
	Schedule of Pension Trust – TMRS Funding Progress and Contributions	67
	Schedule of Pension Trust – Retirement Security Plan Funding Progress and Contributions	67
	Schedule of Pension Trust – Postemployment Benefits 115 Trust Funding Progress and Contributions	67
	D. COMBINING FINANCIAL STATEMENTS	
	Nonmajor Governmental Funds	
	Balance Sheet	70
	Statement of Revenues, Expenditures and Changes in Fund Balances	73

		Page
	Budgetary Comparison Schedule – Debt Service Fund	76
	Nonmajor Enterprise Funds	
	Statement of Net Assets	78
	Statement of Revenues, Expenses and Changes in Fund Net Assets	79
	Statement of Cash Flows	80
	Internal Service Funds	
	Statement of Net Assets	83
	Statement of Revenues, Expenses and Changes in Fund Net Assets	85
	Statement of Cash Flows	87
	Agency Funds	
	Combining Statement of Fiduciary Assets and Liabilities	92
	Statement of Changes in Fiduciary Assets and Liabilities	93
	Discretely Presented Component Units	
	Combining Statement of Fund Net Assets	95
	Combining Statement of Revenues, Expenses and Changes in Fund Net Assets	96
	Combining Statement of Cash Flows	97
III.	**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS (UNAUDITED)**	
	Comparative Schedules by Source	99
	Schedule by Function and Activity	100
	Schedule of Changes by Function and Activity	102
IV.	**STATISTICAL SECTION (UNAUDITED)**	
	Statistical Section Table of Contents	104
	Net Assets – Table 1	105
	Changes in Net Assets – Table 2	106
	Fund Balances, Governmental Funds – Table 3	108
	Changes in Fund Balances, Governmental Funds – Table 4	109
	Assessed Value and Estimated Actual Value of Taxable Property – Table 5	111
	Property Tax Rates/Assessment Ratios – All Direct and Overlapping Governments – Table 6	112
	Principal Taxpayers – Table 7	113
	Property Tax Levies and Collections – Table 8	114
	Ratio of Outstanding Debt by Type – Table 9	115
	Ratio of General Bonded Debt Outstanding – Table 10	116
	Computation of Direct and Overlapping Debt – Table 11	117
	Computation of Legal Debt Margin – Table 12	118
	Schedule of Revenue Bond Coverage – Water & Sewer Bonds – Table 13	119
	Schedule of Revenue Bond Coverage – Municipal Drainage Bonds – Table 14	120
	Demographic and Economic Statistics – Table 15	121
	Principal Employers – Table 16	122
	Full-Time Equivalent City Government Employees by Function – Table 17	123
	Operating Indicators by Function / Program – Table 18	124
	Capital Asset Statistics by Function / Program – Table 19	126
V.	**FEDERAL AWARDS SECTION**	
	Independent Auditors' Report on Internal Control Over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	1
	Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133 and the State of Texas Single Audit Circular	3
	Schedule of Expenditures of Federal Awards	5
	Schedule of Expenditures of State Awards	6
	Notes to Schedule of Expenditures of Federal and State Awards	7
	Schedule of Findings and Questioned Costs	8

Phil Dyer
Mayor

Harry LaRosiliere
Mayor Pro Tem

Lee Dunlap
Deputy Mayor Pro Tem

Pat Miner
Place 1

Ben Harris
Place 2

Vacant
Place 3

Lissa Smith
Place 4

Jean Callison
Place 7

Thomas H. Muehlenbeck
City Manager

December 31, 2009

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, 2009, 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, 2009. 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 72.2 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 executive directors, and heads of departments, and the performance of functions within the municipal organization.

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The financial reporting 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; convention and tourism activities and cultural events.

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

Local Economy

Plano 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 also continues to benefit from other favorable conditions associated with Plano, including a stable, diverse economic base and a desirable location for work, destination and living.

Plano, a 1994 All-American City, was named the 9th fastest growing city in the United States of cities with populations of 100,000 or larger from 2000 to 2008 based on the 2008 American Community Survey and 2000 Census. Since 1990, Plano's population has grown an estimated 105.3% to 264,250 in 2009. Estimates for residential population are projected at 264,900 in 2010 and 278,500 in 2020.

In August 2008, Salary.com named Plano as the number one place to build personal wealth, based on job availability, industry diversity, population education level, salary level, cost of living, work commute time, poverty level and proximity to educational institutes on their Salary Value Index.

The Census Bureau released a report in fall 2008 presenting Plano as the most affluent city in the nation with a 2007 median income of $84,492. The city had the highest income and lowest poverty level for cities with populations of more than 250,000.

"Forbes" magazine packaged Plano with the Dallas Metropolitan area, giving it a 5th place rating as one of big "Best Cities for Jobs" and 32nd of the 336 cities compared in April 2009.

Plano has held an "AAA" Bond Rating since fiscal year 2000 by three of the nation's top bond rating companies, attesting to its strong tax base and financial management. Attracting and retaining some of the nation's top Corporate 500 companies and the best small businesses in the region has become the "norm."

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:

Sales 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 receipts resulted in revenue of $56.1 million in fiscal year 2008-09, a 9.75% decrease from the prior year. The sales tax collections are produced primarily from Plano's sizeable retail base, including two major shopping malls, hundreds of specialty shops and boutiques and major retailers throughout the City.

Employment

A strong business atmosphere, coupled with a highly-educated and motivated workforce, continues to draw diverse companies to relocate to Plano. As a world headquarters for HP Enterprise Services, JCPenney, Perot Systems, Dr Pepper Snapple Group, CROSSMARK, Rent-A-Center, and PepsiCo's Frito-Lay North America division, Plano has built a reputation for being a great place to grow business. An array of national and international corporations also have significant operations in Plano including Alcatel-Lucent, Capital One, Bank of America Home Loans, Ericsson, Flextronics, McAfee, CIGNA, Intuit, St. Jude Medical Neuromodulation Division, PepsiCo and Texas Instruments. This type of environment creates a broad range of employment opportunities for Plano residents and creates a significant business component to the local tax base.

Job Growth

The following businesses relocating and expanding into Plano have increased the number and scope of job opportunities and brought much needed services to the community. Alliance Data Systems Corporation leased 84,262 square feet to relocate its corporate headquarters. It provides private-label credit card programs, consumer database marketing and analytics and customer loyalty consulting and services. Alliance employs 7,000 associates in 50 locations worldwide and plans to bring 215 to 265 employees to Plano. Huawei Technologies (USA), a China-based global provider of next-generation, fixed mobile convergence and end-to-end wireless technology, leased 103,148 square feet for its U.S. and Sales and Marketing headquarters. It plans to employ 375 full-time associates. Georgia-based MedAssets leased 100,000 square feet to consolidate its regional operations. MedAssets partners with over 125 health systems, 3,300 hospitals and 30,000 non-acute healthcare providers to develop cash-flow management products and services that enhance financial strength and improve operating margins. MedAssets relocated 245 employees and plans to relocate an additional 205. PepsiCo, Inc. leased 93,787 square feet to relocate over 350 employees from its Frito-Lay headquarters. PepsiCo will then relocate 100 full-time employees from Chicago to the Frito-Lay headquarters. The combined expansions also include adding up to 150 new positions. PepsiCo offers over 18 different consumer product lines focused on convenient foods and beverages that generate more than $1 billion in annual retail sales. The company employs over 3,000 people in Plano and 198,000 worldwide. Publicis plans to relocate its regional office into 58,940 square feet in Plano. With worldwide revenues of $4.8 billion, it is among the fastest-growing communications companies in the world. Publicis plans to relocate about 110 people to the new office. St. Jude Medical Neuromodulation Division expanded into 44,800 square feet to house administrative offices for about 200 people. Its corporate headquarters occupy more than 175,000 square feet in Plano. The company has purchased an additional 15 acres adjacent to its headquarters to build a second 200,000 square feet building to house labs and offices in the next two to five years. Recent successes of St. Jude Medical's devices have led to this expansion. Most of the new jobs created in 2009 consisted of engineers, scientists, clinical and other administrative staff. St. Jude Medical's Neuromodulation Division had sales of $254 million in 2008. Telmar Network Technology relocated its corporate headquarters from Irvine, California, into a 144,000 square foot facility in Plano based on the desire to be near the dozens of communications companies, manufacturers and service providers in North Texas. Telmar is a provider of communications products and services to original equipment manufacturers (OEMs), enterprise and network service providers worldwide and plans to employ 170 people. The Planet, a Houston-based web hosting and collocation company, opened a large data center in east Plano. It renovated an existing warehouse and converted 106,000 square feet into a modern tier II data center, a boost to Plano's tax rolls. It expects to invest up to $50 million in real and business property improvements in the form of extensive additions to the building's infrastructure and IT equipment. The Planet hosts nearly 18 million websites and about 2% of the global Internet traffic runs through its network.

The three largest job sectors are retail and wholesale trade, services and manufacturing. The unemployment rate for 2000 was recorded at 2.2%, which was the lowest rate in the last ten years. In 2009, the unemployment rate reached 7.6%, the highest rate in ten years, as provided by the Texas Workforce Commission.

Long-Term Financial Planning

The City's responsiveness to emerging economic challenges and its long-term planning have been key factors in its fiscal health. Although economic forecasts for Plano and the region remain favorable, residential build-out and the controlled economic recovery continue to affect the City. The City has established 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 2009-10 combined budget reflects a decrease of $4.0 million, or 1.0%, under prior year's final budget. The 2009-10 budget for total General Fund revenues is approximately $1.5 million higher than the 2009 final budget. The 2009-10 budget for total General Fund expenditures is approximately $8.1 million lower than the 2009 final budget. Funding for Capital Reserve will be accomplished by transferring $1.2 million from the Water and Sewer Fund along with $10.5 million from the General Fund. These increases along with no decline in service levels are funded with ad valorem property tax revenues. ($.3284 General Fund and $.1602 Debt Service.)

Of the $53.66 million budgeted for capital expenditures in 2010, $3.98 million pertains to municipal facilities, $14.6 million for parks and recreation and $35.09 million for street improvements and enhancements. The estimated expenditures for municipal facilities include remodeling and additions to the Fire facilities and equipment along with other various municipal facilities and parking improvements. Projects pertaining to parks and recreation include expansion of the Carpenter Park Recreation Center including facilities for a Senior Center, 2009 land acquisitions, various trail connections, 2009 Aquatic Center renovation and various park improvements. The City plans on spending $35.1 million on street enhancements and improvements that include construction and expansion of roadways.

Relevant Financial Policies

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

Accounting Procedures and Budgetary Controls. The City's accounting records for general governmental activities are maintained on a modified accrual basis, with revenues being recorded when available and measurable, and expenditures being recorded when the services or goods are received and the liabilities are incurred. Accounting records for the City's water and sewer utility and other proprietary activities are maintained on the accrual basis.

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

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

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

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

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

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

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

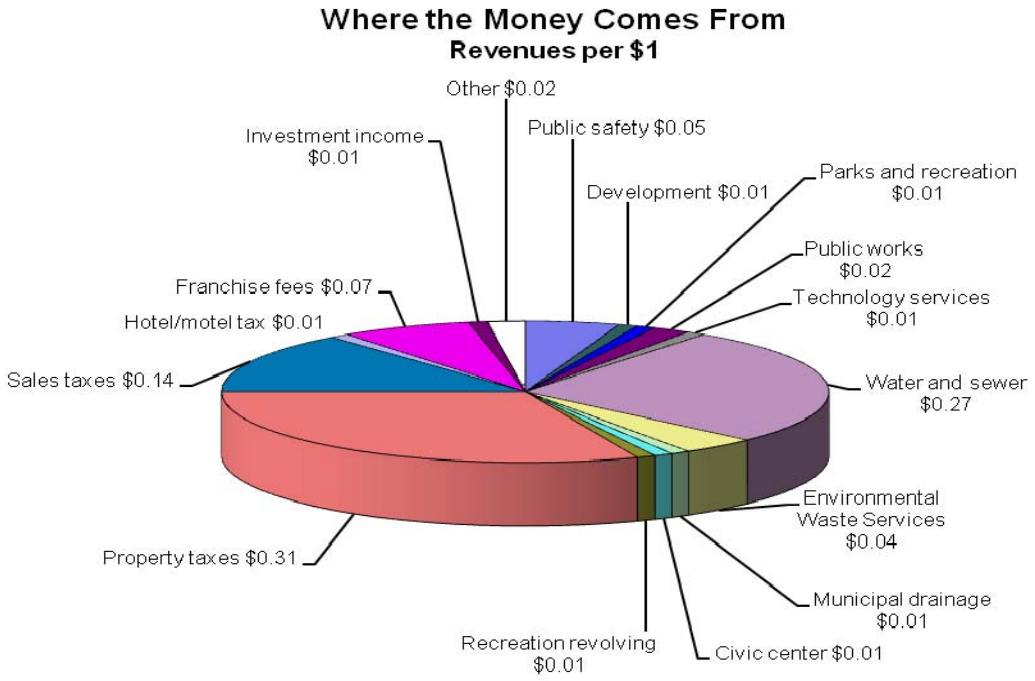
With the recognition of increased need for internal control, an internal audit program has been in place since 1988. An Internal Audit Committee provides oversight and an Internal Auditor conducts the program. This program serves to enhance controls, which are currently in place to safeguard the City's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

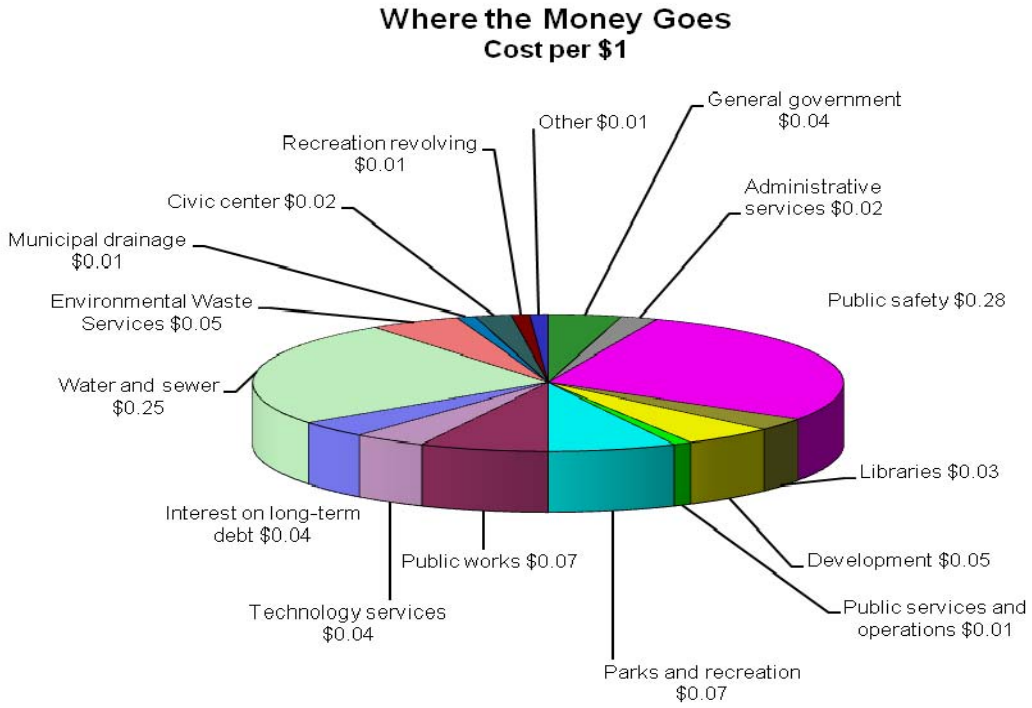
Major Initiatives

The City of Plano's fiscal year 2008-09 budget reflected continuing strength in the City's economy. Community Investment Program projects included additional facility and building services for the Emergency Operations Center, Fire Station #12, Tom Muehlenbeck Recreation Center and the Warehouse Logistics Facility. Budgeted personnel for the Community Investment Program projects include job upgrades to three existing full-time positions.

The fiscal year 2009 budget included the elimination of forty-three vacant full-time positions and seven part-time positions in an effort to minimize the forecasted deficit position resulting in a total estimated salary and benefits savings of $3.2 million. The 2009 budget also included the addition of one full-time position in the Sustainability & Environmental Services Fund. The 2008-09 budget for total General Fund revenues was projected $7.3 million above the 2008 final budget. Funding for Capital Reserve was accomplished by transferring $1.2 million from the Water and Sewer Fund along with $10.5 million from the General Fund. Employee salary and benefits were budgeted to increase approximately $7.9 million. There are no salary increases budgeted in fiscal year 2010. The City budgeted $5.2 million for economic development incentives in order to remain competitive with surrounding neighboring cities. Fiscal year 2009 was the third year that two-cents of the property tax rate was dedicated for these incentives. The fiscal year 2009 tax rate remained consistent to prior year at 47.35 cents ($.3268 General Fund and $.1467 Debt Service).

The following chart depicts the sources and uses of the City's financial breakout as of fiscal year end 2009:





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, 2008. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

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

A Certificate of Achievement is valid for a period of one year. The City of Plano has received a Certificate of Achievement for the last twenty-eight consecutive years (Fiscal Years ended 1981-2008). We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

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

Respectfully submitted,

Thomas H. Muehlenbeck
CITY MANAGER

Denise Tacke, CPA
DIRECTOR OF FINANCE

Mary Reese, CPA
CONTROLLER

CITY OF PLANO

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JUNE 2, 1873

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, 2008

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

President

Executive Director

CITY OF PLANO

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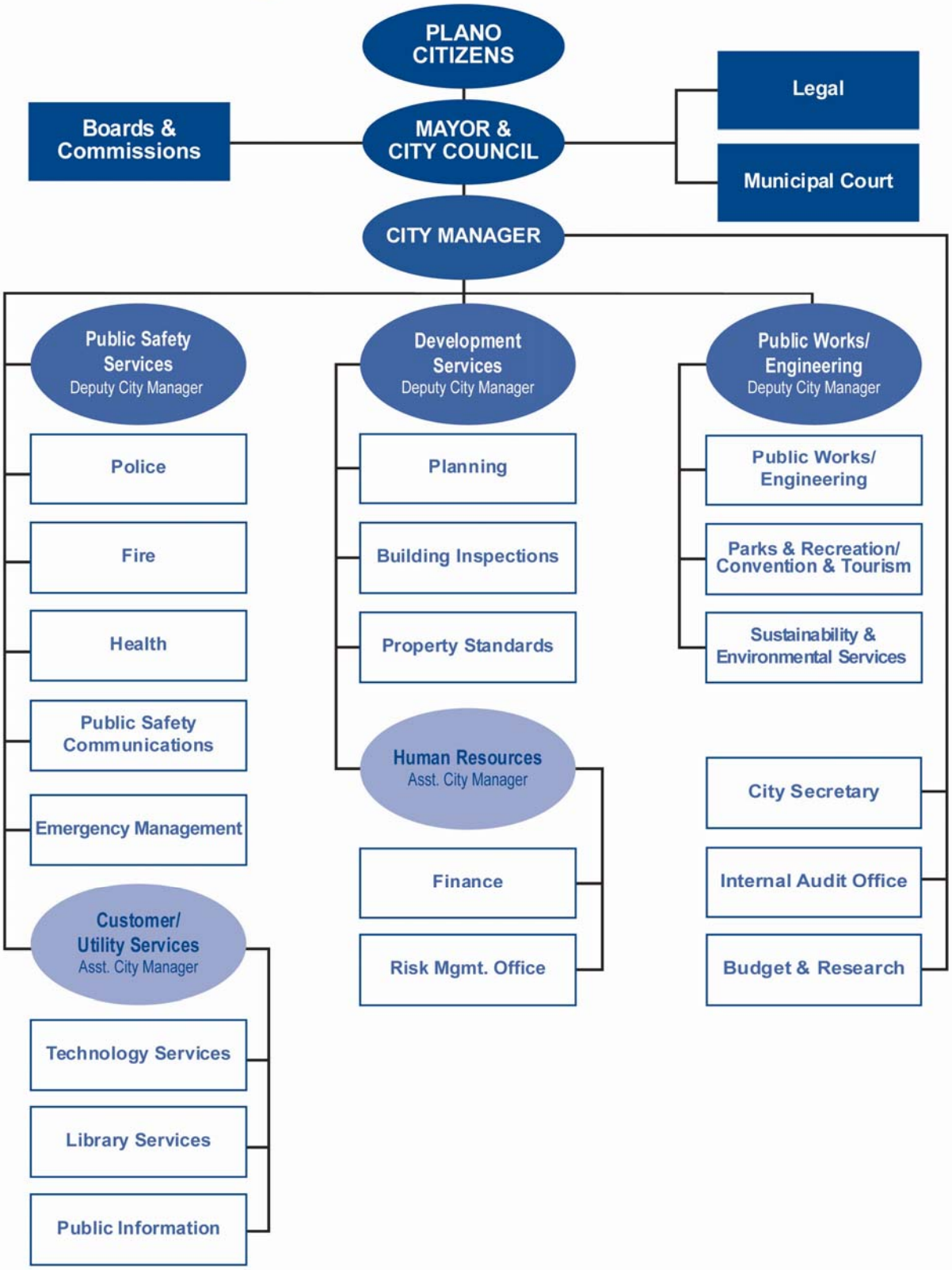
JUNE 2, 1873

City of Plano
Organizational Chart



CITY OF PLANO, TEXAS

ELECTED OFFICIALS AND ADMINISTRATIVE OFFICERS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009

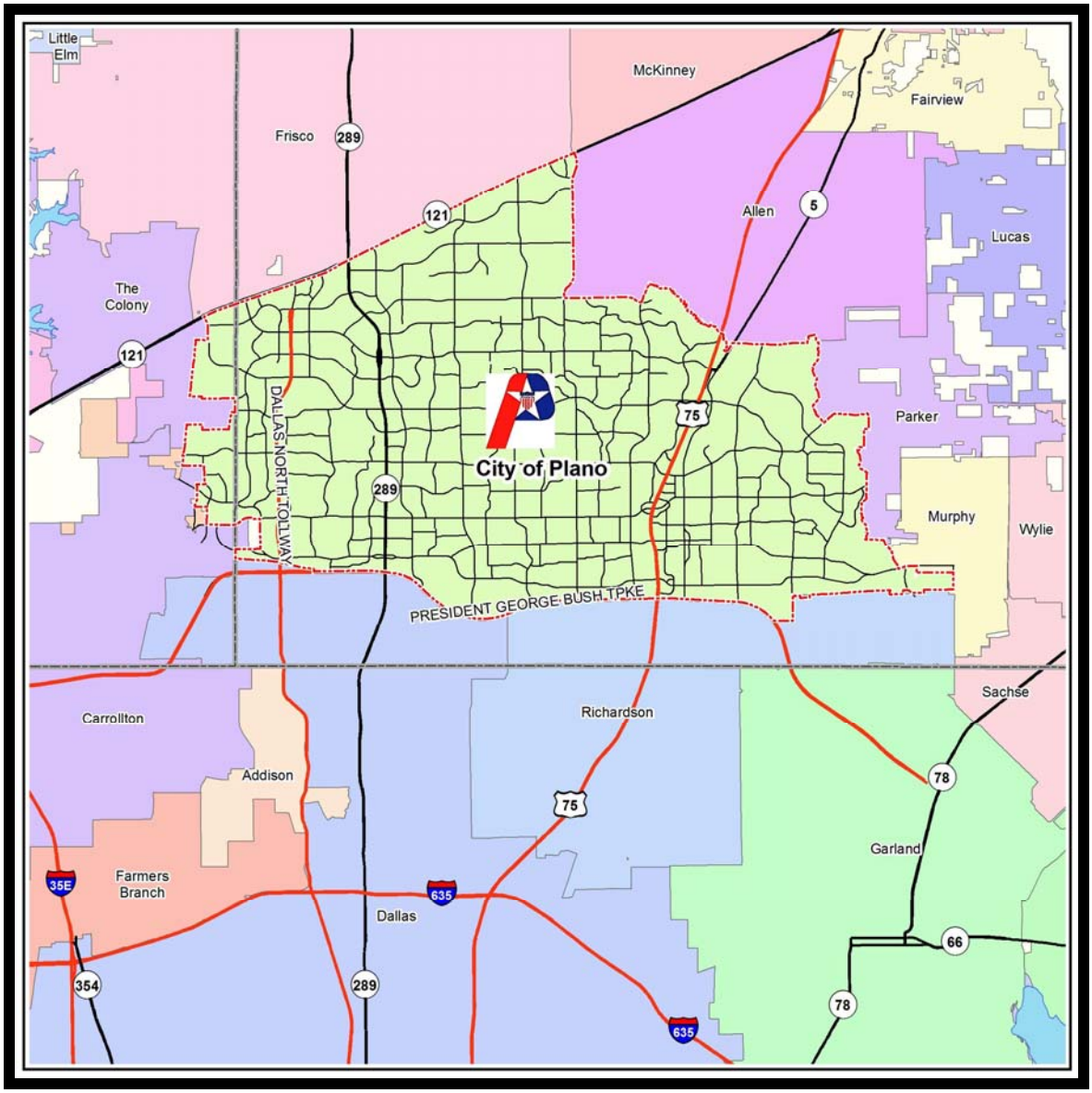
Elected Officials

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

Administrative Officers

Name	Position
Thomas H. Muehlenbeck	City Manager
Denise Tacke, CPA	Director of Finance
Mary Reese, CPA	Controller

The City of Plano and Surrounding Areas



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JUNE 2, 1873

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Independent Auditor's Report

Audit • Tax • Advisory

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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 (the "City"), as of and for the year ended September 30, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Plano'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 as 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 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, 2009, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2009 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 repor ting 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.

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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 Plano Funding Progress and Contributions and the Schedule of Pension Trust – Postemployment Benefits 115 Trust Funding Progress and Contributions on page 67 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, including the Schedule of Expenditures of Federal and State Awards that is required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-profit Organizations* and the State of Texas Single Audit Circular, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining fund financial statements, individual nonmajor fund financial statements, individual fund budgetary comparison schedules, and Schedule of Expenditures of Federal and State Awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section, capital assets used in the operation of governmental funds schedules, and statistical section, as listed in the table of contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Grant Thornton LLP

Dallas, Texas
December 31, 2009

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CITY OF PLANO, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2009

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, 2009. 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 by $19.7 million or 2.5 percent as a result of this year's operations, primarily due to an increase in the City's capital assets of approximately $25.0 million. Net assets of the City's business type activities increased as a result of this year's operations by $4.8 million or 1.2 percent.

- The City of Plano's total net assets increased by $24.7 million, or 2.1 percent, during the current fiscal year. In addition to the increase in capital assets, ad valorem tax revenue increased over the prior year by $4.2 million. This is attributable to a slight increase in taxable property values and new property coming on-line. Investment income and sales tax revenue are lower than the prior year by $6.9 and $6.1 million, respectively. Decreases are due to lower interest rates, a slowing economy, and increased competition from surrounding communities.

- As of September 30, 2009, the City of Plano's governmental funds reported combined ending fund balances of $189.4 million, a decrease of $6.8 million in comparison with the prior fiscal year.

- At the end of the current fiscal year, the unreserved and undesignated fund balance for the general fund decreased $3.7 million to $31.7 million. This amount is approximately 15.7 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.).

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 prior reporting models.

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

- Governmental activities – Most of the City's basic services are reported here, including the police, fire, libraries, development, public services and operations, parks and recreation, public works, technology services and general administration. Property taxes, sales taxes and franchise fees finance most of these activities.

- Business-type activities – The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's water and sewer system, environmental waste system, municipal drainage system, civic center, municipal golf course, property management activity, recreation revolving activities and downtown center development activity are reported here.

- Component units – The City includes three separate legal entities in its report – the economic development fund, TIF (tax incremental financing unit) mall and TIF east side. Although legally separate, these "component units" are important because the City is financially accountable for them.

Reporting the City's Most Significant Funds

Fund Financial Statements

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

- 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 is detailed in a reconciliation following the fund financial statements.

  The City of Plano maintains twenty individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund, capital reserve fund, municipal facilities fund, street improvements fund and park improvements fund, all of which are considered to be major funds. Data from the other fourteen 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 component 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 component of proprietary funds) are utilized to report activities that provide supplies and services for the City's other programs and activities, such as the City's municipal warehouse, the City's self insurance funds and equipment maintenance function. Because these services benefit governmental and business type functions, they have been included in both the governmental and business-type activities in the government-wide financial statements.

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

The City as Trustee

Reporting the City's Fiduciary Responsibilities

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

Other Information

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

THE CITY AS A WHOLE – Government-Wide Financial Analysis

The City's combined net assets were $1.2 billion as of September 30, 2009. Analyzing the net assets and net expenses of governmental and business-type activities separately, the business type activities net assets are $413.1 million. 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 (91.4 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	
	2009	2008	2009	2008	2009	2008
Current and other assets	$ 292	$ 281	$ 70	$ 66	$ 362	$ 347
Capital assets	933	909	384	383	1,317	1,292
Total assets	1,225	1,190	454	449	1,679	1,639
Long-term debt outstanding	384	378	31	31	415	409
Other liabilities	37	27	10	10	47	37
Total liabilities	421	405	41	41	462	446
Net assets:						
Invested in capital assets, net of related debt	729	701	383	377	1,112	1,078
Restricted	3	5	4	6	7	11
Unrestricted	72	79	26	25	98	104
Total net assets	$ 804	$ 785	$ 413	$ 408	$ 1,217	$ 1,193

Governmental Activities

The City's general revenues decreased when compared to the prior year by $7.2 million or 3.3 percent. The primary reason for this decrease was lower sales tax revenues of $6.1 million, the result of a downturn in the economy and increased competition from surrounding communities. Additionally, a decrease of $6.1 million in investment income occurred in the current year due to lower interest rates as a result of the slowing economy. Property tax revenue increased $4.2 million over the prior year and is attributable to higher property valuations and addition of new property throughout the City. The assessed value of the property in the City increased by $1.3 billion, or 5.2 percent, as compared to the prior year. The overall decreases in the City's general revenues are detailed below (Table 2).

Table 2
General Revenues
(in Thousands)

	2009	2008	Increase (decrease)
Property taxes	$ 127,265	$ 123,055	$ 4,210
Sales taxes	56,065	62,122	(6,057)
Mixed drink taxes	997	1,004	(7)
Other taxes	119	360	(241)
Franchise fees	23,995	23,022	973
Investment Income	4,633	10,683	(6,050)
Total general revenues	$ 213,074	$ 220,246	$ (7,172)

Governmental and Business-type activities increased the City's net assets by $24.5 million in 2009. The key elements of this increase are as follows:

Table 3
Changes in Net Assets
(in Thousands)

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Revenues:						
Program revenues:						
Charges for services	$ 32,374	$ 31,046	$134,896	$126,579	$167,270	$ 157,625
Operating grants and contributions	7,431	4,774	340	61	7,771	4,835
Capital grants and contributions	10,939	9,654	5,128	7,354	16,067	17,008
General revenues:						
Property taxes	127,265	123,055	-	-	127,265	123,055
Sales taxes	56,065	62,122	-	-	56,065	62,122
Other taxes	25,111	24,386	10,151	11,631	35,262	36,017
Investment income	4,633	10,683	604	1,411	5,237	12,094
Total revenues	263,818	265,720	151,119	147,036	414,937	412,756
Expenses:						
General government	14,360	9,052	-	-	14,360	9,052
Administrative services	8,294	8,424	-	-	8,294	8,424
Police	65,225	68,433	-	-	65,225	68,433
Fire	44,280	44,201	-	-	44,280	44,201
Libraries	11,105	11,765	-	-	11,105	11,765
Development	19,929	20,447	-	-	19,929	20,447
Public services and operations	5,646	5,402	-	-	5,646	5,402
Parks and recreation	26,170	26,135	-	-	26,170	26,135
Public works	28,025	27,944	-	-	28,025	27,944
Technology services	14,009	13,686	-	-	14,009	13,686
Other	5,579	7,504	-	-	5,579	7,504
Interest on long-term debt	14,640	14,625	-	-	14,640	14,625
Water and sewer	-	-	96,353	83,264	96,353	83,264
Environmental waste services	-	-	21,355	21,864	21,355	21,864
Municipal drainage	-	-	3,843	3,530	3,843	3,530
Civic center	-	-	7,331	7,312	7,331	7,312
Municipal golf course	-	-	870	1,000	870	1,000
Property management	-	-	32	39	32	39
Recreation revolving	-	-	3,192	3,096	3,192	3,096
Downtown center development	-	-	48	46	48	46
Total expenses	257,262	257,618	133,024	120,151	390,286	377,769
Increase in net assets before transfers	6,556	8,102	18,095	26,885	24,651	34,987
Transfers	13,307	13,217	(13,307)	(13,217)	-	-
Increase in net assets	19,863	21,319	4,788	13,668	24,651	34,987
Net assets – October 1	784,594	763,275	408,275	394,607	1,192,869	1,157,882
Net assets – September 30	$804,457	$784,594	$413,063	$408,275	$1,217,520	$1,192,869

The most significant governmental expense for the City was for police activity. Of a total $65.2 million spent, personnel costs were $54.9 million, an increase over the prior year by $2.2 million. The largest increase in governmental activities expense can be noted in general government expenses and pertains to General Fund contributions to the City's 115 Trust of $4.3 million. Operating grants and contributions increased $2.7 million. The increase is primarily due to the reimbursement of $2.1 million from the Tax Increment Financing-East Side fund for initial costs contributed by the City for the Courtyard Theater Project in fiscal year 2001. Additionally, the City received reimbursement of $1.4 million related to an interlocal agreement with Collin County. Charges for services in the police functions increased $2.4 million as a result of increased court fines, red light camera fees and alarm permit revenues of $1.1 million, $0.6 million and $0.5 million, respectively.

Business-type Activities

Revenues of the City's business-type activities were $151.1 million for the fiscal year ended September 30, 2009. Revenues increased approximately $4.1 million or 2.8 percent as compared to the prior fiscal year. Expenses for the City's business-type activities increased $12.9 million or 10.7 percent. The decrease in net revenues is the result of several factors, including the following:

- The City's water and sewer system recorded charges for services of $108.1 million, an increase of $8.0 million or 8.0 percent from the prior year primarily due to increased consumption. Expenses increased over the prior year by $13.1 million or 15.7 percent. This was primarily due to increases in payments for water and wastewater services in the amount of $6.8 million. In addition, expenses and encumbrances for fixed meter reading network increased $2.6 million. Fiscal year 2008 expenses and encumbrances were primarily made for equipment set-up, testing and software implementation while actual installation began in fiscal year 2009.

- The City's environmental waste services activities operated with program expenses exceeding charges for services by $6.3 million. Residential solid waste revenues are $1.0 million higher than the prior year primarily due to a $1.25 rate increase for use of 95-gallon carts. Commercial franchise fee revenues decreased $0.5 million due to a downturn in the economy. These revenues are based upon commercial tonnage disposed. In addition, recycling revenues are down $1.2 million as a result of a decline in the recycling market. Environmental waste services expenses decreased $0.5 million over the prior year.

- The City's municipal drainage activity operated with charges for services exceeding expenses by $1.2 million, compared to $1.5 million in the prior year. Personal services increased $0.1 million over the prior year due to increased salary and benefit related costs and funding of the City's Sections 115 Trust. Costs for maintenance parts and supplies in the Municipal Drainage Operations department increased $0.1 million due to an increase in volume of concrete drainage structures repairs in the current year. The municipal drainage system recorded charges for services of $5.05 million, a 1.1 percent increase from the prior year.

- The City's civic center activity operated with expenses exceeding charges for services by $4.9 million as compared to $4.6 million in the prior fiscal year. Charges for services are reported at $2.4 million which is a decrease of $0.3 million from the prior fiscal year. Hotel/motel tax revenue decreased $1.0 million as a result of an increase in hotel/motel tax exemptions and a decline in travel related to the downturn in the economy.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of the fiscal year 2009, the City had $1.3 billion invested in a broad range of capital assets, including police and fire equipment, buildings, park facilities, roads, bridges, and water and sewer lines. (See Table 4.) This amount represents a net increase (including additions and deductions) of $25.0 million over the prior fiscal year.

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

	Governmental Activities		Business-type Activities		Totals	
	2009	2008	2009	2008	2009	2008
Land	$ 107,127	$ 106,991	$ 9,267	$ 9,252	$ 116,394	$ 116,243
Buildings and improvements	104,133	73,135	309,418	304,575	413,551	377,710
Equipment	45,579	46,186	4,185	5,402	49,764	51,588
Construction in progress	175,665	180,710	42,481	47,987	218,146	228,697
Public Art	1,697	1,649	-	-	1,697	1,649
Infrastructure	498,946	499,863	-	-	498,946	499,863
Drainage improvements	-	-	18,494	16,235	18,494	16,235
Totals	$933,147	$ 908,534	$383,845	$ 383,451	$1,316,992	$1,291,985

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

Development of nature preserve at Oak Point Park	$ 6.3
Implementation of Moto Mesh Wireless Phase III	5.8
Widening Alma Drive-Spicewood Drive to Tatum Drive	1.0
Widening Independence Parkway-McDermott Road to S.H. 121	1.2
Reconstruction & widening of Parker-K Avenue to Raton	1.2
Widening Parkwood Boulevard-Park Boulevard to Windhaven Parkway	1.6
Linking recreational trails throughout the City	1.9
Reconstruction of street and sidewalks of Springbrook-Janwood to Quill	1.5
Widening Communications Parkway-Parker Road to Windhaven Parkway and Windhaven Parkway to Spring Creek Parkway	1.9
Replacement of various street and alley pavement	2.4
Replacement of concrete pavement	2.1
Arterial joint sealing program	1.8
Total	$ 28.7

The City's fiscal year 2010 capital budget includes $53.7 million for capital projects, principally for three major categories: municipal facilities, parks and recreation, and street improvements and enhancements. Estimated expenditures for municipal facilities are $4.0 million including $3.0 million for plans to construct a new fire station and expand Fire Station No. 4. Also included in the budget is $1.0 million for construction of a new Technology Services facility. Estimated expenditures for parks and recreation facilities are $14.6 million including $5.8 million for expansion and renovation of Carpenter Park Recreation Center, including senior facilities. An additional $4.0 million is planned for 2009 land acquisitions. The remaining funds for park improvements and recreation centers are for a variety of projects. The City plans to spend $35.1 million on street improvements and enhancements including $5.2 million to reconstruct 14th Street from Avenue K to Ridgewood Drive, $2.3 million to widen McDermott Road from Coit to Ohio, $1.6 million to widen Communications from Parker Road to Spring Creek, $1.8 million for intersection improvements at Preston and Legacy, $1.4 million to construct Chaparral from K Avenue to East City Limit, $2.3 million to expand Rasor from Ohio to SH 121, $1.7 million to

construct the Douglas walkway, $1.5 million to repave Meadows Addition Phase I streets and sidewalks, $1.0 million to widen Plano Parkway from Midway to West City Limit, $1.1 million to repave Westwood from 15th Street to Janwood, $1.2 million for reconstruction of R Avenue to 17th Street, $1.0 million to widen Windhaven from City Limit to Spring Creek, $2.6 million to reconstruct Communications Parkway from Spring Creek Parkway to Tennyson, and $5.5 million for various street improvements. The remaining street improvements and enhancements are for a variety of projects. An additional $16.8 million will be required to support the entire 2009-10 general obligation capital improvement program.

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

Debt

At year-end, the City had $368.9 million in bonds and tax anticipation notes outstanding as compared to $367.0 million at the end of the prior fiscal year, an increase of 0.5 percent – as shown in Table 5.

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

	Governmental Activities		Business-type Activities		Totals	
	2009	**2008**	**2009**	**2008**	**2009**	**2008**
General obligation bonds (backed by the City)	$ 312,578	$ 310,024	$ -	$ -	$ 312,578	$ 310,024
Tax anticipation notes (backed by the City)	29,014	28,075	-	-	29,014	28,075
Revenue bonds (backed by fee revenues)	-	-	27,338	28,900	27,338	28,900
Totals	$ 341,592	$ 338,099	$ 27,338	$ 28,900	$ 368,930	$ 366,999

During the current fiscal year, the City issued $35.3 million in general obligation bonds, $6.4 million in tax anticipation notes and $4.8 million in municipal drainage revenue bonds.

The City's general obligation bonds and tax notes continue to carry a triple A rating, the highest rating possible. This rating has been assigned to the City's tax-supported debt since February 2000, by Moody's Investors Service, Inc., Standard & Poor's and Fitch, Inc. The City's drainage revenue bonds carry an A1 and AA- ratings, as assigned by two of the national rating agencies. The City is permitted by Article XI, Section 5, of the State of Texas Constitution to levy taxes up to $2.50 per $100 of assessed valuation for general governmental services including the payment of principal and interest on general obligation long-term debt. The current ratio of tax-supported debt to assessed value of all taxable property is 1.33 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 $7.7 million outstanding at year-end compared with $7.5 million at the end of the prior fiscal 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, 2009, the governmental funds of the City reported a combined fund balance of $189.4 million and the enterprise funds of the City reported combined net assets of $404.7 million. Included in this year's total change in fund balance is a $2.0 million decrease in the City's General Fund due to an increase in expenditures of $4.3 million. In addition, other changes in fund balances should be noted:

- The City's Debt Service fund balance of $3.3 million decreased from the prior year fund balance by $2.2 million. Since fiscal year 2007-08, the allocation to the Debt Service portion of the ad valorem tax rate has decreased to $0.1467 from $0.1525, a $0.0058 decrease.

- The City spent $13.6 million in capital outlay in the capital reserve fund as compared to $14.2 million in the prior fiscal year. Investment income decreases of $0.9 million are attributable to lower interest rates as a result of the slowing economy.

- The City's water and sewer fund net assets of $373.1 million increased by $5.5 million over the prior year. In the current fiscal year, revenues increased by $7.5 million due to increased consumption.

- The City's environmental waste services fund net assets were $1.7 million, unchanged from the prior fiscal year

- The City's municipal drainage fund net assets increased by $0.5 million to $19.1 million representing an increase of 2.9 percent over the prior fiscal year.

General Fund Budgetary Highlights

With adjustments made during FY 2008-09, the actual on a budgetary basis expenditures were $206.7 million compared to the re-estimated budget amount of $217.2 million. Actual expenditures were $11.8 million lower than the original budget implemented for fiscal year 2008-09 and $14.5 million lower as compared to the re-estimate. Decreases were due to reductions by City departments in anticipation of budget shortfalls.

For FY 2008-09, the actual on a budgetary basis revenues were $200.2 million as compared to the re-estimated budget amount and original budget amount of $197.5 million and $200.9 million, respectively. Contributing to the variance was higher than anticipated franchise revenue increasing $0.6 million over the re-estimated budget. Sales tax revenues were higher than the final budget by $0.7 million. However, property tax revenues came in lower than re-estimated by $0.6 million. Intergovernmental revenues include $2.1 million from TIF East Side as reimbursement for initial costs contributed by the City for the Courtyard Theater Project in fiscal year 2001.

The City of Plano has an actual on a budgetary basis General Fund balance of $38.4 million as of the fiscal year end, compared to the re-estimated budget fund balance and original budget fund balance of $25.2 million and $30.3 million respectively. The variance in fund balance is due to expenditure reductions by City departments in anticipation of budget shortfalls.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Although the economy is a primary factor, City elected and appointed officials addressed many considerations when setting the fiscal year 2010 Budget, tax rates, and business-type activity fee structures. Financial forecasts in March 2007 projected a $16 million General Fund budget deficit beginning in fiscal year 2009. In response, fees were increased for certain services and (43) full-time positions and (7) part-time positions were eliminated from the fiscal year 2009 Budget. A Core Business Matrix process, implemented in October, 2008, prioritized core businesses, services and programs offered by the City and evaluated service level impacts and the amount of expenditures and revenues assigned to each core business.

The financial forecast presented to the City Council in March 2009 projected a $13.7 million General Fund budget deficit for fiscal year 2010. Budget reductions of $10.5 million were identified from the fiscal year 2010 budget including the elimination of a number of positions.

A tax rate increase of 1.51 cents (to 48.86 cents per $100 of assessed property value) was approved by the City Council in September 2009 to address the remaining $3.2 million budget shortfall in the General Fund.

The increase includes a 1.35 cent increase for debt service to 16.02 cents and a 0.16 cent increase for operation and maintenance (O&M) to 32.84 cents. The increase in O&M is directly due to the projected loss of property value from the City's tax base. The debt service rate increase also results from the reduced tax base, as well as the increased debt costs from the issuance of tax notes for public safety projects and new general obligation debt. Of the 48.86 cent tax rate, two-cents is solely dedicated to the Economic Development Incentive Program (EDIP), implemented by the City Council in fiscal year 2006-2007. The City continues to work to entice commercial entities to Plano and to provide economic development programs and redevelopment for all areas of the City.

Public safety, health, value and quality of life are foremost in administrative decisions. Visionary planning, community involvement, and dedication and resolve by staff combine to maintain and improve the quality of life and economic opportunities for citizens. Plano's current population is 264,250 and is anticipated to be approximately 278,500 in 2020.

Retail and wholesale trade, services and manufacturing are the City's three largest job sectors. The business atmosphere ranges from start-ups to international corporate powerhouses. Growth in the region continues to concentrate on health care and small business, rather than technology. Redevelopment of mature commercial centers and infill projects continue.

Businesses grow and prosper in Plano with tax incentives and abatements, low tax rates, high bond ratings and a superior quality of life. City tax abatement agreements and reinvestment zones have helped create more than 50,000 jobs. The City works diligently with corporations on relocation incentives in order to attract new and existing companies. In addition, reasonable costs of living and affordable home prices continue to make Plano an attractive area for new business locations.

The 2009-10 combined budget appropriation totals $402.3 million for ten operating funds. This represents a decrease of $4.0 million or 1.0 percent under the 2008-09 re-estimated budget. Ad valorem tax revenue is determined by two major factors: the total assessed values established by both the central Appraisal District of Collin and Denton Counties and the tax rate established by the Plano City Council.

A primary reason for the budget deficit is a decrease of property values from our City's tax base for fiscal year 2010. According to the Collin County and the Denton County Central Appraisal Districts (CAD), total assessed property value for 2009-10 equals $25.5 billion and includes $380.4 million of new property coming on-line. Additionally, existing property values are expected to decrease by $658.5 million or 2.55%. This represents the largest existing property value loss experienced in the City of Plano since 1993. The total change in value for fiscal year 2010 equals a decrease of $278.0 million or 1.08%. The average home value as reported by the

Collin County CAD is $249,679, down from $251,733. 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 $5.1 billion in assessed property value, which equates to $24.5 million in lost property tax revenue. Of this amount, $765.6 thousand is lost due to the over 65 tax freeze.

The City will continue to focus on protecting and expanding its revenue base. Like most Texas cities, Plano relies on local sales tax collections to provide revenues necessary to meet citizen's expectations for service. Since January 2008, the City has experienced significant sales tax declines due to an economic downturn in the economy and growing competition from surrounding cities for sales tax dollars. Sales tax revenues of $56.1 in fiscal year 2009 decreased from the prior year by $6.1 million including a $1.4 million negative sales tax adjustment. Sales tax projections of $57.8 million in fiscal year 2010 do not include approximately $1.5 million in EDIP Section 380 grants. Sales tax projections continue to be impacted by changes in the national economy, fuel prices, weather conditions, loss of market share to surrounding communities, the annual Texas legislative initiated "Back-To-School" sales tax holiday and impending legislation.

General Fund expenditures in fiscal year 2009-10 are expected to decrease $8.1 million, or 3.6% from the 2008-09 re-estimated budget. Estimated salary and benefit savings of $3.6 million is anticipated from the reduction of (45) full-time and (10) part-time positions. The budget also includes a 3.5% attrition allowance and does not include a merit increase. Budget increases include $2.0 million in health insurance for nominal medical service increases and to provide additional funding for GASB 45 requirements for post-employment benefits. Expected retiree payouts in 2009-10 are budgeted at $3.0 million. Contribution rates for the Texas Municipal Retirement System (TMRS) will increase on January 1, 2010 from 14.06% to 15.72%. The Retirement Security Plan (RSP) contribution rate will remain 3.13%. Included in the 2009-10 General Fund Budget is $221,141 for capital improvement projects.

If estimates are realized, the City's budgetary General Fund balance is expected to decrease from the re-estimated 2008-09 Budget by approximately $9.3 million.

The Water and Sewer fund is of concern in the City's business type activities. In fiscal year 2009, 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 $2.5 million. Lower revenues and increased charges from NTMWD caused the City to increase water and sewer rates, the sixth increase since October 2006. The following rate decisions were made regarding the City's business type activities:

- Revenue projections in 2009-10 increase water income by $5.3 million, or 9.6 percent over the 2008-09 re-estimate. The water income revenue increase covers a 10% rate increase effective October 1, 2009 and reflects the water district's take-or-pay contracted purchase amount of 26.7 billion gallons. Using 3-year winter quarter averages for water and an October 1, 2009 rate increase of 4.0%, the 2009-10 Sewer revenues are projected to increase $4.1 million over the 2008-09 re-estimate.

- Total Sustainability & Environmental Services revenues for 2009-10 are projected at $22.3 million. Total 2008-09 revenues were $1.2 below the original budget and $0.7 below the re-estimate. Of this amount recycling was $0.7 below the original budget and $0.03 greater than the re-estimate. No rate adjustment will be required in 2009-10.

- A municipal drainage rate adjustment will not be required in 2009-10. Drainage rates 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 $4.5 million in fiscal year 2009-10. This represents a 9.5% decrease from the 2008-09 original budget and a 1.5% increase from the 2008-09 re-estimate. Reduction in revenue from original projections is related to the economic downturn. Although hotel occupancy rates have remained fairly stable, average room rates have decreased considerably. Civic

Center fees are projected to be approximately $2.6 million for 2009-10, a 3.4% decrease from the 2008-09 original budget and a 1.5 % increase from the re-estimated budget.

- Golf Fees are projected to be $0.9 million in 2009-10, a 0.1% increase from the 2008-09 re-estimate.

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, 2009

	Primary Government			
	Governmental Activities	**Business-type Activities**	**Total**	**Component Units**
ASSETS				
Cash and cash equivalents	$ 33,455,891	$ 1,471,059	$ 34,926,950	$ 2,648,235
Investments	217,821,375	9,244,326	227,065,701	17,281,402
Receivables (net of allowance for doubtful accounts)	23,603,575	18,747,713	42,351,288	64,185
Internal balances	(7,698,377)	7,698,377	-	-
Due from other governments	743,029	-	743,029	-
Inventories	942,782	-	942,782	-
Prepaids and other assets	19,739,251	1,877,535	21,616,786	-
Restricted assets:				
Cash and cash equivalents	418,400	4,072,050	4,490,450	-
Investments	2,726,414	26,534,615	29,261,029	-
Receivables	14,261	694,741	709,002	-
Capital assets:				
Non-depreciable	284,488,874	51,747,713	336,236,587	110,629
Depreciable (net)	648,658,620	332,097,101	980,755,721	3,897,311
Total Assets	1,224,914,095	454,185,230	1,679,099,325	24,001,762
LIABILITIES				
Accounts payable	4,412,927	4,806,943	9,219,870	16,282
Accrued liabilities	9,892,175	984,562	10,876,737	21,145
Accrued interest payable	1,196,909	373,358	1,570,267	-
Contracts payable	7,092,636	315,156	7,407,792	-
Customer deposits	-	2,444,290	2,444,290	-
Unearned revenue	11,438,342	697,363	12,135,705	-
Due to other governments	1,141,096	-	1,141,096	403
Retainage payable	1,583,471	330,685	1,914,156	-
Seized assets payable	146,232	-	146,232	-
Non-current liabilities				
Due within one year:				
Compensated absences	4,591,749	409,605	5,001,354	992
Notes payable	-	-	-	6,397,476
Bonds payable	23,026,560	3,600,000	26,626,560	-
Tax anticipation notes payable	4,919,818	-	4,919,818	-
Liability for insurance claims	6,190,932	-	6,190,932	-
Due in more than one year:				
Compensated absences	29,680,598	3,421,603	33,102,201	144,761
Bonds payable	289,551,105	23,738,423	313,289,528	-
Tax anticipation notes payable	24,094,160	-	24,094,160	-
Liability for insurance claims	1,498,104	-	1,498,104	-
Total Liabilities	420,456,814	41,121,988	461,578,802	6,581,059
NET ASSETS				
Invested in capital assets (net of related debt)	728,662,561	383,531,217	1,112,193,778	4,007,940
Restricted for:				
Debt service	3,270,626	3,911,737	7,182,363	-
Unrestricted	72,524,094	25,620,288	98,144,382	13,412,763
Total Net Assets	$ 804,457,281	$ 413,063,242	$ 1,217,520,523	$ 17,420,703

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

CITY OF PLANO, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2009

		Program Revenues		
Function/Program Activities	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**
Primary Government:				
Governmental Activities:				
General government	$ 14,360,212	$ 994,964	$ 3,670,414	$ 1,236,441
Administrative services	8,294,111	-	109	-
Police	65,225,173	15,344,518	1,236,792	238,425
Fire	44,279,959	4,161,383	331,602	-
Libraries	11,104,945	545,755	268,121	-
Development	19,929,365	3,175,176	1,492,995	-
Public services and operations	5,645,771	1,277,357	148,254	-
Parks and recreation	26,170,315	3,952,244	180,345	1,040,000
Public works	28,025,006	40,592	102,105	8,424,232
Technology services	14,008,840	2,882,354	-	-
Other	5,480,962	-	-	-
Interest on Long-Term Debt	14,640,081	-	-	-
Unallocated Depreciation	96,934	-	-	-
Total governmental activities	257,261,674	32,374,343	7,430,737	10,939,098
Business-type Activities:				
Water and sewer	96,352,987	108,076,125	-	5,128,295
Environmental waste services	21,354,795	15,101,758	339,804	-
Municipal drainage	3,843,011	5,050,406	-	-
Civic center	7,331,173	2,439,129	-	-
Municipal golf course	870,436	792,753	-	-
Property management	32,053	42,309	-	-
Recreation revolving	3,191,594	3,325,754	-	-
Downtown center development	47,917	68,127	-	-
Total business-type activities	133,023,966	134,896,361	339,804	5,128,295
Total primary government	$ 390,285,640	$ 167,270,704	$ 7,770,541	$ 16,067,393
Component units:				
Economic Development	$ 4,552,750	$ 6,144,234	$ -	$ -
TIF Mall	5,181,377	-	-	-
TIF East Side	3,314,280	-	-	-
Total component units	$ 13,048,407	$ 6,144,234	$ -	$ -

General revenues:
- Property taxes
- Sales taxes
- Mixed drink taxes
- Hotel/Motel tax
- Other taxes
- Franchise fees
- Investment income

Transfers
- Total general revenues and transfers
  - Change in net assets

Net assets - beginning
Net assets - ending

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

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
$ (8,458,393)		$ (8,458,393)	
(8,294,002)		(8,294,002)	
(48,405,438)		(48,405,438)	
(39,786,974)		(39,786,974)	
(10,291,069)		(10,291,069)	
(15,261,194)		(15,261,194)	
(4,220,160)		(4,220,160)	
(20,997,726)		(20,997,726)	
(19,458,077)		(19,458,077)	
(11,126,486)		(11,126,486)	
(5,480,962)		(5,480,962)	
(14,640,081)		(14,640,081)	
(96,934)		(96,934)	
(206,517,496)		(206,517,496)	
	$ 16,851,433	16,851,433	
	(5,913,233)	(5,913,233)	
	1,207,395	1,207,395	
	(4,892,044)	(4,892,044)	
	(77,683)	(77,683)	
	10,256	10,256	
	134,160	134,160	
	20,210	20,210	
-	7,340,494	7,340,494	
(206,517,496)	7,340,494	(199,177,002)	
			$ 1,591,484
			(5,181,377)
			(3,314,280)
			(6,904,173)
127,265,332	-	127,265,332	8,045,461
56,064,538	-	56,064,538	-
997,051	-	997,051	-
-	3,951,890	3,951,890	-
118,580	-	118,580	-
23,995,388	6,198,973	30,194,361	-
4,632,949	604,201	5,237,150	199,383
13,307,004	(13,307,004)	-	
226,380,842	(2,551,940)	223,828,902	8,244,844
19,863,346	4,788,554	24,651,900	1,340,671
784,593,935	408,274,688	1,192,868,623	16,080,032
$ 804,457,281	$ 413,063,242	$ 1,217,520,523	$ 17,420,703

CITY OF PLANO, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF SEPTEMBER 30, 2009

	General	Debt Service	Capital Reserve	Municipal Facilities
ASSETS				
Cash and cash equivalents	$ 5,313,839	$ 435,139	$ 5,280,657	$ 5,052,143
Investments	34,443,606	2,835,487	34,409,932	32,921,170
Receivables (net of allowance for uncollectibles)				
Taxes	10,925,563	467,807	-	-
Accounts	1,583,050	-	-	-
Notes	6,397,476	-	-	-
Accrued interest	180,199	14,831	180,023	172,189
Assessments	-	-	-	-
Other	-	-	-	225
Due from other funds	1,253,351	-	-	-
Due from other governments	57,572	10,821	-	-
Prepaid items and other assets	579,041	-	-	-
Total Assets	60,733,697	3,764,085	39,870,612	38,145,727
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	2,648,498	46,152	-	-
Accrued liabilities	8,691,386	-	-	-
Contracts payable	-	-	832,858	3,050,655
Deferred revenue	6,598,476	467,807	-	-
Due to other funds	51,207	-	-	-
Due to other governments	-	-	-	-
Retainage payable	-	-	129,840	537,043
Seized assets payable	-	-	-	-
Total Liabilities	17,989,567	513,959	962,698	3,587,698
Fund Balance:				
Reserved for encumbrances in:				
General fund	4,055,302	-	-	-
Capital reserve fund	-	-	4,671,496	-
Municipal facilities	-	-	-	5,417,852
Street improvements	-	-	-	-
Park improvements	-	-	-	-
Capital project funds	-	-	-	-
Reserved for:				
Prepaid items and other assets	579,041	-	-	-
Notes receivable	6,397,476	-	-	-
Debt service	-	3,250,126	-	-
Capital reserve	-	-	34,236,418	-
Municipal facilities				29,140,177
Street improvements	-	-	-	-
Park improvements	-	-	-	-
Capital projects	-	-	-	-
Unreserved, designated in:				
Special revenue funds	-	-	-	-
Unreserved, undesignated in:				
General fund	31,712,311	-	-	-
Special revenue funds	-	-	-	-
Capital project funds	-	-	-	-
Total Fund Balance	42,744,130	3,250,126	38,907,914	34,558,029
Total Liabilities and Fund Balance	$ 60,733,697	$ 3,764,085	$ 39,870,612	$ 38,145,727

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

Street Improvements	Park Improvements	Other Governmental Funds	Total Governmental Funds
$ 3,029,892	$ 4,591,586	$ 3,803,314	$ 27,506,570
19,743,624	29,920,055	24,782,845	179,056,719
-	-	-	11,393,370
-	-	355,985	1,939,035
-	-	-	6,397,476
103,266	156,492	129,622	936,622
1,540,186	-	-	1,540,186
-	-	955,228	955,453
-	-	1,265	1,254,616
-	-	674,202	742,595
-	-	2,680	581,721
24,416,968	34,668,133	30,705,141	232,304,363
-	-	280,982	2,975,632
-	-	740,187	9,431,573
2,798,485	407,638	3,000	7,092,636
11,726,936	-	1,198,793	19,992,012
-	-	508,380	559,587
-	-	1,141,096	1,141,096
624,700	289,653	2,235	1,583,471
-	-	146,232	146,232
15,150,121	697,291	4,020,905	42,922,239
-	-	-	4,055,302
-	-	-	4,671,496
-	-	-	5,417,852
8,179,183	-	-	8,179,183
-	2,542,880	-	2,542,880
-	-	1,001,091	1,001,091
-	-	2,680	581,721
-	-	-	6,397,476
-	-	-	3,250,126
-	-	-	34,236,418
-	-	-	29,140,177
1,087,664	-		1,087,664
-	31,427,962		31,427,962
-	-	5,275,074	5,275,074
-	-	828,561	828,561
-	-	-	31,712,311
-	-	19,434,821	19,434,821
-	-	142,009	142,009
9,266,847	33,970,842	26,684,236	189,382,124
$ 24,416,968	$ 34,668,133	$ 30,705,141	$ 232,304,363

CITY OF PLANO, TEXAS
RECONCILIATION OF THE STATEMENT OF NET ASSETS
OF GOVERNMENTAL FUNDS
TO THE BALANCE SHEET
AS OF SEPTEMBER 30, 2009

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

Total fund balance per balance sheet	$	189,382,124
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		902,853,308
Other long-term assets are not available to pay for current-period expenditures, and, therefore, are deferred in the funds		27,495,609
Internal service funds are used by management to charge the costs of fleet management, property liability loss, health claims, office services and municipal warehouse to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.		68,454,352
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		(383,728,112)
Net assets of governmental activities	$	804,457,281

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

CITY OF PLANO

TEXAS

JUNE 2, 1873

CITY OF PLANO, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	General	Debt Service	Capital Reserve	Municipal Facilities
REVENUES				
Taxes-				
Property taxes	$ 82,515,968	$ 37,052,595	$ -	$ -
Other taxes	57,577,341	-	-	-
Franchise fees	23,586,443	-	-	-
Fines and forfeitures	8,317,559	-	-	-
Contributions	-	-	1,404,847	143,192
Rollback taxes	-	-	263,577	-
Licenses and permits	4,786,291	-	-	-
Intragovernmental	7,739,588	-	-	-
Intergovernmental	2,915,576	-	-	-
Fees for services	10,967,653	-	-	-
Assessments	-	-	-	-
Investment income	1,270,999	368,791	584,348	567,385
Miscellaneous	794,039	238,425	1,099,749	2,700
Total revenues	200,471,457	37,659,811	3,352,521	713,277
EXPENDITURES				
Current operating:				
General government	524,727	-	-	-
Administrative services	8,239,334	-	-	-
Police	60,909,188	-	-	-
Fire	42,796,277	-	-	-
Libraries	10,199,643	-	-	-
Development	18,651,935	-	-	-
Public services and operations	4,793,842	-	-	-
Parks and recreation	21,407,832	-	-	-
Environmental waste services	-	-	-	-
Public works	5,840,246	-	-	-
Other	27,609,726	-	-	-
Capital outlay	1,636,365	-	13,590,729	14,173,007
Debt service:				
Principal retirement	-	25,645,000	-	-
Interest and fiscal charges	-	15,037,063	-	-
Total expenditures	202,609,115	40,682,063	13,590,729	14,173,007
Excess (deficiency) of revenues over (under) expenditures	(2,137,658)	(3,022,252)	(10,238,208)	(13,459,730)
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	-	-	14,300,000
Bond proceeds - refunding	-	12,370,000	-	-
Escrow payment - refunding	-	(12,428,331)	-	-
Premium on sale of bonds	-	4,616	-	145,722
Transfers in	10,774,011	834,120	11,700,000	1,200,000
Transfers out	(10,633,769)	-	-	-
Total other financing sources	140,242	780,405	11,700,000	15,645,722
Net change in fund balances	(1,997,416)	(2,241,847)	1,461,792	2,185,992
Fund balances-beginning	44,741,546	5,491,973	37,446,122	32,372,037
Fund balances-ending	$ 42,744,130	$ 3,250,126	$ 38,907,914	$ 34,558,029

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

Street Improvements	Park Improvements	Other Governmental Funds	Total Governmental Funds
$ -	$ -	$ -	$ 119,568,563
-	-	-	57,577,341
-	-	-	23,586,443
-	-	2,665,057	10,982,616
3,538,635	-	120,204	5,206,878
-	-	-	263,577
-	-	-	4,786,291
-	-	-	7,739,588
737,411	1,040,000	2,425,458	7,118,445
-	-	2,841,024	13,808,677
10,094	-	-	10,094
304,477	475,155	416,936	3,988,091
800	-	320,906	2,456,619
4,591,417	1,515,155	8,789,585	257,093,223
-	-	88,925	613,652
-	-	-	8,239,334
-	-	3,078,095	63,987,283
-	-	284,164	43,080,441
-	-	114,925	10,314,568
-	-	1,272,509	19,924,444
-	-	963,302	5,757,144
-	-	-	21,407,832
-	-	300,339	300,339
-	-	-	5,840,246
-	-	-	27,609,726
18,299,800	11,505,518	1,156,598	60,362,017
-	-	-	25,645,000
-	-	-	15,037,063
18,299,800	11,505,518	7,258,857	308,119,089
(13,708,383)	(9,990,363)	1,530,728	(51,025,866)
2,175,000	12,840,000	-	29,315,000
-	-	-	12,370,000
-	-	-	(12,428,331)
14,487	85,525	-	250,350
-	-	882,642	25,390,773
-	-	-	(10,633,769)
2,189,487	12,925,525	882,642	44,264,023
(11,518,896)	2,935,162	2,413,370	(6,761,843)
20,785,743	31,035,680	24,270,866	196,143,967
$ 9,266,847	$ 33,970,842	$ 26,684,236	$ 189,382,124

CITY OF PLANO, TEXAS
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, 2009

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

Net change in fund balance - total governmental funds	$ (6,761,843)
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.	23,591,826
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	3,409,001
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.	(3,856,179)
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.	236,903
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.	3,283,103
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.	(39,465)
Change in net assets of governmental activities	$ 19,863,346

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, 2009

	Budgeted Amounts					
	Original	Final	Actual	Adjustments-Budgetary Basis	Actual on a Budgetary Basis	Variance with Final Budget - Positive (Negative)
REVENUES:						
Taxes-						
Property taxes	$ 83,068,770	$ 82,840,550	$ 82,515,968	$ (263,577)	$ 82,252,391	$ (588,159)
Other taxes	58,561,925	56,907,458	57,577,341	-	57,577,341	669,883
Franchise fees	21,745,842	23,013,814	23,586,443	-	23,586,443	572,629
Fines and forfeitures	8,150,500	8,284,957	8,317,559	-	8,317,559	32,602
Licenses and permits	5,325,630	4,610,786	4,786,291	-	4,786,291	175,505
Intragovernmental	7,739,588	7,739,588	7,739,588	-	7,739,588	-
Intergovernmental	713,646	809,330	2,915,576	-	2,915,576	2,106,246
Fees for services	11,201,894	11,081,523	10,967,653	-	10,967,653	(113,870)
Investment income	3,182,198	1,150,000	1,270,999	-	1,270,999	120,999
Miscellaneous	1,257,960	1,019,868	794,039	-	794,039	(225,829)
Total Revenues	200,947,953	197,457,874	200,471,457	(263,577)	200,207,880	2,750,006
EXPENDITURES:						
General government	805,389	855,824	524,727	84,514	609,241	246,583
Administrative services	8,397,977	8,874,439	8,239,334	64,272	8,303,606	570,833
Police	62,867,477	63,325,613	60,909,188	284,940	61,194,128	2,131,485
Fire	42,622,564	43,757,828	42,796,277	382,676	43,178,953	578,875
Libraries	10,510,741	10,586,666	10,199,643	89,740	10,289,383	297,283
Development	21,220,316	21,420,367	18,651,935	584,064	19,235,999	2,184,368
Public services and operations	4,882,798	5,057,996	4,793,842	72,938	4,866,780	191,216
Parks and Recreation	22,817,261	23,289,094	21,407,832	301,981	21,709,813	1,579,281
Public works	5,941,532	6,187,297	5,840,246	21,205	5,861,451	325,846
Other	31,879,575	30,437,568	27,609,726	576,159	28,185,885	2,251,683
Capital outlay	2,505,307	3,361,842	1,636,365	1,592,813	3,229,178	132,664
Total Expenditures	214,450,937	217,154,534	202,609,115	4,055,302	206,664,417	10,490,117
Excess (Deficiency) Of Revenues Over Expenditures	(13,502,984)	(19,696,660)	(2,137,658)	(4,318,879)	(6,456,537)	13,240,123
OTHER FINANCING SOURCES (USES):						
Transfers in	9,907,420	10,774,011	10,774,011	-	10,774,011	-
Transfers out	(10,809,587)	(10,633,769)	(10,633,769)	-	(10,633,769)	-
Total Other Financing Sources (Uses)	(902,167)	140,242	140,242	-	140,242	-
Excess (Deficiency) Of Revenues And Other Sources Over Expenditures And Other Uses	(14,405,151)	(19,556,418)	(1,997,416)	(4,318,879)	(6,316,295)	13,240,123
FUND BALANCE, October 1	44,741,546	44,741,546	44,741,546	-	44,741,546	-
FUND BALANCE, September 30	$ 30,336,395	$ 25,185,128	$ 42,744,130	$ (4,318,879)	$ 38,425,251	$ 13,240,123

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, 2009

		Deficiency of Revenues and Other Sources Under Expenditures and Other Uses General Fund
GAAP basis	$	(1,997,416)
Revenues:		
Decrease due to rolled back taxes		(263,577)
Expenditures:		
Increase due to encumbrances		(4,055,302)
Budgetary basis	$	(6,316,295)

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

CITY OF PLANO

TEXAS

JUNE 2, 1873

CITY OF PLANO, TEXAS
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
AS OF SEPTEMBER 30, 2009

	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	$ 215,246	$ 34,937	$ 563,900	$ 656,976	$ 1,471,059	$ 5,949,321
Investments	1,386,471	-	3,607,190	4,250,665	9,244,326	38,764,656
Receivables (net of allowance for uncollectibles)						
Accounts	15,202,788	1,932,830	613,501	390,809	18,139,928	142,904
115 trust	-	-	-	-	-	93,878
Accrued interest	7,252	-	18,867	22,233	48,352	202,753
Other	1,553	554,077	-	3,803	559,433	1,898
Due from other funds	2,004	1,099	-	-	3,103	4,795,838
Due from other governments	-	-	-	-	-	434
Inventories	-	-	-	-	-	942,782
Prepaid expenses & other assets	739,105	1,089,755	-	48,675	1,877,535	215,591
Restricted assets:						
Revenue bond debt service-						
Cash and cash equivalents	43,547	-	444,505	-	488,052	-
Investments	283,760	-	1,559,958	-	1,843,718	-
Accrued interest receivable	1,484	-	15,150	-	16,634	-
Revenue bond reserve fund-						
Investments	-	-	1,563,333	-	1,563,333	-
Revenue bond construction fund-						
Cash and cash equivalents	2,815,778	-	768,220	-	3,583,998	418,400
Investments	18,348,400	-	4,779,164	-	23,127,564	2,726,414
Accounts receivable	555,957	-	-	-	555,957	-
Accrued interest receivable	95,968	-	26,182	-	122,150	14,261
Total current assets	39,699,313	3,612,698	13,959,970	5,373,161	62,645,142	54,269,130
Capital assets:						
Land	4,887,483	-	53,572	4,325,479	9,266,534	62,522
Buildings	1,491,712	8,581	52,921	13,953,990	15,507,204	5,753,870
Improvements other than buildings	478,717,006	-	-	2,053,248	480,770,254	-
Equipment	12,924,968	7,045,346	257,707	2,197,462	22,425,483	40,753,542
Furniture and fixtures	208,759	53,028	8,124	466,460	736,371	126,436
Rolling equipment	114,195	136,694	-	-	250,889	56,292,557
Drainage improvements	-	-	21,901,497	-	21,901,497	-
Construction in progress	31,931,533	-	10,549,646	-	42,481,179	-
Less accumulated depreciation	(183,601,693)	(6,881,090)	(3,682,371)	(15,329,443)	(209,494,597)	(72,694,741)
Total capital assets (net of accumulated depreciation)	346,673,963	362,559	29,141,096	7,667,196	383,844,814	30,294,186
Total noncurrent assets	346,673,963	362,559	29,141,096	7,667,196	383,844,814	30,294,186
Total assets	$ 386,373,276	$ 3,975,257	$ 43,101,066	$ 13,040,357	446,489,956	$ 84,563,316

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, 2009
(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	$ 4,232,574	$ 166,589	$ 85,167	$ 322,613	$ 4,806,943	$ 1,437,295
Accrued liabilities	307,103	379,026	41,362	257,071	984,562	460,602
Deferred revenue	-	10,000	-	687,363	697,363	-
Due to other funds	1,422	634,960	-	1,710	638,092	4,855,878
Accrued interest payable	-	1,517	-	-	1,517	-
Customer deposits	2,234,016	-	-	210,274	2,444,290	-
Liability for compensated absences	-	117,170	-	117,171	234,341	134,805
Liability for insurance claims	-	-	-	-	-	6,190,932
Total current liabilities	6,775,115	1,309,262	126,529	1,596,202	9,807,108	13,079,512
Current liabilities payable from restricted assets:						
Contracts payable	315,156	-	-	-	315,156	-
Current portion of long-term debt	1,940,000	-	1,660,000	-	3,600,000	-
Liability for compensated absences	148,891	-	26,373	-	175,264	-
Accrued interest payable	14,338	-	357,503	-	371,841	-
Retainage payable	330,685	-	-	-	330,685	-
Total current liabilities payable from restricted assets	2,749,070	-	2,043,876	-	4,792,946	-
Total current liabilities	9,524,185	1,309,262	2,170,405	1,596,202	14,600,054	13,079,512
Noncurrent liabilities:						
Bonds payable	2,131,420	-	21,607,003	-	23,738,423	-
Liability for compensated absences	1,613,598	988,871	176,626	642,508	3,421,603	887,018
Liability for insurance claims	-	-	-	-	-	1,498,104
Total noncurrent liabilities	3,745,018	988,871	21,783,629	642,508	27,160,026	2,385,122
Total liabilities	13,269,203	2,298,133	23,954,034	2,238,710	41,760,080	15,464,634
NET ASSETS						
Invested in capital assets (net of related debt)	364,073,715	362,559	11,447,659	7,647,284	383,531,217	33,192,272
Restricted for:						
Debt service	328,791	-	3,582,946	-	3,911,737	-
Unrestricted	8,701,567	1,314,565	4,116,427	3,154,363	17,286,922	35,906,410
Total Net Assets	$ 373,104,073	$ 1,677,124	$ 19,147,032	$ 10,801,647	$ 404,729,876	$ 69,098,682

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, 2009

Amounts reported for business type activities in the statement of net assets are different because:	
Total net assets of proprietary funds	$ 404,729,876
Internal service funds are used by management to charge the costs of fleet management and management information systems to individual funds.	
The net receivable due from activities of the internal service funds which are reported within business-type activities.	8,333,366
Net assets of business type activities	$ 413,063,242

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, 2009

	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	$ 105,210,732	$ 12,804,857	$ 5,049,706	$ 6,613,979	$ 129,679,274	$ 66,176,753
Franchise fees	-	6,198,973	-	-	6,198,973	-
Sale of trash bags	-	1,039,012	-	-	1,039,012	-
Penalties	1,416,547	-	-	-	1,416,547	-
Taps and meters	210,023	-	-	-	210,023	-
Construction water	237,597	-	-	-	237,597	-
Contributions	-	216,351	-	-	216,351	-
Miscellaneous charges	313,958	913,952	700	48,822	1,277,432	106,791
Total operating revenues	107,388,857	21,173,145	5,050,406	6,662,801	140,275,209	66,283,544
Operating expenses:						
Personal services	9,345,858	5,838,637	1,485,305	4,561,773	21,231,573	8,833,531
Contractual services	7,760,665	6,927,506	705,100	4,836,728	20,229,999	12,019,976
Supplies	7,328,577	403,556	243,892	1,285,660	9,261,685	6,854,760
Claims expense	-	-	-	-	-	20,615,470
Depreciation	12,620,471	319,344	413,450	772,207	14,125,472	7,297,258
Landfill services	-	6,883,746	-	-	6,883,746	-
Wastewater treatment	22,531,004	-	-	-	22,531,004	-
Charges in lieu of taxes	6,853,212	886,376	-	-	7,739,588	-
Water supply	29,491,382	-	-	-	29,491,382	-
Other post employement benefits	-	-	-	-	-	6,031,883
Miscellaneous	764,696	145,867	9,804	118,463	1,038,830	44,307
Total operating expenses	96,695,865	21,405,032	2,857,551	11,574,831	132,533,279	61,697,185
Operating income (loss)	10,692,992	(231,887)	2,192,855	(4,912,030)	7,741,930	4,586,359
Nonoperating revenues (expenses):						
Investment income	323,383	-	199,702	81,116	604,201	645,581
Gain (loss) on property disposition	-	(74)	-	-	(74)	502,663
Interest and fiscal charges	(184,457)	(8,792)	(989,966)	-	(1,183,215)	-
Auction proceeds	47,904	-	-	-	47,904	-
Hotel/motel tax	-	-	-	3,951,890	3,951,890	-
Intergovernmental revenues	-	-	-	-	-	1,538
Miscellaneous	639,364	127,586	(19,582)	5,271	752,639	9,488
Total nonoperating revenue (expenses)	826,194	118,720	(809,846)	4,038,277	4,173,345	1,159,270
Income (loss) before contributions and transfers	11,519,186	(113,167)	1,383,009	(873,753)	11,915,275	5,745,629
Contributions from developers	5,128,295	-	-	-	5,128,295	-
Transfers in	-	100,000	-	-	100,000	-
Transfers out	(11,170,761)	-	(848,881)	(1,387,362)	(13,407,004)	(1,450,000)
Change in net assets	5,476,720	(13,167)	534,128	(2,261,115)	3,736,566	4,295,629
Total net assets-beginning	367,627,353	1,690,291	18,612,904	13,062,762	400,993,310	64,803,053
Total net assets-ending	$ 373,104,073	$ 1,677,124	$ 19,147,032	$ 10,801,647	$ 404,729,876	$ 69,098,682

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

CITY OF PLANO

TEXAS

JUNE 2, 1873

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, 2009

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

Net change in net assets - total proprietary funds	$ 3,736,566
Internal service funds are used by management to charge the costs of fleet management, property liability loss, health claims, office services and municipal warehouse to individual funds.	
The net revenues of certain activities of internal service funds is reported within business-type activities.	1,012,523
The net expenses of grant activities of special revenue funds is reported within business-type activities	39,465
Change in net assets of business-type activities	$ 4,788,554

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, 2009

	Business-type Activities Enterprise Funds					
	Water and Sewer	Environmental Waste Services	Municipal Drainage	Other Enterprise Funds	Total	Governmental Activities- Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash received from customers	$ 106,332,625	$ 14,931,293	$ 5,041,741	$ 6,889,310	$ 133,194,969	$ 66,123,789
Franchise fees	-	6,198,973	-	-	6,198,973	-
Charges in lieu of taxes	(6,853,212)	(886,376)	-	-	(7,739,588)	-
Cash payments to suppliers for goods and services	(67,076,024)	(15,508,613)	(1,262,844)	(6,309,603)	(90,157,084)	(45,943,781)
Cash payments to employees for services	(9,185,374)	(5,683,589)	(1,448,002)	(4,532,109)	(20,849,074)	(8,744,288)
Net cash provided (used) by operating activities	23,218,015	(948,312)	2,330,895	(3,952,402)	20,648,196	11,435,720
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Advances from other funds	414,710	(132,396)	-	-	282,314	114,420
Repayments to other funds	(2,004)	126,836	-	1,710	126,542	(50,896)
Hotel/motel tax	-	-	-	3,951,890	3,951,890	-
Transfers (to) from other funds	(11,170,761)	100,000	(848,881)	(1,387,362)	(13,307,004)	(1,450,000)
Grant receipts	-	-	-	-	-	1,538
Net cash provided (used) by noncapital financing activities	(10,758,055)	94,440	(848,881)	2,566,238	(8,946,258)	(1,384,938)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition and construction of capital assets	(8,861,085)	-	(718,784)	(132,318)	(9,712,187)	(4,201,647)
Bond proceeds	-	-	1,858,017	-	1,858,017	-
Bond issuance costs paid	-	-	(63,926)	-	(63,926)	-
Proceeds from sale of equipment	-	-	-	-	-	533,582
Principal paid on long-term debt	(1,855,000)	-	(1,515,000)	-	(3,370,000)	-
Interest and fees paid on long-term debt	(239,293)	(8,792)	(1,007,144)	-	(1,255,229)	-
Reimbursement from other governments	555,957	-	-	-	555,957	-
Contributions by developers	528,445	-	-	-	528,445	-
Proceeds from insurance damages	83,157	127,586	4,502	5,271	220,516	9,488
Proceeds from sale of equipment	47,904	-	-	-	47,904	-
Proceeds from sale of maps	250	-	-	-	250	-
Net cash provided (used) by capital and related financing activities	(9,739,665)	118,794	(1,442,335)	(127,047)	(11,190,253)	(3,658,577)
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of investment securities	(20,018,631)	-	(11,509,645)	(4,250,665)	(35,778,941)	(41,491,070)
Proceeds from sale and maturities of investment securities	2,898,562	101,216	1,879,895	910,433	5,790,106	5,903,146
Interest on investments	233,897	1,890	152,236	67,623	455,646	459,130
Net cash provided (used) by investing activities	(16,886,172)	103,106	(9,477,514)	(3,272,609)	(29,533,189)	(35,128,794)
Net decrease in cash and cash equivalents	(14,165,877)	(631,972)	(9,437,835)	(4,785,820)	(29,021,504)	(28,736,589)
Cash and cash equivalents, October 1	17,240,448	666,909	11,214,460	5,442,796	34,564,613	35,104,310
Cash and cash equivalents, September 30	$ 3,074,571	$ 34,937	$ 1,776,625	$ 656,976	$ 5,543,109	$ 6,367,721
Classified as:						
Current assets	$ 215,246	$ 34,937	$ 563,900	$ 656,976	$ 1,471,059	$ 5,949,321
Restricted assets	2,859,325	-	1,212,725	-	4,072,050	418,400
Total	$ 3,074,571	$ 34,937	$ 1,776,625	$ 656,976	$ 5,543,109	$ 6,367,721
Non-cash disclosure:						
Developers contributions	$ 4,599,850	$ -	$ -	$ -	$ 4,599,850	$ -
Loss on property disposition	-	(74)	-	-	(74)	(30,920)
Increase (decrease) in fair value of investments	25,306	(456)	13,587	4,043	42,480	51,965
Transfer in (out) of capital assets	-	(191,759)	(38,506)	-	(230,265)	65,707

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, 2009
(continued)

	Business-type Activities Enterprise Funds					
	Water and Sewer	**Environmental Waste Services**	**Municipal Drainage**	**Other Enterprise Funds**	**Total**	**Governmental Activities- Internal Service Funds**
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Operating income (loss)	$ 10,692,992	$ (231,887)	$ 2,192,855	$ (4,912,030)	$ 7,741,930	$ 4,586,359
Adjustments to reconcile operating income to net cash provided (used) by operating activities:						
Depreciation	12,620,471	319,344	413,450	772,207	14,125,472	7,297,258
Change in assets and liabilities:						
(Increase) decrease in-						
Accounts receivable	(933,711)	(87,127)	(8,665)	208,488	(821,015)	(104,970)
Other accounts receivable	2,401	34,248	-	(301)	36,348	-
Due from other funds	-	-	-	-	-	(55,838)
Due from other governments	-	-	-	-	-	(405)
Prepaid expenses & other assets	(223,218)	(1,089,080)	-	(20,514)	(1,332,812)	(54,904)
Inventories	-	-	-	-	-	110,280
Increase (decrease) in-						
Accounts payable	1,023,518	(58,858)	(304,048)	(47,937)	612,675	(579,324)
Accrued liabilities	35,533	158,996	6,880	23,871	225,280	19,376
Due to other funds	-	-	-	-	-	1,458
Liability for compensated absences	124,951	(3,948)	30,423	6,540	157,966	69,867
Customer deposits	(124,922)	-	-	4,377	(120,545)	-
Deferred revenue	-	10,000	-	12,897	22,897	-
Liability for insurance claims	-	-	-	-	-	146,563
Total adjustments	12,525,023	(716,425)	138,040	959,628	12,906,266	6,849,361
Net cash provided (used) by operating activities	$ 23,218,015	$ (948,312)	$ 2,330,895	$ (3,952,402)	$ 20,648,196	$ 11,435,720

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

CITY OF PLANO

TEXAS

JUNE 2, 1873

CITY OF PLANO, TEXAS
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
AS OF SEPTEMBER 30, 2009

	Pension Trust Fund	Postemployment Benefits Trust Fund	Agency Funds
ASSETS			
Cash and cash equivalents	$ 3,145,752	$ 1,783,010	$ 334,045
Investment pool	-	-	2,176,731
Other U.S. government obligations	4,234,219	7,099,346	-
Corporate bonds	14,089,495	3,301,864	-
Common stocks	35,442,510	14,700,980	-
Foreign equities	3,276,850	-	-
Mutual funds	4,811,519	771,844	-
Real estate investment trusts	458,160	-	-
Accrued interest	279,031	91,934	11,385
Pending trades accrued interest	-	592,904	-
Total Assets	65,737,536	28,341,882	2,522,161
LIABILITIES			
Accounts payable	34,572	13,432	-
Payable from pending trades	-	1,085,070	-
Retiree claims payable to health claims fund	-	93,878	-
Developers' escrow liability	-	-	2,463,818
Unclaimed property payable	-	-	58,343
Total Liabilities	34,572	1,192,380	2,522,161
NET ASSETS			
Held in trust for pension benefits	65,702,964	-	
Held in trust for other postemployment benefits	-	27,149,502	
Total Net Assets	$ 65,702,964	$ 27,149,502	

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

CITY OF PLANO, TEXAS
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Pension Trust Fund	Postemployment Benefits Trust Fund
ADDITIONS		
Contributions:		
From employers	$ 3,479,512	$ 5,910,958
From retirees	-	619,458
Total contributions	3,479,512	6,530,416
Investment return:		
Net increase in fair value of investments	475,302	917,585
Interest	974,701	348,899
Dividends	989,584	231,287
Mutual funds	-	5,735
Miscellaneous	9,073	-
Total investment return	2,448,660	1,503,506
Less investment expenses:		
Trustee fees	33,799	47,998
Advisory fees	123,126	86,514
Audit fee	29,680	15,900
Actuary fee	16,960	16,500
Total investment expenses	203,565	166,912
Net investment income	2,245,095	1,336,594
Total additions, net	5,724,607	7,867,010
DEDUCTIONS		
Benefits	1,853,844	2,074,211
Miscellaneous expenses	578	89
Total deductions	1,854,422	2,074,300
Net increase	3,870,185	5,792,710
Net assets held in trust - beginning of year	61,832,779	21,356,792
Net assets held in trust - end of year	$ 65,702,964	$ 27,149,502

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

CITY OF PLANO, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS

SEPTEMBER 30, 2009

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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

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

A. Financial Statement Presentation

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

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

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

B. Reporting Entity

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

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 combined financial statements to emphasize it is legally separate from the City.

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

Tax Increment Financing Units. The City has established two tax increment financing units (TIF) for project improvements within the City. The first is an agreement by and between the City of Plano and the Taubman Realty Group Limited Partnership for the development of a regional mall. The second relates to financing for public improvements associated with the future development of East Plano. Both projects were approved by the City Council in fiscal year 1999. The Tax Increment Financing Units are legally separate from the City and the City does not appoint a majority of its governing board for the first TIF and does appoint a majority of its governing board for the second TIF; however, the entities are fiscally dependent on the City. These projects had limited activity during fiscal year 2009 and are presented as discrete component units as the City has determined it would be misleading to exclude them. Separate financial statements for these entities are not available.

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.

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

C. Government-wide and Fund Financial Statements

The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements, the focus is either the City as a whole or major individual funds (within the fund financial statements). The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of inter-fund activity has been removed from these statements. 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 not properly included among program revenues are reported instead as general revenues.

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

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

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

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

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

D. Measurement Focus and Basis of Accounting

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. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Government fund level financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized 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 (e.g., revenues) and decreases (e.g., expenses) in net total assets. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's water and sewer, environmental waste services, municipal drainage, civic center, municipal golf course, property management and recreation revolving funds are charges to customers for sales and services. Operating expenses for the enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The following major funds are used by the City:

1. Governmental Funds:

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

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

b. Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

c. Capital reserve fund accounts for the financing of betterments and renewals to the City's infrastructure and for public improvements not requiring general obligation bond financing.

d. Municipal Facilities fund accounts for the financing and construction of various City facilities. Funds are provided primarily through bond sales and interest earnings.

e. Street improvements fund accounts for the financing and acquisition of right of way and construction of streets, storm sewers and alleys. Funds are provided primarily through bond sales, paving assessments and interest earnings.

f. Park improvements fund accounts for the financing, acquisition and construction of park sites and related assets. Funds are provided primarily through bond sales and interest earnings.

g. Other Governmental Funds is a summarization of all of the non-major governmental funds.

2. Enterprise Funds:

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

a. Water and Sewer Fund accounts for the operation of the City's water and sewer utility. Activities of the fund include administration, operation and maintenance of the water and sewer system and billing and collection activities. This fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for revenue bonds and obligations under capital leases when due throughout the year. All costs are financed through charges made to utility customers with rates reviewed regularly and adjusted if necessary to ensure integrity of the Fund.

b. Environmental Waste Services Fund accounts for the provision of solid waste collection and disposal services to customers who are billed monthly at a rate sufficient to cover the cost of providing such services.

c. Municipal Drainage Fund accounts for the City's storm water management program.

d. Other Enterprise Funds is a summarization of all of the non-major enterprise funds.

3. Other Fund Types:

The City additionally reports for the following Fund types:

a. Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governmental units, generally on a cost reimbursement basis.

b. Agency Funds are used to account for assets held by the City in an agency capacity for individuals, local law enforcement agencies or developers. Agency funds record only assets and liabilities and therefore have no measurement focus.

c. Trust Funds are used to account for the accumulation of resources to be used for the retirement benefit payments to employees of the City and for postemployment health benefits.

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 in all funds, excluding the City's payroll account, is combined into one bank account in order to maximize investment opportunities. Although individual funds may experience temporary overdraft liabilities, a positive balance is maintained in combined cash.

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

F. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund advances or interfund receivable/payable". All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances

outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

G. Inventories and Prepaid Items

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

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

H. Interfund Transactions and Receivables and Payables

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

I. Capital Assets

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

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 2009, $18,666 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:

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

J. Compensated Absences

City employees are granted vacation and sick leave in varying amounts. Upon termination, an employee is reimbursed for accumulated vacation. 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 include American Recovery and Reinvestment Act Grant, Community Development Block Grant funds, Department of Homeland Security Grant and several police grants, which are accounted for within the Grant Fund (Special Revenue). Various state grants are included in the Grant Funds, General Fund and Capital Projects Funds (Street Improvements). Grant revenues received for purposes normally financed through the general government are accounted for within the General Fund and those for specific purposes in the proprietary fund.

L. Long-Term Debt

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

Revenue Bonds have been issued to fund capital projects of Proprietary Funds. Such bonds are to be repaid from the net revenues of the applicable Proprietary Fund. To date, Revenue Bonds have been issued for water and wastewater purposes and for municipal drainage improvements. Tax Anticipation Notes have been issued to fund permanent public improvements related to public safety communications and network infrastructure in Internal Service Funds. Such notes are to be repaid from tax revenues of the City and are recorded in the government-wide Statement of Net Assets.

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

M. Retirement Plans

The City has two separate retirement plans covering substantially all employees. It is the City's policy to record the cost for such plans on the accrual basis (See Note 5).

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net assets – governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." The details of this $383,728,112 difference are as follows:

Bonds payable and certificates of obligation	$311,790,000
Tax anticipation notes	28,860,000
Less: Issuance discount (to be amortized as interest expense)	(53,001)
Add: Issuance premium (to be amortized as interest expense)	7,481,792
Less: Deferred charges from refunding and bond issuance costs	(6,487,148)
Accrued interest payable	1,196,909
Claims and judgments	7,689,036
Compensated absences	33,250,524
Net adjustment to reduce fund balance – total governmental funds To arrive at net assets – governmental activities	$383,728,112

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 $23,591,826 difference are as follows:

Capital outlay	$ 60,362,017
Depreciation expense	(36,089,408)
Other capital related transactions	(680,783)
Net adjustment to increase net changes in fund balances-total governmental funds to arrive at changes in net assets of governmental activities	$23,591,826

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 $(3,856,179) difference are as follows:

Debt issued or incurred:	
Issuance of general obligation bonds	$ (22,960,000)
General obligation bonds refunded	(12,370,000)
Issuance of tax anticipation notes	(6,355,000)
Payment to escrow	12,428,331
Add: premium	(250,351)
Less: refunding write-off	5,841
Principal repayments:	
General obligation debt	25,645,000
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities	$ (3,856,179)

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 $236,903 difference are as follows:

Changes in:	
Compensated absences	$(973,208)
Accrued interest	27,965
Amortization of bond discount / deferred charge on refunding	(734,828)
Amortization of bond premium	1,098,004
Record change in net pension asset	818,970
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities	$ 236,903

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Data

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

- The City Manager, between 60 and 90 days prior to October 1 of each fiscal year, shall submit to the Council a proposed budget. Such budget shall provide a complete financial plan for the fiscal year.

- At the meeting of the City Council at which the budget is submitted, the City Council shall fix the time and place of a public hearing on the budget and shall cause to be published in the official newspaper of the City of Plano, a notice of the hearing setting forth the time and place thereof at least five days before the date of such hearing.

- The budget shall be finally adopted no later than 15 days prior to the beginning of the fiscal year and should the City Council fail to so adopt a budget, the then existing budget together with its tax-levying ordinance and its appropriation ordinance, shall be deemed adopted for the ensuing fiscal year.

The City Council approves annual appropriations for operations and interfund transfers for all operating and debt service funds. 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 $263,610 in appropriation increases for the General Fund. Funds with operating appropriations and interfund transfers set by ordinance include the General Fund and Debt Service Fund. During the year, appropriations are adjusted as a result of re-estimates by the departments. For budgetary purposes, unencumbered appropriations lapse at fiscal year-end.

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

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

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

B. Fund Deficits and Budget Compliance:

The Office Services net deficit of $(132,758) will require adjustments to the billing rate. The TIF Mall Discretely Presented Component Unit deficit of $(6,397,476) will be funded from future ad-valorem taxes received from the creation of reinvestment zones and the establishment of tax increment financing agreements with the City of Plano, Plano Independent School District, Collin County and Collin County Community College District.

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, 2009 the carrying amount of the City's demand deposits was $20,842,765, which includes component unit deposits of $1,304,224. The bank balance was $22,570,345. At September 30, 2009 the City's cash on hand totaled $81,141. At September 30, 2009, the carrying value and the bank balance of the City's non-negotiable certificates of deposit (CD's) was $80,199,000. At September 30, 2009 the carrying value of cash held in trust by a bank trust department for the City's Pension Trust Fund and Postemployment Benefit Trust Fund was $4,928,762.

Investments

At September 30, 2009 the City's investment balances were as follows:

	Fair Value			Weighted
	Primary Government	Component Units	Total	Avg Maturity (Years)[a]
Investment type				
U.S. Agencies	$183,321,204	$12,264,659	$195,585,863	0.67
Texas Local Government Investment Pools	20,131,964	1,343,810	21,475,774	.00019
Total	$203,453,168	$13,608,469	$217,061,637	.67019
Investment Trust Funds				
Retirement Security Plan:				
Government Agency Obligations			4,234,219	3.94
Corporate Bonds			14,089,495	5.44
Equities:				
Common Stocks			35,442,510	N/A
Foreign Equities			3,276,850	N/A
CTF/Mutual Funds			4,811,519	N/A
Real Estate Investment Trusts			458,160	N/A
Postemployment Benefit:				
Government Agencies			7,099,346	1.79
Corporate Obligations			2,700,477	3.60
Global Bond			601,387	7.20
Equities:				
Common Stocks			14,700,980	N/A
Mutual Funds			771,844	N/A
Total Investment Trust Funds:			88,186,787	
Total Investments			$305,248,424	

[a] *Fair value basis*

Investments in the Retirement Security Plan, the City's Pension Trust Fund, are held by a bank trust department. Investments in the Postemployment Benefit Trust Fund are held by a bank trust department.

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from increasing interest rates, the City's investment policy establishes the portfolio's maximum average dollar-weighted maturity of no more than one year. 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, 2009.

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, 2009 5% or more of the City's total investments are in: Federal Home Loan Bank securities (37.90%), Certificates of Deposits (25.15%), Home Loan Mortgage Corporation securities (18.93%), and Investment Pools (6.73%) on a fair value basis.

2. PROPERTY TAXES:

The City's property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the City. The property taxes attach as an enforceable lien on property as of January 1. Appraised values are established by the Central Appraisal Districts of Collin and Denton Counties at 100% of estimated market value and certified by the Appraisal Review Boards. The assessed value for the tax roll of January 1, 2008 upon which the original 2009 levy was based, was $25,170,802,674. Subsequent adjustments increased this value to $25,646,043,083.

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, 2009, were 99.4% of the tax levy.

The City is permitted by Article XI, Section 5, of the State of Texas Constitution to levy taxes up to $2.50 per $100 of assessed valuation for general governmental services including the payment of principal and interest on general obligation long-term debt. The tax rate to finance general governmental services, including debt service, for the year ended September 30, 2009, was $0.4735 ($0.3268 for general government and $0.1467 for debt service) per $100 of assessed valuation. Thus, the City has a tax margin of approximately $2.0265 per $100 and could have levied up to approximately $519,717,063 in additional taxes from the present assessed valuation.

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

3. RECEIVABLES:

Receivables at September 30, 2009 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	Municipal Facilities	Park Improve ments	Street Improve ments	Capital Reserve	Water & Sewer	Environ- mental Waste	Municipal Drainage	Aggregate Remaining Funds	Total
Receivables:											
Property Taxes	$1,607,091	$ 793,799	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,400,890
Sales Taxes	9,615,992	-	-	-	-	-	-	-	-	-	9,615,992
Mixed Drink Taxes	267,448	-	-	-	-	-	-	-	-	-	267,448
Accounts	1,583,050	-	-	-	-	-	15,929,378	1,947,043	621,659	903,959	20,985,089
Accrued Interest	180,199	14,831	172,189	156,492	103,266	180,023	104,704	-	60,199	354,608	1,326,511
Assessments	-	-	-	-	1,633,885	-	-	-	-	-	1,540,186
115 Trust	-	-	-	-	-	-	-	-	-	93,878	93,878
Notes	6,397,476	-	-	-	-	-	-	-	-	-	6,397,476
Other	-	-	225	-	-	-	1,553	554,077	-	960,929	1,516,784
Gross Receivables	19,651,256	808,630	172,414	156,492	1,737,151	180,023	16,035,635	2,501,120	681,858	2,313,374	44,144,254
Less: Allowance for Uncollectibles	(564,968)	(325,992)	-	-	(93,699)	-	(170,633)	(14,213)	(8,158)	-	(1,083,964)
Net total Receivables	19,086,288	482,638	172,414	156,492	1,643,452	180,023	15,865,002	2,486,907	673,700	2,313,374	43,060,290

The Enterprise Fund accounts receivable includes unbilled charges for services ($7,320,918) rendered at September 30, 2009.

4. CAPITAL ASSETS:

Capital asset activity for the year ended September 30, 2009 was as follows:

Primary Government

		Balance at Beginning Of Year	Additions And Transfers	Retirements And Transfers	Balance at End Of Year
Government activities:					
Capital assets, not being depreciated:					
Land	$	106,991,008	295,507	(159,938)	107,126,577
Construction in progress		180,710,351	57,910,751	(62,955,545)	175,665,557
Public art		1,648,740	48,000	-	1,696,740
Total capital assets, not being depreciated		289,350,099	58,254,258	(63,115,483)	284,488,874
Capital assets, being depreciated:					
Buildings		101,808,055	28,591,171	-	130,399,226
Improvements other than buildings		85,244,071	11,328,880	-	96,572,951
Equipment		177,939,212	12,940,620	(6,072,883)	184,806,949
Infrastructure		879,883,057	20,552,467	-	900,435,524
Total capital assets being depreciated		1,244,874,395	73,413,138	(6,072,883)	1,312,214,650
Less accumulated depreciation for:					
Buildings		(63,163,391)	(5,703,201)	-	(68,866,592)
Improvements other than buildings		(50,753,383)	(3,219,098)	-	(53,972,481)
Equipment		(131,753,311)	(12,995,317)	5,521,118	(139,227,510)
Infrastructure		(380,020,397)	(21,469,050)	-	(401,489,447)
Total accumulated depreciation		(625,690,482)	(43,386,666)	5,521,118	(663,556,030)
Total capital assets, being depreciated, net		619,183,913	30,026,472	(551,765)	648,658,620
Governmental activities capital assets, net	$	908,534,012	88,280,730	(63,667,248)	933,147,494

	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	$ 9,251,703	14,831	-	9,266,534
Construction in progress	47,987,409	9,624,020	(15,130,250)	42,481,179
Total capital assets, not being depreciated	57,239,112	9,638,851	(15,130,250)	51,747,713
Capital assets, being depreciated:				
Buildings	15,250,987	256,217	-	15,507,204
Improvements other than buildings	463,725,408	17,044,846	-	480,770,254
Drainage improvements	19,232,552	2,668,945	-	21,901,497
Equipment	23,376,737	270,993	(234,987)	23,412,743
Total capital assets being depreciated	521,585,684	20,241,001	(234,987)	541,591,698
Less accumulated depreciation for:				
Buildings	(12,583,743)	(749,047)	-	(13,332,790)
Improvements other than buildings	(161,817,683)	(11,708,644)	-	(173,526,327)
Drainage improvements	(2,997,524)	(410,488)	-	(3,408,012)
Equipment	(17,974,823)	(1,257,293)	4,648	(19,227,468)
Total accumulated depreciation	(195,373,773)	(14,125,472)	4,648	(209,494,597)
Total capital assets, being depreciated, net	326,211,911	6,115,529	(230,339)	332,097,101
Business-type activities capital assets, net	$ 383,451,023	15,754,380	(15,360,589)	383,844,814

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

Governmental activities:	
General government	$ 6,888,089
Administrative services	33,919
Police	838,039
Fire	404,545
Libraries	986,728
Development	138,601
Public services and operations	71,201
Parks and recreation	4,768,137
Public works	21,863,215
Technology Services	1,472,836
Unallocated	96,934
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	5,824,422
Total depreciation expense – governmental activities	$ 43,386,666

Business-type activities:		
Water and sewer	$	12,620,471
Environmental waste services		319,344
Municipal drainage		413,450
Nonmajor		772,207
Total depreciation expense – business-type activities	$	14,125,472

Future expenditures for capital projects will be funded from 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 2001, $112,415,000 various purpose General Obligation Bonds were authorized and $108,915,000 of the 2001 bonds have been issued. In May 2005, $144,802,000 of various purpose General Obligation Bonds were authorized and $114,822,000 of the 2005 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	57,115	-	-	57,115
Less accumulated depreciation for:				
Equipment	(51,908)	(3,133)	-	(55,041)
Total accumulated depreciation	(51,908)	(3,133)	-	(55,041)
Economic development activities capital assets, net	$ 5,207	(3,133)	-	2,074

	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	(2,440,019)	(333,328)	-	(2,773,347)
Improvements other than buildings	(2,472)	(288)	-	(2,760)
Equipment	(20,017)	(1,543)	-	(21,560)
Total accumulated depreciation	(2,462,508)	(335,159)	-	(2,797,667)
Total capital assets, being depreciated, net	4,230,396	(335,159)	-	3,895,237
TIF East side activities capital assets, net	$ 4,341,025	(335,159)	-	4,005,866

Component units:	
Economic development	$ 3,133
TIF east side	335,159
Total depreciation expense – component units	$ 338,292

5. EMPLOYEE BENEFIT PLANS:

Texas Municipal Retirement System Plan

Plan Description-

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

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

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

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. Plan provisions for the City were as follows (as of December 2008):

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/age 60, 20 years/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 25-year amortization period. The 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, 2007 valuation is effective for rates beginning January 2009)

Contributions by the City were $18,687,379 or 14.9% of the covered payroll of $125,448,071 as required by the actuarial valuation. The total fiscal year 2009 payroll was $128,213,619. Annual City TMRS pension cost and related information for the last three years is as follows:

	2008	2007	2006
Annual pension cost	$ 18,687,379	16,450,528	15,387,911
Contributions made	18,687,379	16,450,528	15,387,911
Contributions as % of Annual pension cost	100%	100%	100%
Net Pension Obligation (NPO) At end of year	-	-	-
Actuarial valuation date	12/31/08	12/31/07	12/31/06
Actuarial cost method	Projected Unit Credit	Projected Unit Credit	Unit Credit
Amortization method	Level %	Level %	Level %
Asset valuation method	Amortized Cost	Amortized Cost	Amortized Cost
Amortization period	29 years-Closed	30 years-Closed	25 years-Open
Actuarial assumptions:			
Investment rate of return	7.5%	7%	7%
Inflation rate	3.0%	3.0%	3.5%
Projected salary increases	N/A	N/A	N/A

The City's net pension obligation (NPO) for TMRS at December 31, 2008, 2007 and 2006 is calculated as follows:

	2008	2007	2006
Annual required contribution (ARC)	$ 18,687,379	16,450,528	15,387,911
Annual pension cost	18,687,379	16,450,528	15,387,911
Contribution made	(18,687,379)	(16,450,528)	(15,387,911)
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.

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, 2007 biennial actuarial valuation, there were 2,064 active members of whom 1,359 were vested and 705 were non-vested. There are 339 terminated participants receiving benefits.

Normal retirement benefits are paid upon attaining age 65 with 5 years of service. 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.

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).

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.

For early 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) 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.

The benefits are paid monthly the same as for the normal retirement.

A participant that has completed at least 5 years of City of Plano service, and either retires or terminates his employment is eligible for a monthly benefit at the time the participant turns age 60. The benefit 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) 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.

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 and the lump sum value of a participant's RSP benefit is always calculated. 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, 2009, 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. No employee contributions are required by the plan. The City contributed $3,479,512 or 3.13% of the covered payroll for the year ended September 30, 2009, as compared to the December 31, 2007 biennial actuarial requirement of 3.12%.

The covered payroll was $111,166,521 and the City's total payroll was $128,213,619 for the year ended September 30, 2009. The contribution amount is a 30-year level percentage of pay funding with a 4% payroll growth assumption. This funding approach produces a contribution pattern that is intended to increase in amount from year to year but remain relatively constant as a percent of payroll. Administrative costs, including investment, custodial trustee, and actuarial services are charged to the plan.

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

	2009	2008	2007
Annual pension cost	$ 3,429,700	3,427,360	2,951,185
Contributions made	3,479,512	3,420,947	3,121,295
Contributions as % of Annual pension cost	101%	100%	106%
Net Pension Asset (NPA) At end of year	(270,110)	(220,298)	(226,711)
Actuarial valuation date	12/31/07	12/31/07	12/31/05
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization method	Level %	Level %	Level %
Asset valuation method	5- Year Smoothed Market	5- Year Smoothed Market	5- Year Smoothed Market
Amortization period	30 years-Open	30 years-Open	30 years-Open
Actuarial assumptions:			
Investment rate or return	8%	8%	8%
Inflation rate	4%	4%	4%
Projected salary increases	4%-9.43%	4%-9.43%	4%

The City's net pension asset (NPA) for the Retirement Security Plan (RSP) at September 30, 2009, 2008 and 2007 is calculated as follows:

	2009	2008	2007
Annual required contribution (ARC)	$ 3,447,764	3,447,764	2,953,619
Interest on NPA	(17,623)	(18,137)	(4,528)
Adjustment to the ARC	(441)	(2,267)	2,094
Annual pension cost	3,429,700	3,427,360	2,951,185
Contribution made	(3,479,512)	(3,420,947)	(3,121,295)
Change in NPA	(49,812)	6,413	(170,110)
NPA, beginning of year	(220,298)	(226,711)	(56,601)
NPA, end of year	$ (270,110)	(220,298)	(226,711)

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

Deferred Compensation Plan

The City offers its employees a deferred compensation 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 2009 was 325 of which 217 were on the same plan as the active employees and 108 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 2009 were $2,074,211.

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. The 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 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 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, 2009 the City contributed $5.9 million to the Trust which represents approximately 101% of the annual required contribution of the employer (ARC). In addition, retirees contributed $0.6 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.

	2009	2008
Annual required contribution	$ 6,031,883	6,031,883
Interest on net OPEB asset	(1,253,187)	-
Adjustment to the ARC	982,562	-
Annual OPEB cost	5,761,258	6,031,883
Contributions made	(6,530,416)	(23,934,554)
Increase in net OPEB asset	(769,158)	(17,902,671)
Net OPEB asset beginning of year	(17,902,671)	-
Net OPEB asset end of year	$(18,671,829)	(17,902,671)

The net pension 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
9/30/2007	N/A	N/A	N/A	N/A
9/30/2008	7%	$6,031,883	396.8%	$(17,902,671)
9/30/2009	7%	6,031,883	100.9%	(18,671,829)

Funding Status and Funding Progress –

As of October 1, 2007, the most recent actuarial valuation date, the Trust was not funded. The actuarial accrued liability for benefits was $55,831,704, and there was not an actuarial value of net assets. During the fiscal year contributions to the plan were $6,530,416, resulting in an unfunded actuarial accrued liability (UAAL) of $25,366,734. The covered payroll was $111,166,521, and the ratio of the UAAL to the covered payroll was 22.8%.

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

Actuarial Methods and Assumptions –

In the October 1, 2007, actuarial valuation, the 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 7.3% initially, reduced by decrements each year. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at October 1, 2007, was thirty years.

6. LONG-TERM DEBT:

A summary of long-term debt transactions, including current portion, for the year ended September 30, 2009, 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 of obligation	$	310,580	35,330	(34,120)	311,790	20,990
Tax anticipation notes		26,405	6,355	(3,900)	28,860	6,660
Deferred amounts:						
For issuance (discounts) / premiums / deferred charge on refunding		1,114	1,016	(1,188)	942	296
Total bonds payable		338,099	42,701	(39,208)	341,592	27,946
Compensated absences		32,277	6,887	(4,892)	34,272	4,592
Liability for insurance claims		7,542	20,615	(20,468)	7,689	6,191
Governmental activity Long-term debt	$	377,918	70,203	(64,568)	383,553	38,729

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

The liability for insurance claims will be liquidated through a variety of funds. The General Fund bears approximately 87.0% of the claims and judgments liability. The Enterprise Funds bear approximately 9.1% of the claims and judgment liability, while the Internal Service and Special Revenue Funds bear approximately 3.6% and 0.3%, respectively.

		Balance Beginning Of Year	Increase	Decrease	Balance End of Year	Due Within One Year
Business Type Activities:						
Water & Sewer						
Revenue bonds	$	5,750	-	(1,855)	3,895	1,940
Municipal Drainage						
Revenue bonds		23,170	4,790	(4,470)	23,490	1,660
Deferred amounts:						
For issuance (discounts) / premiums/ (deferred charges)		(20) -	-	(27)	(47)	-
Total bonds payable		28,900	4,790	(6,352)	27,338	3,600
Compensated absences		3,673	609	(451)	3,831	410
Business-type activity Long-term debt	$	32,573	5,399	(6,803)	31,169	4,010

		Balance Beginning Of Year	Increase	Decrease	Balance End of Year	Due Within One Year
Discretely Presented Component Units:						
TIF Mall note payable	$	5,743	654	-	6,397	-
TIF East Side note payable		776	-	(776)	-	-
Total note payable	$	6,519	654	(776)	6,397	-

Long-term debt at September 30, 2009, includes the following individual issues (not including the unamortized discount of $53,001, the unamortized premium of $7,481,792, and the unamortized deferred charge of $6,487,148 of the General Obligation Bonds, the unamortized premium of $322,880 and deferred charges of $146,460 of the Water & Sewer Revenue Bonds and the unamortized premium of $344,830 and unamortized discount of $269,491 and unamortized deferred charges of $298,336 of the Municipal Drainage Revenue Bonds):

	Interest Rate (%)	Issue Date	Maturity Date	Original Issue	Net Retirement	Outstanding
General Obligation Bonds:						
1999 Various purpose	3.50 – 5.00	01-15-99	09-01-19	25,160,000	22,630,000	2,530,000
2000 Various purpose	5.125 –5.875	02-15-00	09-01-20	24,330,000	23,180,000	1,150,000
2001 Various purpose	4.50 – 5.00	02-01-01	09-01-20	20,315,000	15,960,000	4,355,000
2001-A Various purpose	4.00 – 5.00	09-15-01	09-01-21	18,195,000	5,280,000	12,915,000
2002 Refunding and Improvements	3.25 – 5.25	08-01-02	09-01-22	56,130,000	40,505,000	15,625,000
2003 Refunding and Improvements	2.00 – 5.00	05-01-03	09-01-23	41,370,000	17,975,000	23,395,000
2004 Refunding	2.00 – 5.00	10-15-04	09-01-17	30,690,000	7,160,000	23,530,000
2005 Refunding and Improvements	3.50 – 5.00	05-15-05	09-01-25	84,880,000	5,270,000	79,610,000
2006 Various purpose	4.00 – 5.00	02-01-06	09-01-26	40,925,000	4,210,000	36,715,000
2007 Various purpose	4.25 – 5.25	05-01-07	09-01-27	35,675,000	2,375,000	33,300,000
2008 Various purpose	3.50 – 5.00	01-15-08	09-01-28	41,295,000	1,350,000	39,945,000
2009 Refunding and Improvements	2.25 – 4.75	01-15-09	09-01-29	35,330,000	-	35,330,000
				454,295,000	145,895,000	308,400,000
Tax Anticipation Notes:						
2007 Tax anticipation notes	4.00 – 4.00	05-01-07	09-01-13	11,000,000	3,400,000	7,600,000
2008 Tax anticipation notes	3.00 – 3.25	01-15-08	09-01-15	17,075,000	2,170,000	14,905,000
2009 Tax anticipation notes	2.25 – 3.00	01-15-09	09-01-16	6,355,000	-	6,355,000
				34,430,000	5,570,000	28,860,000
Certificates of Obligation:						
2006 Various purpose	4.25 – 4.50	02-01-06	09-01-26	3,765,000	375,000	3,390,000
Water & Sewer Revenue Bonds:						
2003 General Obligation Refunding	2.00 – 5.00	05-01-03	09-01-13	16,825,000	12,930,000	3,895,000
Municipal Drainage Revenue Bonds:						
2001 Improvements	4.20 – 5.10	09-15-01	05-15-21	4,530,000	4,125,000	405,000
2003 Improvements	2.50 – 4.50	05-01-03	05-15-23	3,675,000	765,000	2,910,000
2005 Refunding and Improvements	3.00 – 5.00	05-15-05	05-15-25	11,610,000	1,450,000	10,160,000
2006 Improvements	4.00 – 5.00	02-01-06	05-15-26	1,455,000	125,000	1,330,000
2007 Improvements	4.00 – 5.50	05-01-07	05-15-27	2,000,000	125,000	1,875,000
2008 Improvements	4.00 – 4.50	01-15-08	05-15-28	2,085,000	40,000	2,045,000
2009 Refunding and Improvements	3.00 –3.50	01-15-09	05-15-29	4,790,000	25,000	4,765,000
				$ 30,145,000	6,655,000	23,490,000

The annual requirements to amortize debt outstanding as of September 30, 2009, including interest payments of $125,562 follow. Due to the nature of the obligation for compensated absences, annual requirements to amortize such obligations are not determinable and have not been included in the following summary (in thousands of dollars):

			Proprietary Fund Types			
	General Obligation, Tax Anticipation Notes & Certificates of Obligation		Water and Sewer		Municipal Drainage	
Year Ended September 30,	Principal	Interest	Principal	Interest	Principal	Interest
2010	$ 27,650	14,320	1,940	172	1,660	953
2011	27,185	13,184	1,260	75	1,740	892
2012	26,935	12,186	330	28	1,800	831
2013	27,355	11,162	365	15	1,875	764
2014	24,650	10,072	-	-	1,945	694
2015-2019	102,830	36,148	-	-	7,700	2,345
2020-2024	68,355	16,779	-	-	4,740	1,028
2025-2029	35,690	3,695	-	-	2,030	219
Total	$ 340,650	117,546	3,895	290	23,490	7,726

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

The discretely held component unit TIF Mall had notes payable as of September 30, 2009 of $6,397,476. These notes are for amounts loaned by the City for projects and construction relating to the TIF Mall and will be repaid when funding is available from the TIF Mall. The interest rate on the note payable is 6.0%. Until repayment can be made on the note, interest is capitalized. The City made full repayment in Fiscal year 2009 to Taubman Realty Group Limited Partnership for construction of a parking garage, land and roadway improvements. Repayment from the TIF Mall to the City is estimated to be complete in fiscal year 2011.

The discretely held component unit TIF East Side paid the remaining $776,433 installment of notes payable in fiscal year 2009. These notes were for amounts loaned by the City for construction of the Courtyard Theater on the East side of Plano. Additionally, the TIF East Side reimbursed the City's General Fund $2,113,806 for expenses paid for the Courtyard Theatre in fiscal year 2001.

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 $3,250,126 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, 2009.

Arbitrage provisions of the Internal Revenue Tax Act of 1986 require the City to rebate excess arbitrage earnings from bond proceeds to the federal government. Beginning in 1992, the City paid required five-year rebates. Future rebates are estimated to be $962,072 at September 30, 2009. As provided for by the bond indentures, this amount has been recorded as "Due to other governments" in a special revenue fund (the Rebate Fund) for the benefit of the federal government and will be paid as required by applicable regulations.

In January of 2009, the City issued $35,330,000 in General Obligation refunding and improvement bonds, with interest ranging from 2.25% to 4.75%. The portion of the debt that represents refunded bonds were 1998 series general obligation bonds totaling $12,370,000 and carried interest rates ranging from 4.75% to 5.15% with maturity dates in 2010 through 2018. Refunded bonds were considered a current refunding and resulted in a net present value benefit to the City of $1,217,719.

Also in January of 2009, the City issued $6,355,000 of Tax Notes, with interest ranging from 2.25% to 3.0% for the acquisition, implementation and installation of radio system infrastructure as well as for payment of professional services of attorneys, financial advisors and other professionals in connection with the project.

In prior years, the City defeased certain outstanding general obligation bonds by placing the proceeds of the new bonds in irrevocable trusts pledged to pay all future debt service payments of the refunded bonds. Accordingly, the trust accounts and the defeased bonds are not included in the City's financial statement. At September 30, 2009, $25,655,000 of the defeased bonds are still outstanding.

B. Water and Sewer Revenue Bonds

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

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

The debt service funds, aggregating $328,791 at September 30, 2009, 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, 2009. The City is in compliance with all requirements of the bond ordinances for the year ended September 30, 2009.

Restricted assets of the Water and Sewer Fund at September 30, 2009 are as follows:

Cash and cash equivalents	$ 2,859,325
Investments	18,632,160
Accrued interest receivable	97,452
Accounts receivable	555,957
	$ 22,144,894

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, 2009 $2,019,613 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, 2009 the reserve required and restricted within the Municipal Drainage Fund is $1,563,333.

In January of 2009, the City issued $4,790,000 in Municipal Drainage revenue and improvement bonds, with interest ranging from 3.00% to 3.50%. The portion of the debt that represents refunded bonds were 1998 series municipal drainage revenue bonds totaling $2,955,000 and carried interest rates ranging from 4.75% to 5.05% with maturity dates in 2010 through 2018. Refunded bonds were considered a current refunding and resulted in a net present value benefit to the City of $245,304.

In fiscal year 2005, 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 statement. At September 30, 2009, $2,780,000 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 $24,898 were estimated at September 30, 2009. This amount is included in the Special Revenue Rebate fund "Due to other governments." The City is in compliance with all requirements of the bond ordinance for the year ended September 30, 2009.

Restricted assets of the Municipal Drainage Fund at September 30, 2009 are as follows:

Cash and cash equivalents	$	1,212,725
Investments		7,902,455
Accrued interest receivable		41,332
	$	9,156,512

7. INTERFUND TRANSACTIONS:

A summary of interfund receivables and payables at September 30, 2009 is as follows:

	Due To						
Due From	General Fund	Nonmajor Governmental Funds	Internal Service	Water & Sewer	Environ-mental Waste Service	Nonmajor Enterprise Funds	Total
General Fund	$ -	506,281	113,416	-	633,654	-	$1,253,351
Nonmajor Governmental Funds	756	-	-	-	509	-	1,265
Internal Service	50,451	-	4,741,458	1,422	797	1,710	4,795,838
Water and Sewer	-	1,000	1,004	-	-	-	2,004
Environmental Waste Services	-	1,099	-	-	-	-	1,099
Total	$51,207	508,380	4,855,878	1,422	634,960	1,710	$6,053,557

Due to and due from entries are primarily used to account for administrative transactions.

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 2009, charges in lieu of taxes were $7,739,588.

Transfers between funds during the year were as follows:

	Transfers In						
Transfers Out	General Fund	Debt Service	Capital Reserve	Municipal Facilities	Nonmajor Governmental Funds	Environ-mental Waste Services	Total
General Fund	$ -	-	10,500,000	-	133,769	-	$10,633,769
Internal Service	-	-	-	1,200,000	250,000	-	1,450,000
Water and Sewer	9,870,761	-	1,200,000	-	-	100,000	11,170,761
Municipal Drainage	350,008	-	-	-	498,873	-	848,881
Nonmajor Enterprise Funds	553,242	834,120	-	-	-	-	1,387,362
Total	$10,774,011	834,120	11,700,000	1,200,000	882,642	100,000	$25,490,773

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. 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. Because of the factors mentioned above, the District is not included in the City's basic financial statements.

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, 2009, was $29,491,382. 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 2009 this payment was $856,957. Future years' payments to debt service are as follows:

2010	$	861,488
2011		869,232
2012		869,898
2013		873,695
2014		880,325
2015 – 2018		2,939,762

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, 2009 was $22,531,004 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, 2009 was $6,883,746.

9. COMMITMENTS AND CONTINGENCIES:

The City has contractual commitments of $21,812,502 in the Capital Projects Funds, $6,544,915 in the Water and Sewer Fund, and $456,890 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. Outside of those claims accrued by the City; 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 2009 and 2008 were:

Fund		Liability Beginning Of Year	Current Year Claims And Changes in Estimates	Claim Payments	Liability End of Year
2009:					
Property/Liability Loss	$	3,464,051	2,820,016	2,571,093	3,712,974
Health Claims		4,078,422	17,795,454	17,897,814	3,976,062
Total	$	7,542,473	20,615,470	20,468,907	7,689,036
2008:					
Property/Liability Loss	$	3,546,073	2,158,070	2,240,092	3,464,051
Health Claims		3,165,083	18,333,342	17,420,003	4,078,422
Total	$	6,711,156	20,491,412	19,660,095	7,542,473

11. NEW ACCOUNTING PRONOUNCEMENTS:

In June 2008, GASB issued Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments,* which establishes accounting and financial recognition, measurement and disclosure reporting requirements for derivative instruments to provide transparency to those transactions. This statement is effective for the City's financial statements for periods beginning after June 15, 2009. The adoption of this statement has no impact on the City's financial statements.

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

In April 2009, GASB issued Statement No. 56, *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards.* This statement incorporates into GASB authoritative literature accounting and financial reporting guidance on related party transactions, going concern considerations and subsequent events previously only contained in the American Institute of Certified Public Accountants (AICPA) auditing literature. The requirements of this statement are effective upon issuance and have no impact on the City's financial statements.

CITY OF PLANO, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION

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

Fiscal Year	Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) -Unit Credit	Unfunded Actuarial Accrued Liability UAAL	Funded Percent	Covered Payroll	UAAL as Percent of Covered Payroll	Annual Required Contributions	Actual Contributions	Percent Contributed
2004	12/31/03	237,335,980	293,597,459	(56,261,479)	80.84%	93,999,206	-59.85%	11,840,053	11,840,053	100.00%
2005	12/31/04	262,169,460	317,019,786	(54,850,326)	82.70%	101,569,594	-54.00%	13,144,945	13,144,945	100.00%
2006	12/31/05	280,298,567	340,897,795	(60,599,228)	82.22%	102,734,170	-58.99%	14,892,443	14,892,443	100.00%
2007	12/31/06	296,863,771	369,388,605	(72,524,834)	80.37%	111,407,362	-65.10%	15,387,911	15,387,911	100.00%
2008	12/31/07	311,729,835	447,870,971	(136,141,136)	69.60%	117,372,866	-115.99%	16,450,528	16,450,528	100.00%
2009	12/31/08	330,874,531	478,126,778	(147,252,247)	69.20%	125,137,265	-117.67%	18,687,379	18,687,379	100.00%

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	Funded Percent	Covered Payroll	Excess as Percent of Covered Payroll	Annual Required Contributions	Actual Contributions	Percent Contributed
2004	12/31/03	48,894,642	44,115,875	4,778,767	110.83%	89,847,588	5.32%	2,589,895	2,396,201	92.52%
2005	12/31/03	48,894,642	44,115,875	4,778,767	110.83%	89,847,588	5.32%	2,589,895	2,570,626	99.26%
2006	12/31/05	56,579,886	55,987,030	592,856	101.06%	97,020,196	0.61%	2,953,619	2,788,179	94.40%
2007	12/31/05	56,579,886	55,987,030	592,856	101.06%	97,020,196	0.61%	2,953,619	3,121,295	105.68%
2008	12/31/07	69,211,789	68,647,366	564,423	100.82%	109,334,429	0.52%	3,447,764	3,420,947	99.22%
2009	12/31/07	69,211,789	68,647,366	564,423	100.82%	109,334,429	0.52%	3,447,764	3,479,512	100.92%

SCHEDULE OF PENSION TRUST - POSTEMPLOYMENT BENEFITS 115 TRUST 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	Funded Percent	Covered Payroll	Excess as Percent of Covered Payroll	Annual Required Contributions	Actual Contributions	Percent Contributed
2008	10/1/07	-	55,831,704	(55,831,704)	0.00%	109,295,425	-51.08%	6,031,883	23,934,554	396.80%
2009	10/1/07	-	55,831,704	(55,831,704)	0.00%	109,295,425	-51.08%	6,031,883	6,530,416	108.26%

See accompanying independent auditors' report.

CITY OF PLANO

TEXAS

JUNE 2, 1873

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

MUNICIPAL COURT – to account for building security fund monies received from conviction of misdemeanor fees to be used to provide for the security and housing of municipal courts; teen court fees collected from teens requesting teen court, these monies are used to cover the costs of administering teen court; municipal court technology state fees collected with each citation that has resulted from a conviction; and judicial efficiency state fees collected for payment on any part of a judgment on or after the 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.

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

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

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

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

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

CAPITAL PROJECTS FUNDS

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

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

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

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

JUNE 2, 1873

CITY OF PLANO, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AS OF SEPTEMBER 30, 2009

	Special Revenue				
	Criminal Investigation	**Grant**	**CATV**	**Industrial Revenue Bond Auth.**	**Public Safety Communications**
ASSETS					
Cash and cash equivalents	$ 177,646	$ 194,937	$ 39,261	$ 2,420	$ 1,339,366
Investments	1,157,593	1,269,644	255,837	15,771	8,727,684
Receivables (net of allowance for uncollectible)					
Accounts	-	1,219	14,230	-	-
Accrued interest	6,055	6,641	1,338	82	45,649
Other	-	955,228	-	-	-
Due from other funds	-	1,265	-	-	-
Due from other governments	4,180	570,201	-	-	95,030
Prepaid items and other assets	-	2,465	215	-	-
Total Assets	1,345,474	3,001,600	310,881	18,273	10,207,729
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	1,041	30,797	31,632	-	15,463
Accrued liabilities	31	355	24,871	-	-
Contracts payable	-	-	-	-	-
Deferred revenue	-	1,198,793	-	-	-
Due to other funds	-	508,380	-	-	-
Due to other governments	-	-	-	-	179,024
Retainage payable	-	-	-	-	-
Seized assets payable	-	-	-	-	-
Total Liabilities	1,072	1,738,325	56,503	-	194,487
Fund Balances:					
Reserved for encumbrances	-	-	-	-	-
Reserved for prepaid items and other assets	-	2,465	215	-	-
Reserved for capital projects	-	-	-	-	-
Unreserved, designated for special revenue funds	-	-	-	-	-
Unreserved, undesignated	1,344,402	1,260,810	254,163	18,273	10,013,242
Total fund balances	1,344,402	1,263,275	254,378	18,273	10,013,242
Total Liabilities and Fund Balance	$ 1,345,474	$ 3,001,600	$ 310,881	$ 18,273	$ 10,207,729

Municipal Court	Rebate	Memorial Library	Seized Assets	Libraries	Animal Shelter Donations
$ 883,236	$ 197,637	$ 46,120	$ 19,367	$ 25,044	$ 27,538
5,755,412	1,287,859	300,533	126,205	163,193	179,442
340,536	-	-	-	-	-
30,103	6,736	1,572	660	853	938
-	-	-	-	-	-
-	-	-	-	-	-
4,791	-	-	-	-	-
-	-	-	-	-	-
7,014,078	1,492,232	348,225	146,232	189,090	207,918
152,225	42,165	7,659	-	-	-
714,930	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	962,072	-	-	-	-
-	-	-	-	-	-
-	-	-	146,232	-	-
867,155	1,004,237	7,659	146,232	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	487,995	340,566	-	-	-
6,146,923	-	-	-	189,090	207,918
6,146,923	487,995	340,566	-	189,090	207,918
$ 7,014,078	$ 1,492,232	$ 348,225	$ 146,232	$ 189,090	$ 207,918

(continued)

CITY OF PLANO, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AS OF SEPTEMBER 30, 2009
(continued)

	Capital Projects			
	DART	**Spring Creekwalk**	**Park Services**	**Total Nonmajor Governmental Funds**
ASSETS				
Cash and cash equivalents	$ 102,321	$ 3,150	$ 745,271	$ 3,803,314
Investments	666,754	20,524	4,856,394	24,782,845
Receivables (net of allowance for uncollectible)				
Accounts	-	-	-	355,985
Accrued interest	3,487	107	25,401	129,622
Other	-	-	-	955,228
Due from other funds	-	-	-	1,265
Due from other governments	-	-	-	674,202
Prepaid items and other assets	-	-	-	2,680
Total Assets	772,562	23,781	5,627,066	30,705,141
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	-	-	-	280,982
Accrued liabilities	-	-	-	740,187
Contracts payable	-	-	3,000	3,000
Deferred revenue	-	-	-	1,198,793
Due to other funds	-	-	-	508,380
Due to other governments	-	-	-	1,141,096
Retainage payable	-	-	2,235	2,235
Seized assets payable	-	-	-	146,232
Total Liabilities	-	-	5,235	4,020,905
Fund Balances:				
Reserved for encumbrances	630,553	-	370,538	1,001,091
Reserved for prepaid items and other assets	-	-	-	2,680
Reserved for capital projects	-	23,781	5,251,293	5,275,074
Unreserved, designated for special revenue funds	-	-	-	828,561
Unreserved, undesignated	142,009	-	-	19,576,830
Total fund balances	772,562	23,781	5,621,831	26,684,236
Total Liabilities and Fund Balance	$ 772,562	$ 23,781	$ 5,627,066	$ 30,705,141

CITY OF PLANO

TEXAS

JUNE 2, 1873

CITY OF PLANO, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Special Revenue				
	Criminal Investigation	Grant	CATV	Industrial Revenue Bond Auth.	Public Safety Communications
REVENUES					
Fines and forfeitures	$ 260,469	$ -	$ -	$ -	$ -
Contributions	-	-	-	-	-
Intergovernmental	27,478	2,319,855	-	-	78,125
Fees for services	-	-	421,647	-	1,298,579
Investment income	17,404	19,014	5,853	280	151,020
Miscellaneous	58,569	259,285	7	-	-
Total revenues	363,920	2,598,154	427,507	280	1,527,724
EXPENDITURES					
General government	-	-	-	-	-
Police	27,478	328,239	-	-	187,190
Fire	-	268,658	-	-	15,506
Libraries	-	110,491	-	-	-
Development	-	1,272,509	-	-	-
Public services and operations	-	-	897,315	-	22,907
Sustainability & environmental services	-	300,339	-	-	-
Capital outlay	-	364,118	(1,942)	-	350,452
Total expenditures	27,478	2,644,354	895,373	-	576,055
Excess (deficiency) of revenues over (under) expenditures	336,442	(46,200)	(467,866)	280	951,669
OTHER FINANCING SOURCES					
Transfers in	-	-	383,769	-	-
Total other financing sources	-	-	383,769	-	-
Net change in fund balances	336,442	(46,200)	(84,097)	280	951,669
Fund balances-beginning	1,007,960	1,309,475	338,475	17,993	9,061,573
Fund balances-ending	$ 1,344,402	$ 1,263,275	$ 254,378	$ 18,273	$ 10,013,242

Municipal Court	Rebate	Memorial Library	Libraries	Animal Shelter Donations
$ 2,404,588	-	-	-	-
-	-	51,091	1,575	67,538
-	-	-	-	-
1,045,532	-	-	-	-
90,804	20,244	5,953	2,947	3,227
-	3,045	-	-	-
3,540,924	23,289	57,044	4,522	70,765
-	88,925	-	-	-
2,535,188	-	-	-	-
-	-	-	-	-
-	-	-	4,434	-
-	-	-	-	-
-	-	-	-	43,080
-	-	-	-	-
7,982	-	92,991	1,300	-
2,543,170	88,925	92,991	5,734	43,080
997,754	(65,636)	(35,947)	(1,212)	27,685
-	498,873	-	-	-
-	498,873	-	-	-
997,754	433,237	(35,947)	(1,212)	27,685
5,149,169	54,758	376,513	190,302	180,233
$ 6,146,923	$ 487,995	$ 340,566	$ 189,090	$ 207,918

(continued)

CITY OF PLANO, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2009
(continued)

	Capital Projects			
	DART	**Spring Creekwalk**	**Park Services**	**Total Nonmajor Governmental Funds**
REVENUES				
Fines and forfeitures	$ -	$ -	$ -	$ 2,665,057
Contributions	-	-	-	120,204
Intergovernmental	-	-	-	2,425,458
Fees for services	-	-	75,266	2,841,024
Investment income	11,855	366	87,969	416,936
Miscellaneous	-	-	-	320,906
Total revenues	11,855	366	163,235	8,789,585
EXPENDITURES				
General government	-	-	-	88,925
Police	-	-	-	3,078,095
Fire	-	-	-	284,164
Libraries	-	-	-	114,925
Development	-	-	-	1,272,509
Public services and operations	-	-	-	963,302
Environmental waste services	-	-	-	300,339
Capital outlay	-	-	341,697	1,156,598
Total expenditures	-	-	341,697	7,258,857
Excess (deficiency) of revenues over (under) expenditures	11,855	366	(178,462)	1,530,728
OTHER FINANCING SOURCES				
Transfers in	-	-	-	882,642
Total other financing sources	-	-	-	882,642
Net change in fund balances	11,855	366	(178,462)	2,413,370
Fund balances-beginning	760,707	23,415	5,800,293	24,270,866
Fund balances-ending	$ 772,562	$ 23,781	$ 5,621,831	$ 26,684,236

CITY OF PLANO

TEXAS

JUNE 2, 1873

CITY OF PLANO

TEXAS

JUNE 2, 1873

CITY OF PLANO, TEXAS
BUDGETARY COMPARISON SCHEDULE-GAAP BASIS
DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
REVENUES:				
Property taxes	$ 36,956,430	$ 36,956,430	$ 37,052,595	$ 96,165
Investment income	600,000	425,000	368,791	(56,209)
Miscellaneous	73,736	238,425	238,425	-
Total Revenues	37,630,166	37,619,855	37,659,811	39,956
EXPENDITURES:				
Principal retirement	25,645,000	25,645,000	25,645,000	-
Interest and fiscal charges	15,971,305	15,216,886	15,037,063	179,823
Total Expenditures	41,616,305	40,861,886	40,682,063	179,823
Deficiency Of Revenues Under Expenditures	(3,986,139)	(3,242,031)	(3,022,252)	219,779
OTHER FINANCING SOURCES:				
Bond proceeds-refunding	-	-	12,370,000	-
Escrow payment-refunding	-	-	(12,428,331)	-
Premium from sale of bonds	-	-	4,616	4,616
Transfers in	834,120	834,120	834,120	-
Total Other Financing Sources:	834,120	834,120	780,405	4,616
Deficiency Of Revenues And Other Sources Under Expenditures	(3,152,019)	(2,407,911)	(2,241,847)	224,395
FUND BALANCE, October 1	5,491,973	5,491,973	5,491,973	-
FUND BALANCE, September 30	$ 2,339,954	$ 3,084,062	$ 3,250,126	$ 224,395

CITY OF PLANO

TEXAS

JUNE 2, 1873

NONMAJOR ENTERPRISE FUNDS

Following are the nonmajor Enterprise Funds:

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

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

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

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

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

CITY OF PLANO, TEXAS
STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS
AS OF SEPTEMBER 30, 2009

	Business-type Activities Enterprise Funds					
	Civic Center	**Municipal Golf Course**	**Property Management**	**Downtown Center Development**	**Recreation Revolving**	**Total Nonmajor Enterprise Funds**
ASSETS						
Cash and cash equivalents	$ 375,144	$ 16,778	$ 62,260	$ 18,720	$ 184,074	$ 656,976
Investments	2,416,456	109,328	405,703	121,982	1,197,196	4,250,665
Receivables -						
Accounts	375,066	4,335	-	-	11,408	390,809
Accrued Interest	12,639	572	2,122	638	6,262	22,233
Other	-	-	1,551	-	2,252	3,803
Prepaid expenses & other assets	32,568	-	-	-	16,107	48,675
Capital assets:						
Land	2,359,859	595,296	1,333,325	36,999	-	4,325,479
Buildings	11,354,841	2,427,383	171,766	-	-	13,953,990
Improvements other than buildings	790,021	1,247,352	15,875	-	-	2,053,248
Equipment	1,587,828	159,037	-	-	450,597	2,197,462
Furniture and fixtures	312,206	80,381	-	-	73,873	466,460
Less accumulated depreciation	(12,672,866)	(1,963,062)	(176,529)	-	(516,986)	(15,329,443)
Total capital assets (net of accumulated depreciation)	3,731,889	2,546,387	1,344,437	36,999	7,484	7,667,196
Total assets	6,943,762	2,677,400	1,816,073	178,339	1,424,783	13,040,357
LIABILITIES						
Current liabilities:						
Accounts payable	246,088	9,171	10,990	-	56,364	322,613
Accrued liabilities	186,484	13,111	-	-	57,476	257,071
Deferred revenue	182,612	-	-	-	504,751	687,363
Due to other funds	1,501	-	-	-	209	1,710
Customer deposits	-	9,112	10,467	-	190,695	210,274
Liability for compensated absences	58,106	17,100	-	-	41,965	117,171
Total current liabilities	674,791	48,494	21,457	-	851,460	1,596,202
Noncurrent liabilities:						
Liability for compensated absences	418,783	77,398	-	-	146,327	642,508
Total noncurrent liabilities	418,783	77,398	-	-	146,327	642,508
Total liabilities	1,093,574	125,892	21,457	-	997,787	2,238,710
NET ASSETS						
Invested in capital assets (net of related debt)	3,711,977	2,546,387	1,344,437	36,999	7,484	7,647,284
Unrestricted	2,138,211	5,121	450,179	141,340	419,512	3,154,363
Total Net Assets	$ 5,850,188	$ 2,551,508	$ 1,794,616	$ 178,339	$ 426,996	$ 10,801,647

CITY OF PLANO, TEXAS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Business-type Activities Enterprise Funds					
	Civic Center	Municipal Golf Course	Property Management	Downtown Center Development	Recreation Revolving	Total Nonmajor Enterprise Funds
Operating revenues:						
Charges for sales and services:						
Service charges	$ 2,430,881	$ 792,753	$ 42,309	$ 68,127	$ 3,279,909	$ 6,613,979
Miscellaneous charges	2,977	-	-	-	45,845	48,822
Total operating revenues	2,433,858	792,753	42,309	68,127	3,325,754	6,662,801
Operating expenses:						
Personal services	2,723,779	465,981	-	-	1,372,013	4,561,773
Contractual services	2,987,044	198,661	30,944	47,917	1,572,162	4,836,728
Supplies	993,009	60,002	315	-	232,334	1,285,660
Depreciation	606,769	160,537	794	-	4,107	772,207
Miscellaneous	89,860	1,594	-	-	27,009	118,463
Total operating expenses	7,400,461	886,775	32,053	47,917	3,207,625	11,574,831
Operating income (loss)	(4,966,603)	(94,022)	10,256	20,210	118,129	(4,912,030)
Nonoperating revenues (expenses):						
Investment income	52,196	708	7,048	1,873	19,291	81,116
Hotel/motel tax	3,951,890	-	-	-	-	3,951,890
Miscellaneous	5,271	-	-	-	-	5,271
Total nonoperating revenue	4,009,357	708	7,048	1,873	19,291	4,038,277
Income (loss) before transfers	(957,246)	(93,314)	17,304	22,083	137,420	(873,753)
Transfers out	(1,187,288)	(44,550)	-	-	(155,524)	(1,387,362)
Change in net assets	(2,144,534)	(137,864)	17,304	22,083	(18,104)	(2,261,115)
Total net assets-beginning	7,994,722	2,689,372	1,777,312	156,256	445,100	13,062,762
Total net assets-ending	$ 5,850,188	$ 2,551,508	$ 1,794,616	$ 178,339	$ 426,996	$ 10,801,647

CITY OF PLANO, TEXAS
STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Business-type Activities Enterprise Funds					
	Civic Center	**Municipal Golf Course**	**Property Management**	**Downtown Center Development**	**Recreation Revolving**	**Total Nonmajor Enterprise Funds**
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash received from customers	$ 2,637,107	$ 795,947	$ 44,634	$ 68,127	$ 3,343,495	$ 6,889,310
Cash payments to suppliers for goods and services	(4,059,033)	(274,070)	(21,110)	(47,917)	(1,907,473)	(6,309,603)
Cash payments to employees for services	(2,717,413)	(490,301)	-	-	(1,324,395)	(4,532,109)
Net cash provided (used) by operating activities operating activities	(4,139,339)	31,576	23,524	20,210	111,627	(3,952,402)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Hotel/motel tax	3,951,890	-	-	-	-	3,951,890
Transfers to other funds	(1,187,288)	(44,550)	-	-	(155,524)	(1,387,362)
Repayments to other funds	1,501	-	-	-	209	1,710
Net cash provided (used) by noncapital financing activities	2,766,103	(44,550)	-	-	(155,315)	2,566,238
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition and construction of capital assets	(132,318)	-	-	-	-	(132,318)
Proceeds from insurance damages	5,271	-	-	-	-	5,271
Net cash used by capital and related financing activities	(127,047)	-	-	-	-	(127,047)
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of investment securities	(2,416,456)	(109,328)	(405,703)	(121,982)	(1,197,196)	(4,250,665)
Proceeds from sale and maturities of investment securities	607,537	19,931	63,159	17,160	202,646	910,433
Interest on investments	46,206	294	5,317	1,319	14,487	67,623
Net cash used by investing activities	(1,762,713)	(89,103)	(337,227)	(103,503)	(980,063)	(3,272,609)
Net decrease in cash and cash equivalents	(3,262,996)	(102,077)	(313,703)	(83,293)	(1,023,751)	(4,785,820)
Cash and cash equivalents, October 1	3,638,140	118,855	375,963	102,013	1,207,825	5,442,796
Cash and cash equivalents, September 30	$ 375,144	$ 16,778	$ 62,260	$ 18,720	$ 184,074	$ 656,976
Non-cash disclosure:						
Increase in fair value of investments	1,893	$ 120	$ 493	$ 156	$ 1,381	$ 4,043

CITY OF PLANO, TEXAS
STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2009
(continued)

	Business-type Activities Enterprise Funds					
	Civic Center	**Municipal Golf Course**	**Property Management**	**Downtown Center Development**	**Recreation Revolving**	**Total Nonmajor Enterprise Funds**
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Operating income (loss)	$ (4,966,603)	$ (94,022)	$ 10,256	$ 20,210	$ 118,129	$ (4,912,030)
Adjustments to reconcile operating income to net cash provided by operating activities:						
Depreciation	606,769	160,537	794	-	4,107	772,207
Change in assets and liabilities:						
(Increase) decrease in-						
Accounts receivable	197,736	3,194	2,325	-	5,233	208,488
Other receivable	-	-	-	-	(301)	(301)
Prepaid expenses & other assets	(7,198)	-	-	-	(13,316)	(20,514)
Increase (decrease) in-						
Accounts payable	18,078	(13,813)	10,149	-	(62,351)	(47,937)
Accrued liabilities	14,666	(2,764)	-	-	11,969	23,871
Liability for compensated absences	(8,300)	(21,556)	-	-	36,396	6,540
Customer deposits	-	-	-	-	4,377	4,377
Deferred revenue	5,513	-	-	-	7,384	12,897
Total adjustments	827,264	125,598	13,268	-	(6,502)	959,628
Net cash provided (used) by operating activities	$ (4,139,339)	$ 31,576	$ 23,524	$ 20,210	$ 111,627	$ (3,952,402)

CITY OF PLANO

TEXAS

JUNE 2, 1873

INTERNAL SERVICE FUNDS

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

The City has six Internal Service Funds as follows:

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

OFFICE SERVICES FUND-to account for the cost of operating a centralized print shop, which performs printing and copying services, as well as interoffice mail delivery and other services, for City departments. Monthly charges are billed to departments to cover costs, including depreciation of furniture and equipment necessary to provide services.

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, 2009

	Equipment Maintenance	Office Services	Municipal Warehouse
ASSETS			
Cash & cash equivalents	$ 2,212,300	$ 125	$ 19,202
Investments	14,414,658	-	124,472
Receivables			
Accounts	-	868	136,322
115 trust	-	-	-
Accrued interest	75,394	-	651
Other	-	-	-
Due from other funds	-	55,838	-
Due from other governments	31	403	-
Inventories	99,859	9,303	833,620
Prepaid items	1,477	-	-
Restricted assets:			
Cash & cash equivalents	-	-	-
Investments	-	-	-
Accrued interest receivable	-	-	-
Capital assets:			
Land	51,515	-	-
Buildings	5,264,915	-	-
Equipment	8,686,327	297,069	117,782
Furniture & fixtures	42,662	449	11,200
Rolling equipment	56,292,557	-	-
Less accumulated depreciation	(51,061,019)	(251,358)	(124,452)
Total capital assets (net of accumulated depreciation)	19,276,957	46,160	4,530
Total Assets	36,080,676	112,697	1,118,797
LIABILITIES:			
CURRENT LIABILITIES:			
Accounts payable	476,798	119,650	268,709
Accrued liabilities	80,714	7,892	14,960
Due to other funds	4,740,099	105,051	418
Compensated absences	37,374	1,443	19,430
Liability for insurance claims	-	-	-
Total current liabilities	5,334,985	234,036	303,517
NONCURRENT LIABILITIES:			
Compensated absences	68,282	11,419	17,719
Liability for insurance claims	-	-	-
Total Liabilities	5,403,267	245,455	321,236
NET ASSETS (DEFICIT)			
Invested in capital assets	19,176,390	46,160	4,530
Unrestricted (deficit)	11,501,019	(178,918)	793,031
Total net assets (deficit)	$ 30,677,409	$ (132,758)	$ 797,561

Technology Services	Property/ Liability Loss	Health Claims	Total
$ 1,653,592	$ 587,363	$ 1,476,739	$ 5,949,321
10,775,265	3,827,419	9,622,842	38,764,656
-	2,980	2,734	142,904
-	-	93,878	93,878
56,358	20,019	50,331	202,753
1,898	-	-	1,898
4,740,000	-	-	4,795,838
-	-	-	434
-	-	-	942,782
12,265	1,350	200,499	215,591
418,400	-	-	418,400
2,726,414	-	-	2,726,414
14,261	-	-	14,261
11,007	-	-	62,522
488,955	-	-	5,753,870
31,103,804	548,560	-	40,753,542
65,390	6,735	-	126,436
-	-	-	56,292,557
(20,702,617)	(555,295)	-	(72,694,741)
10,966,539	-	-	30,294,186
31,364,992	4,439,131	11,447,023	84,563,316
425,751	50,409	95,978	1,437,295
186,516	170,520	-	460,602
538	9,772	-	4,855,878
56,011	20,547	-	134,805
-	2,214,870	3,976,062	6,190,932
668,816	2,466,118	4,072,040	13,079,512
779,968	9,630	-	887,018
-	1,498,104	-	1,498,104
1,448,784	3,973,852	4,072,040	15,464,634
13,965,192	-	-	33,192,272
15,951,016	465,279	7,374,983	35,906,410
$ 29,916,208	$ 465,279	$ 7,374,983	$ 69,098,682

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Equipment Maintenance	Office Services	Municipal Warehouse
REVENUES:			
Charges for services	$ 13,817,437	$ 1,002,698	$ 3,688,169
Miscellaneous	91	9,843	16,150
Total operating revenues	13,817,528	1,012,541	3,704,319
EXPENSES:			
Personal services	2,430,972	245,213	563,883
Contractual services	872,908	292,646	36,580
Supplies	2,442,283	311,825	3,189,411
Claims expense	-	-	-
Depreciation	5,820,562	3,255	605
Other post employment benefits	-	-	-
Miscellaneous	9,313	917	29,894
Total operating expenses	11,576,038	853,856	3,820,373
Operating income (loss)	2,241,490	158,685	(116,054)
NONOPERATING REVENUES (EXPENSES):			
Investment income	170,908	-	421
Gain (loss) on capital asset disposal	460,811	-	50,770
Intergovernmental revenues	1,538	-	-
Miscellaneous	288	-	-
Total nonoperating revenues	633,545	-	51,191
Income (loss) before transfers	2,875,035	158,685	(64,863)
Transfers out	-	-	-
Change in net assets	2,875,035	158,685	(64,863)
Total net assets (deficit)-beginning	27,802,374	(291,443)	862,424
Total net assets (deficit)-ending	$ 30,677,409	$ (132,758)	$ 797,561

Technology Services	Property/ Liability Loss	Health Claims	Total
$ 14,266,227	$ 3,746,443	$ 29,655,779	$66,176,753
5,733	74,974	-	106,791
14,271,960	3,821,417	29,655,779	66,283,544
5,136,403	457,060	-	8,833,531
6,430,974	1,817,675	2,569,193	12,019,976
893,144	18,097	-	6,854,760
-	2,820,016	17,795,454	20,615,470
1,472,836	-	-	7,297,258
-	-	6,031,883	6,031,883
2,366	1,817	-	44,307
13,935,723	5,114,665	26,396,530	61,697,185
336,237	(1,293,248)	3,259,249	4,586,359
270,553	67,805	135,894	645,581
(8,918)	-	-	502,663
-	-	-	1,538
9,200	-	-	9,488
270,835	67,805	135,894	1,159,270
607,072	(1,225,443)	3,395,143	5,745,629
(1,450,000)	-	-	(1,450,000)
(842,928)	(1,225,443)	3,395,143	4,295,629
30,759,136	1,690,722	3,979,840	64,803,053
$ 29,916,208	$ 465,279	$ 7,374,983	$69,098,682

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Equipment Maintenance	Office Services	Municipal Warehouse
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	$ 13,817,625	$ 955,506	$ 3,573,384
Cash payments to suppliers for goods and services	(3,649,362)	(540,105)	(3,145,544)
Cash payments to employees for services	(2,429,402)	(243,423)	(572,344)
Net cash provided (used) by operating activities	7,738,861	171,978	(144,504)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Due (to) from other funds	4,740,000	105,051	-
Repayments (to) from other other funds	226,133	(277,029)	-
Transfers (to) from other funds	-	-	-
Grant receipts	1,538	-	-
Net cash provided (used) by noncapital financing activities	4,967,671	(171,978)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition and construction of capital assets	(2,708,549)	-	-
Proceeds on sale of equipment	482,812	-	50,770
Proceeds from insurance damages	288	-	-
Net cash provided (used) by capital and related financing activities	(2,225,449)	-	50,770
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of investment securities	(14,414,658)	-	(124,472)
Proceeds from sales and maturities of investment securities	886,274	-	33,954
Interest on investments	84,045	-	162
Net cash used by investing activities	(13,444,339)	-	(90,356)
Net decrease in cash and cash equivalents	(2,963,256)	-	(184,090)
Cash and cash equivalents, October 1	5,175,556	125	203,292
Cash and cash equivalents, September 30	$ 2,212,300	$ 125	$ 19,202
Non-cash disclosure:			
Increase in fair value of investments	$ 23,636	$ -	$ 86
Transfer in of capital assets	-	-	-

Technology Services	Property/ Liability Loss	Health Claims	Total
$ 14,277,638	$ 3,938,071	$ 29,561,565	$ 66,123,789
(7,381,546)	(4,736,241)	(26,490,983)	(45,943,781)
(5,030,451)	(468,668)	-	(8,744,288)
1,865,641	(1,266,838)	3,070,582	11,435,720
(4,740,000)	9,369	-	114,420
-	-	-	(50,896)
(1,450,000)	-	-	(1,450,000)
-	-	-	1,538
(6,190,000)	9,369	-	(1,384,938)
(1,493,098)	-	-	(4,201,647)
-	-	-	533,582
9,200	-	-	9,488
(1,483,898)	-	-	(3,658,577)
(13,501,679)	(3,827,419)	(9,622,842)	(41,491,070)
3,031,409	805,646	1,145,863	5,903,146
231,273	55,393	88,257	459,130
(10,238,997)	(2,966,380)	(8,388,722)	(35,128,794)
(16,047,254)	(4,223,849)	(5,318,140)	(28,736,589)
18,119,246	4,811,212	6,794,879	35,104,310
$ 2,071,992	$ 587,363	$ 1,476,739	$ 6,367,721
$ 11,259	$ 3,704	$ 13,280	$ 51,965
65,707	-	-	65,707

(continued)

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2009
(continued)

	Equipment Maintenance	Office Services	Municipal Warehouse
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	$ 2,241,490	$ 158,685	$ (116,054)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation expenses	5,820,562	3,255	605
Changes in assets and liabilities-			
(Increase) decrease in			
Accounts receivable	-	(794)	(131,353)
Due from other funds	-	(55,838)	-
Due from other governments	(2)	(403)	-
Prepaid items	(486)	215	-
Inventories	39,659	5,705	64,916
Increase (decrease) in			
Accounts payable	(364,031)	59,363	45,425
Accrued liabilities	3,971	764	(1,374)
Due to other funds	99	-	418
Compensated absences	(2,401)	1,026	(7,087)
Liability for insurance claims	-	-	-
Total adjustments	5,497,371	13,293	(28,450)
Net cash provided (used) by operating activities	$ 7,738,861	$ 171,978	$ (144,504)

Technology Services	Property/ Liability Loss	Health Claims	Total
$ 336,237	$(1,293,248)	$ 3,259,249	$ 4,586,359
1,472,836	-	-	7,297,258
5,140	116,251	(94,214)	(104,970)
-	-	-	(55,838)
-	-	-	(405)
10,736	(995)	(64,374)	(54,904)
-	-	-	110,280
(65,798)	(326,564)	72,281	(579,324)
15,452	563	-	19,376
538	403	-	1,458
90,500	(12,171)	-	69,867
-	248,923	(102,360)	146,563
1,529,404	26,410	(188,667)	6,849,361
$ 1,865,641	$(1,266,838)	$ 3,070,582	$ 11,435,720

CITY OF PLANO

TEXAS

JUNE 2, 1873

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.

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
AS OF SEPTEMBER 30, 2009

	Agency Funds		
	Developers' Escrow	**Unclaimed Property**	**Total Agency Funds**
ASSETS			
Cash and cash equivalents	$ 326,318	$ 7,727	$ 334,045
Investments	2,126,378	50,353	2,176,731
Accrued interest	11,122	263	11,385
Total Assets	2,463,818	58,343	2,522,161
LIABILITIES			
Developers' escrow liability	2,463,818	-	2,463,818
Unclaimed property payable	-	58,343	58,343
Total Liabilities	$ 2,463,818	$ 58,343	$ 2,522,161

CITY OF PLANO, TEXAS
STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Balance September 30, 2008	Additions	Deductions	Balance September 30, 2009
Developers' Escrow Fund				
ASSETS				
Cash and cash equivalents	$ 3,579,498	$ -	$ 3,253,180	$ 326,318
Investments	596,637	1,529,741	-	2,126,378
Accrued interest receivable	8,415	2,707	-	11,122
Total assets	$ 4,184,550	$ 1,532,448	$ 3,253,180	$ 2,463,818
LIABILITIES				
Developers' escrow liability	4,184,550	-	1,720,732	2,463,818
Total liabilities	$ 4,184,550	$ -	$ 1,720,732	$ 2,463,818
Unclaimed Property Fund				
ASSETS				
Cash and cash equivalents	$ 48,503	$ -	$ 40,776	$ 7,727
Investments	8,084	42,269	-	50,353
Accrued interest receivable	114	149	-	263
Total assets	$ 56,701	$ 42,418	$ 40,776	$ 58,343
LIABILITIES				
Unclaimed property payable	56,701	1,642	-	58,343
Total liabilities	$ 56,701	$ 1,642	$ -	$ 58,343
Total Fiduciary Funds				
ASSETS				
Cash and cash equivalents	$ 3,628,001	$ -	$ 3,293,956	$ 334,045
Investments	604,721	1,572,010	-	2,176,731
Accrued interest receivable	8,529	2,856	-	11,385
Total assets	$ 4,241,251	$ 1,574,866	$ 3,293,956	$ 2,522,161
LIABILITIES				
Developers' escrow liability	4,184,550	-	1,720,732	2,463,818
Unclaimed property payable	56,701	1,642	-	58,343
Total liabilities	$ 4,241,251	$ 1,642	$ 1,720,732	$ 2,522,161

CITY OF PLANO

TEXAS

JUNE 2, 1873

COMPONENT UNITS

ECONOMIC DEVELOPMENT BOARD- organized to account for various financial and administrative services and a majority of funding provided to the Board by the City. The Board is legally separate from the City and does not appoint a majority of its governing board; however, the City Manager is a designated position on the Board and City Council appoints one member who must be a City Council Member to serve on the Board.

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

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

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF FUND NET ASSETS
DISCRETELY PRESENTED COMPONENT UNITS
AS OF SEPTEMBER 30, 2009

	Economic Development	TIF Mall	TIF East Side	Total
ASSETS				
Current:				
Cash and cash equivalents	$ 1,883,424	$ -	$ 764,811	2,648,235
Investments	12,271,614	-	5,009,788	17,281,402
Receivables:				
Accrued interest	64,185	-	-	64,185
Noncurrent:				
Capital assets, net	2,074	-	4,005,866	4,007,940
Total Assets	14,221,297	-	9,780,465	24,001,762
LIABILITIES				
Current:				
Accounts payable	7,552	-	8,730	16,282
Accrued liabilities	21,145	-	-	21,145
Due to other governments	403	-	-	403
Compensated absences	992	-	-	992
Long-term:				
Notes payable	-	6,397,476	-	6,397,476
Compensated absences	144,761	-	-	144,761
Total Liabilities	174,853	6,397,476	8,730	6,581,059
NET ASSETS (DEFICIT)				
Invested in capital assets (net of related debt)	2,074	-	4,005,866	4,007,940
Unrestricted	14,044,370	(6,397,476)	5,765,869	13,412,763
Total Net Assets (Deficit)	$ 14,046,444	$ (6,397,476)	$ 9,771,735	$ 17,420,703

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, 2009

	Economic Development	TIF Mall	TIF East Side	Total
REVENUES				
Charges for services	$ 6,144,218	$ -	$ -	$ 6,144,218
Miscellaneous	16	-	-	16
Total revenues	6,144,234	-	-	6,144,234
EXPENSES				
Personal services	592,986	-	-	592,986
Contractual services	3,756,967	4,740,878	2,932,535	11,430,380
Supplies	22,250	-	-	22,250
Depreciation	3,133	-	335,159	338,292
Miscellaneous	177,414	-	-	177,414
Total operating expenses	4,552,750	4,740,878	3,267,694	12,561,322
Operating income (loss)	1,591,484	(4,740,878)	(3,267,694)	(6,417,088)
NONOPERATING REVENUES (EXPENSES)				
Property taxes	-	4,526,434	3,519,027	8,045,461
Investment income	199,383	-	-	199,383
Interest expense	-	(440,499)	(46,586)	(487,085)
Total nonoperating revenues	199,383	4,085,935	3,472,441	7,757,759
Change in net assets	1,790,867	(654,943)	204,747	1,340,671
Total net assets (deficit)-beginning	12,255,577	(5,742,533)	9,566,988	16,080,032
Total net assets (deficit)-ending	$ 14,046,444	$ (6,397,476)	$ 9,771,735	$ 17,420,703

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF CASH FLOWS
DISCRETELY PRESENTED COMPONENT UNITS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Economic Development	TIF Mall	TIF East Side	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers	$ 6,144,234	$ -	$ -	$ 6,144,234
Cash payments to suppliers for goods and services	(3,958,809)	(4,085,935)	(3,700,238)	(11,744,982)
Cash payments to employees for services	(576,188)	-	-	(576,188)
Net cash provided (used) by operating activities	1,609,237	(4,085,935)	(3,700,238)	(6,176,936)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Property taxes	-	4,526,434	3,519,027	8,045,461
Net cash provided by noncapital financing activities	-	4,526,434	3,519,027	8,045,461
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Interest expense	-	(440,499)	(46,586)	(487,085)
Net cash used for operating and related financing activities	-	(440,499)	(46,586)	(487,085)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchase of investment securities	(12,271,614)	-	(5,009,788)	(17,281,402)
Proceeds from sales and maturities of investment securities	1,784,964	-	867,899	2,652,863
Interest on investments	144,679	-	-	144,679
Net cash used by investing activities	(10,341,971)	-	(4,141,889)	(14,483,860)
Net decrease in cash and cash equivalents	(8,732,734)	-	(4,369,686)	(13,102,420)
Cash and cash equivalents, October 1	10,616,158	-	5,134,497	15,750,655
Cash and cash equivalents, September 30	$ 1,883,424	$ -	$ 764,811	$ 2,648,235
Non-cash disclosure:				
Capitalize interest on note payable	$ -	$ 440,499	$ 46,586	$ 487,085

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF CASH FLOWS
DISCRETELY PRESENTED COMPONENT UNITS
FOR THE YEAR ENDED SEPTEMBER 30, 2009
(continued)

	Economic Development	TIF Mall	TIF East Side	Total
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating income (loss)	$ 1,591,484	$(4,740,878)	$(3,267,694)	$ (6,417,088)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation expense	3,133	-	335,159	338,292
Changes in assets and liabilities-				
(Increase) decrease in				
Prepaid expenses	5,257	-	-	5,257
Increase (decrease) in				
Accounts payable	(7,838)	-	8,730	892
Notes payable	-	654,943	(776,433)	(121,490)
Accrued liabilities	16,798	-	-	16,798
Due to other governments	403	-	-	403
Total adjustments	17,753	654,943	(432,544)	240,152
Net cash provided (used) by operating activities	$ 1,609,237	$(4,085,935)	$(3,700,238)	$ (6,176,936)

CITY OF PLANO

TEXAS

JUNE 2, 1873

CITY OF PLANO, TEXAS
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
COMPARATIVE SCHEDULES BY SOURCE[1]
AS OF SEPTEMBER 30, 2009 (unaudited)

Governmental activities capital assets:	2009	2008
Land	$ 107,064,055	$ 106,928,486
Construction in progress	175,665,557	180,710,351
Buildings	124,645,356	96,054,185
Improvements other than buildings	96,572,951	85,244,071
Equipment	87,634,414	79,626,177
Public art	1,696,740	1,648,740
Infrastructure	900,435,524	879,883,057
Total governmental funds capital assets	$ 1,493,714,597	$ 1,430,095,067

Investments in governmental activities capital assets by source:		
General fund	$ 320,177,663	$ 283,018,384
Park improvements fund	96,572,951	85,244,071
Special revenue fund	814,902	968,464
Capital projects fund	1,076,149,081	1,060,864,148
	$ 1,493,714,597	$ 1,430,095,067

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

CITY OF PLANO, TEXAS
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY[1]
AS OF SEPTEMBER 30, 2009 (unaudited)

Function and Activity	Land	Construction in Progress	Buildings	Improvements Other Than Buildings	Equipment	Public Art	Infrastructure	Total
Administrative Services:								
City Council	$ -	$ -	$ -	$ -	$ 4,301	$ -	$ -	$ 4,301
Administration	-	-	-	-	78,044	-	-	78,044
Legal	-	-	-	-	119,781	-	-	119,781
City Secretary	-	-	-	-	43,804	-	-	43,804
Internal Audit	-	-	-	-	11,944	-	-	11,944
Finance	-	-	-	-	26,238	-	-	26,238
Financial Systems Administration	-	-	-	-	10,148	-	-	10,148
Accounting	-	-	-	-	122,723	-	-	122,723
Budget	-	-	-	-	117,558	-	-	117,558
Administrative Services	-	-	-	-	12,636	-	-	12,636
Purchasing	-	-	-	-	50,998	-	-	50,998
Human Resources	-	-	-	-	119,789	-	-	119,789
	-	-	-	-	717,964	-	-	717,964
Police:								
Municipal Court Judge	2,780,978	-	6,178,741	-	43,209	-	-	9,002,928
Municipal Court Administration	-	-	782	-	474,392	-	-	475,174
Public Safety Administration	-	-	-	-	2,144,719	-	-	2,144,719
Community Response	-	-	-	-	17,446	-	-	17,446
Police	4,592,859	-	14,762,324	-	9,708,043	-	-	29,063,226
Emergency 911	-	-	368,383	-	5,315,345	-	-	5,683,728
	7,373,837	-	21,310,230	-	17,703,154	-	-	46,387,221
Fire:	-							
Fire	7,909,347	-	17,512,646	-	8,445,624	-	-	33,867,617
Fire-Civilian	-	-	-	-	24,254	-	-	24,254
Fire Marshal	-	-	-	-	76,262	-	-	76,262
	7,909,347	-	17,512,646	-	8,546,140	-	-	33,968,133
Libraries:								
Library Administration	-	-	3,052	-	3,040,211	-	-	3,043,263
Technical Services	-	-	-	-	15,119,037	-	-	15,119,037
Harrington Library	1,244,216	-	2,759,632	-	684,063	-	-	4,687,911
Schimelpfenig Library	1,445,885	-	3,199,362	-	247,977	-	-	4,893,224
Haggard Library	1,551,303	-	3,436,684	-	1,625,905	-	-	6,613,892
Davis Library	2,046,883	-	4,513,662	-	125,855	-	-	6,686,400
Parr Library	1,757,104	-	3,867,355	-	-	-	-	5,624,459
	8,045,391	-	17,779,747	-	20,843,048	-	-	46,668,186
Development:	79,989	-	51,782	-	-	-	-	131,771
Building Administration	-	-	-	-	46,009	-	-	46,009
Building Maintenance	-	-	287,304	-	676,665	-	-	963,969
Custodial Services	-	-	-	-	3,251	-	-	3,251
Engineering	-	-	-	-	146,865	-	-	146,865
Capital Projects Coordination	-	-	-	-	219,754	-	-	219,754
Development	-	-	-	-	28,898	-	-	28,898
Community Services Administration	-	-	-	-	37,915	-	-	37,915
Community Development Administration	-	-	-	-	283,760	-	-	283,760
Planning	60,961	-	-	-	989,656	-	-	1,050,617
Transportation Engineering	-	-	-	-	93,671	-	-	93,671
Building Inspection	-	-	-	-	401,422	-	-	401,422
	140,950	-	339,086	-	2,927,866	-	-	3,407,902
Public Services and Operations:								
Public Information	-	-	-	-	887,227	-	-	887,227
Records Management	-	-	-	-	60,470	-	-	60,470
Environmental Health	-	-	-	-	223,028	-	-	223,028
Animal Control	101,571	-	2,409,927	-	334,250	-	-	2,845,748
	101,571	-	2,409,927	-	1,504,975	-	-	4,016,473

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

(continued)

CITY OF PLANO, TEXAS
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY[1]
AS OF SEPTEMBER 30, 2009 (unaudited)
(continued)

Function and Activity	Land	Construction in Progress	Buildings	Improvements Other Than Buildings	Equipment	Public Art	Infrastructure	Total
Parks and Recreation:	57,664,013	-	-	-	-	-	-	57,664,013
Parks and Recreation Administration	-	-	-	-	219,937	-	-	219,937
Park Administration	-	-	-	-	131,460	-	-	131,460
Park Planning	-	-	-	-	202,305	-	-	202,305
Park Development	2,059,268	-	11,700	-	187,558	-	-	2,258,526
Park Grounds Maintenance	-	-	215,854	-	837,063	-	-	1,052,917
Public Buildings Grounds Maintenance	-	-	-	-	116,158	-	-	116,158
Athletic Fields Grounds Maintenance	-	-	-	-	38,888	-	-	38,888
Championship Youth Ballpark	-	-	-	-	2,686	-	-	2,686
Median Maintenance	-	-	-	-	20,061	-	-	20,061
Creative Arts	25,797	-	555,007	-	30,432	-		611,236
Recreation Administration	-	-	-	-	362,775	-	-	362,775
Athletics	23,790	-	-	-	85,210	-	-	109,000
Special Activities	-	-	-	-	43,660	-	-	43,660
Aquatics	-	-	1,490,714	-	148,106	-	-	1,638,820
Tennis Center	-	-	85,426	-	7,835	-	-	93,261
Senior Services	1,861,895	-	4,129,627	-	156,123	-	-	6,147,645
Recreation Centers	784,700	-	34,629,124	-	1,563,049	-	-	36,976,873
Park Improvements	4,741,467	-	-	96,572,951	-	-	-	101,314,418
	67,160,930	-	41,117,452	96,572,951	4,153,306	-	-	209,004,639
General Government:	8,332,543	-	24,176,268	-	20,054,456	-	-	52,563,267
Enterprise Center	-	-	-	-	16,705	-	-	16,705
Productivity Bank	-	-	-	-	52,090	-	-	52,090
Downtown Advocacy	-	-	-	-	2,168	-	-	2,168
Volunteer Services	-	-	-	-	4,296	-	-	4,296
Tax Collections	-	-	-	-	302,069	-	-	302,069
Youth Advisory Committee	-	-	-	-	7,180	-	-	7,180
Telecommunications	-	-	-	-	425,506	-	-	425,506
	8,332,543	-	24,176,268	-	20,864,470	-	-	53,373,281
Public Works:	6,947,956	-	-	-	-	-	-	6,947,956
Public Works Administration	-	-	-	-	191,548	-	-	191,548
Streets and Traffic Administration	-	-	-	-	2,744,200	-	-	2,744,200
Streets	1,051,530	-	-	-	3,211,908	-	-	4,263,438
Signals	-	-	-	-	410,145	-	-	410,145
Signs and Markings	-	-	-	-	903,158	-	-	903,158
Sign Shop	-	-	-	-	186,012	-	-	186,012
Street and ROW Coordination	-	-	-	-	678,856	-	-	678,856
Infrastructure	-	-	-	-	-	-	900,435,524	900,435,524
	7,999,486	-	-	-	8,325,827	-	900,435,524	916,760,837
Construction in Progress	-	175,665,557	-	-	-	-	-	175,665,557
	-	175,665,557	-	-	-	-	-	175,665,557
Public Art	-	-	-	-	-	1,696,740	-	1,696,740
	-	-	-	-	-	1,696,740	-	1,696,740
Other:								
Non-departmental	-	-	-	-	2,047,664		-	2,047,664
	-	-	-	-	2,047,664	-	-	2,047,664
Total governmental funds capital assets	$ 107,064,055	$ 175,665,557	$ 124,645,356	$ 96,572,951	$ 87,634,414	$ 1,696,740	$ 900,435,524	$ 1,493,714,597

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

CITY OF PLANO, TEXAS
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY[1]
FOR THE YEAR ENDED SEPTEMBER 30, 2009 (unaudited)

Function and Activity	Governmental Funds Capital Assets September 30, 2008	Additions	Deductions	Governmental Funds Capital Assets September 30, 2009
Administrative Services:				
City Council	$ 4,301	$ -	$ -	$ 4,301
Administration	78,044	-	-	78,044
Legal	118,563	7,984	6,766	119,781
City Secretary	43,804	-	-	43,804
Internal Audit	11,944	-	-	11,944
Finance	26,238	-	-	26,238
Financial Systems Administration	10,148	-	-	10,148
Accounting	122,723	-	-	122,723
Budget	117,558	-	-	117,558
Administrative Services	12,636	-	-	12,636
Purchasing	50,998	-	-	50,998
Human Resources	119,789	-	-	119,789
	716,746	7,984	6,766	717,964
Police:				
Municipal Court Judge	9,003,651	-	723	9,002,928
Municipal Court Administration	395,469	79,705	-	475,174
Public Safety Administration	2,144,719	-	-	2,144,719
Community Response	17,446	-	-	17,446
Police	25,901,573	3,253,577	91,924	29,063,226
Emergency 911	5,333,276	350,452	-	5,683,728
	42,796,134	3,683,734	92,647	46,387,221
Fire:				
Fire	30,494,008	3,541,049	167,440	33,867,617
Fire-Civilian	24,254	-	-	24,254
Fire Marshal	76,262	-	-	76,262
	30,594,524	3,541,049	167,440	33,968,133
Libraries:				
Library Administration	2,955,607	87,656	-	3,043,263
Technical Services	14,021,519	1,183,755	86,237	15,119,037
Harrington Library	4,686,966	945	-	4,687,911
Schimelpfenig Library	4,829,520	82,187	18,483	4,893,224
Haggard Library	6,633,476	4,804	24,388	6,613,892
Davis Library	6,606,086	98,414	18,100	6,686,400
Parr Library	5,624,459	-	-	5,624,459
	45,357,633	1,457,761	147,208	46,668,186
Development:	131,771	-	-	131,771
Building Administration	46,009	-	-	46,009
Building Maintenance	774,700	189,269	-	963,969
Custodial Services	3,251	-	-	3,251
Engineering	146,865	56,453	56,453	146,865
Capital Projects Coordination	219,754	-	-	219,754
Development	28,898	-	-	28,898
Community Services Administration	37,915	-	-	37,915
Community Development Administration	285,151	-	1,391	283,760
Planning	1,210,555	-	159,938	1,050,617
Transportation Engineering	93,671	-	-	93,671
Building Inspection	401,422	-	-	401,422
	3,379,962	245,722	217,782	3,407,902
Public Services and Operations:				
Public Information	889,435	-	2,208	887,227
Records Management	60,470	-	-	60,470
Environmental Health	227,383	-	4,355	223,028
Animal Control	2,842,264	8,597	5,113	2,845,748
	4,019,552	8,597	11,676	4,016,473

[1]This schedule presents only the capital asset balar (continued)

(continued)

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

CITY OF PLANO, TEXAS
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY[1]
FOR THE YEAR ENDED SEPTEMBER 30, 2009 (unaudited)
(continued)

Function and Activity	Governmental Funds Capital Assets September 30, 2008	Additions	Deductions	Governmental Funds Capital Assets September 30, 2009
Parks and Recreation:	62,374,297	31,183	-	62,405,480
Parks and Recreation Administration	193,623	26,314	-	219,937
Park Administration	131,460	10,452	10,452	131,460
Park Planning	202,305	1,000	1,000	202,305
Park Development	2,255,229	4,809	1,512	2,258,526
Park Grounds Maintenance	1,017,417	133,666	98,166	1,052,917
Public Buildings Grounds Maintenance	116,158	-	-	116,158
Athletic Fields Grounds Maintenance	38,888	93,133	93,133	38,888
Championship Youth Ballpark	2,686	-	-	2,686
Median Maintenance	20,061	-	-	20,061
Creative Arts	611,236	1,500	1,500	611,236
Recreation Administration	362,775	-	-	362,775
Athletics	60,500	49,500	1,000	109,000
Special Activities	43,660	-	-	43,660
Aquatics	1,638,820	-	-	1,638,820
Tennis Center	93,261	-	-	93,261
Senior Services	6,147,645	-	-	6,147,645
Recreation Centers	14,791,746	22,193,578	8,451	36,976,873
Park Improvements	85,244,071	11,328,880	-	96,572,951
	175,345,838	33,874,015	215,214	209,004,639
General Government:	46,718,339	5,867,808	22,880	52,563,267
Enterprise Center	16,705	-	-	16,705
Productivity Bank	52,090	-	-	52,090
Downtown Advocacy	2,168	-	-	2,168
Volunteer Services	4,296	-	-	4,296
Tax Collections	302,069	-	-	302,069
Youth Advisory Committee	7,180	-	-	7,180
Telecommunications	425,506	-	-	425,506
	47,528,353	5,867,808	22,880	53,373,281
Public Works:	6,947,956	-	-	6,947,956
Public Works Administration	191,548	-	-	191,548
Streets and Traffic Administration	2,744,200	-	-	2,744,200
Streets	4,004,638	261,140	2,340	4,263,438
Signals	410,145	8,662	8,662	410,145
Signs and Markings	903,158	-	-	903,158
Sign Shop	186,012	-	-	186,012
Street and ROW Coordination	678,856	-	-	678,856
Infrastructure	879,883,057	20,552,467	-	900,435,524
	895,949,570	20,822,269	11,002	916,760,837
Construction in progress	180,710,351	57,910,751	62,955,545	175,665,557
	180,710,351	57,910,751	62,955,545	175,665,557
Public Art	1,648,740	48,000	-	1,696,740
	1,648,740	48,000	-	1,696,740
Other:				
Non-departmental	2,047,664	-	-	2,047,664
	2,047,664	-	-	2,047,664
	$ 1,430,095,067	$ 127,467,690	$ 63,848,160	$ 1,493,714,597

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

CITY OF PLANO

TEXAS

JUNE 2, 1873

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.

	Pages
Financial Trends - 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
Revenue Capacity - These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	111-114
Debt Capacity - 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
Demographic and Economic Information - 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
Operating Information - 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

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

Table 1

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

Source: Comprehensive Annual Financial Report
Note: The City implemented GASB Statement No. 34 in fiscal year 2001, thus 10 years of data is not available.

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

Table 2

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

(continued)

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

Table 2
(continued)

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

Source: Comprehensive Annual Financial Report
Note: The City implemented GASB Statement No. 34 in fiscal year 2001, thus 10 years of data is not available.

CITY OF PLANO, TEXAS **Table 3**

FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

(unaudited)

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
General Fund										
Reserved for encumbrances	$4,055,302	$2,683,725	$1,566,433	$2,776,694	$2,283,707	$3,718,284	$1,682,711	$2,747,069	$4,574,168	$4,441,987
Reserved for prepaids	579,041	159,121	90,268	229,018	145,343	114,548	50,622	30,273	26,106	35,103
Reserved for long term loans	6,397,476	6,518,966	6,925,599	7,310,017	7,672,675	7,916,108	7,468,026	7,005,764	3,600,325	2,833
Unreserved	31,712,311	35,379,734	37,101,360	38,488,933	29,122,461	27,747,994	20,600,580	13,096,232	14,320,196	19,605,217
Total general fund	$42,744,130	$44,741,546	$45,683,660	$48,804,662	$39,224,186	$39,496,934	$29,801,939	$22,879,338	$22,520,795	$24,085,140
All Other Governmental Funds										
Reserved for:										
Encumbrances	$21,812,502	$39,404,227	$23,855,483	$39,234,962	$19,366,204	$19,541,095	$8,417,242	$15,661,184	$20,202,444	$27,316,311
Prepaids and other assets	2,680	6,195	2,702	4,490	205,108	6,415	325	150	2,286	465
Debt service	3,250,126	5,491,973	4,754,700	2,171,565	1,937,365	224,322	719,504	5,975,191	4,759,993	1,944,438
Long term loans and advances	-	-	-	-	775,299	951,845	-	-	-	-
Capital projects	101,167,295	88,689,616	72,879,121	54,451,744	52,861,830	21,211,416	68,944,146	64,648,100	60,803,970	33,635,418
Unreserved, reported in:										
Special Revenue funds	20,263,382	17,680,256	15,516,547	13,184,351	10,306,964	8,883,675	8,196,811	7,523,025	4,906,653	2,822,592
Capital Projects funds	142,009	130,154	731,846	705,600	666,097	18,482,081	(281,966)	(1,370,776)	(4,269,534)	(6,110,231)
Total all other governmental funds	$146,637,994	$151,402,421	$117,740,399	$109,752,712	$86,118,867	$69,300,849	$85,996,062	$92,436,874	$86,405,812	$59,608,993

Source: Comprehensive Annual Financial Report

CITY OF PLANO, TEXAS **Table 4**

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

(unaudited)

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Revenues:										
Taxes-										
Property taxes	$119,568,563	$114,494,640	$107,059,153	$97,121,351	$93,311,613	$91,655,523	$90,100,086	$85,228,237	$77,822,525	$71,054,998
Other taxes	57,577,341	63,266,376	63,425,218	59,581,037	53,007,928	50,289,482	46,555,857	46,167,605	48,119,027	46,683,884
Franchise fees	23,586,443	22,628,847	22,039,441	21,720,865	19,200,896	19,226,216	19,698,926	19,700,523	19,090,181	15,120,762
Fines and forfeitures	10,982,616	9,167,406	9,822,913	10,125,683	8,961,337	9,806,522	9,738,545	8,809,121	7,845,797	6,508,695
Contributions	5,206,878	3,845,932	306,924	1,081,788	3,826,173	2,017,253	3,636,791	13,162,633	7,407,334	9,141,106
Rollback taxes	263,577	1,134,487	1,172,609	735,757	223,159	205,506	350,203	-	1,106,206	1,043,361
Licenses and permits	4,786,291	5,235,695	5,524,955	6,800,126	5,195,516	5,131,810	4,831,824	4,381,369	6,025,513	6,959,848
Intragovernmental	7,739,588	7,276,212	6,399,935	6,592,673	6,235,373	5,851,135	5,940,984	5,089,048	4,842,117	4,877,386
Intergovernmental	7,118,445	3,432,643	3,915,812	8,744,104	3,898,076	2,983,278	2,767,470	2,378,724	2,354,764	2,212,066
Fees for services	13,808,677	13,488,581	10,476,645	11,177,263	9,705,325	8,846,147	8,540,621	8,532,636	8,926,426	8,709,263
Assessments	10,094	25,465	99,741	443,672	202,427	197,763	542,131	44,445	567,590	582,653
Investment income	3,988,091	8,420,799	10,779,409	7,777,156	2,727,800	3,019,984	3,687,989	5,531,416	8,647,429	6,577,294
Proceeds from sale of capital assets	2,456,619	-	-	-	-	21,000	-	-	-	-
Miscellaneous	-	1,909,910	1,407,342	4,865,976	1,262,983	1,111,417	1,045,888	889,639	786,238	585,973
Total Revenues	257,093,223	254,326,993	242,430,097	236,767,451	207,758,606	200,363,036	197,437,315	199,915,396	193,541,147	180,057,289
Expenditures:										
Current-										
General government	613,652	878,675	1,255,206	1,309,980	577,990	2,764,025	2,912,453	3,194,862	2,722,284	-
Administrative services	8,239,334	8,208,019	7,916,611	7,282,215	6,892,456	6,312,095	6,509,715	6,581,342	6,344,653	-
Police	63,987,283	61,831,212	59,114,102	53,618,495	51,031,849	47,219,455	43,743,086	42,647,390	39,486,865	-
Fire	43,080,441	41,361,437	39,096,906	40,124,063	33,650,136	29,026,018	28,248,820	25,895,256	24,495,435	-
Libraries	10,314,568	10,467,040	10,139,905	9,238,861	8,705,346	8,564,913	8,702,926	8,619,718	7,874,877	-
Development	19,924,444	19,635,957	19,644,186	18,420,446	17,233,160	16,078,528	15,178,820	16,126,052	14,736,448	-
Public services and operations	5,757,144	5,377,281	5,403,953	5,063,124	4,786,528	4,548,593	4,363,610	4,632,868	4,323,585	-
Parks and recreation	21,407,832	20,681,818	18,785,397	16,709,740	15,891,574	13,961,744	13,602,042	13,384,235	12,318,857	-
Environmental waste services	300,339	53,576	258,275	19,845	215,025	14,194	249,778	-	-	-
Public works	5,840,246	5,820,027	5,764,590	5,273,610	5,395,278	4,948,866	5,038,706	4,843,160	4,849,468	-
Other	27,609,726	27,266,420	26,335,719	18,381,077	17,403,344	13,747,316	17,752,756	15,284,555	16,502,541	-
Capital outlay	60,362,017	54,679,984	68,000,143	49,933,401	44,443,506	35,349,894	41,042,654	40,704,962	46,091,229	-
General government	-	-	-	-	-	-	-	-	-	30,334,973
Public Safety	-	-	-	-	-	-	-	-	-	58,758,930
Community services	-	-	-	-	-	-	-	-	-	27,916,785
Public works	-	-	-	-	-	-	-	-	-	4,737,909
Capital Outlay	-	-	-	-	-	-	-	-	-	55,403,432
Debt service-										
Principal retirement	25,645,000	23,510,000	21,020,000	20,510,000	19,407,991	18,187,142	17,688,449	16,681,306	15,802,440	20,495,000
Interest and fiscal charges	15,037,063	14,598,200	12,837,888	12,154,302	10,669,530	13,527,706	14,616,031	15,970,668	17,650,384	11,332,423
Escrow payment-refunding	-	-	-	-	-	-	-	1,216,610	-	-
Bond accretion	-	-	-	-	962,009	-	-	-	-	-
Total Expenditures	308,119,089	294,369,646	295,572,881	258,039,159	237,265,722	214,250,489	219,649,846	215,782,984	213,199,066	208,979,452
Deficiency Of Revenues Under Expenditures	(51,025,866)	(40,042,653)	(53,142,784)	(21,271,708)	(29,507,116)	(13,887,453)	(22,212,531)	(15,867,588)	(19,657,919)	(28,922,163)

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

Table 4
(continued)

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Other Financing Sources (Uses):										
Proceeds from sale of bonds	29,315,000	58,370,000	46,675,000	44,690,000	37,190,000	-	20,314,000	15,630,000	38,510,000	24,330,000
Tax anticipation note and bond premiums	-	-	-	-	-	-	-	-	637,205	-
Bond proceeds-refunding	12,370,000	-	-	-	78,380,000	-	22,796,533	42,842,287	-	-
Premium on sale of bonds	250,350	925,415	1,162,822	1,615,017	5,866,266	-	-	-	-	1,883
Discount on sale of bonds	-	-	-	(350,017)	(200,473)	-	-	-	-	-
Escrow payment-refunding	(12,428,331)	-	-	-	(84,067,431)	-	(23,151,258)	(42,503,801)	-	-
Sale of land	-	-	-	-	336,536	-	-	-	-	-
Operating transfers in	25,390,773	24,276,733	23,414,508	23,687,190	22,349,005	21,611,533	17,910,089	16,538,678	19,562,088	11,866,356
Operating transfers out	(10,633,769)	(10,809,587)	(13,242,861)	(15,156,161)	(13,801,517)	(14,724,298)	(15,175,044)	(10,249,971)	(13,818,900)	(7,279,772)
Total Other Financing Sources (Uses)	44,264,023	72,762,561	58,009,469	54,486,029	46,052,386	6,887,235	22,694,320	22,257,193	44,890,393	28,918,467
Net change in fund balances	(6,761,843)	32,719,908	4,866,685	33,214,321	16,545,270	(7,000,218)	481,789	6,389,605	25,232,474	(3,696)
Debt service as a percentage of noncapital expenditures	16.4%	15.9%	14.9%	15.7%	16.1%	17.7%	18.1%	15.7%	15.7%	20.7%

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

Table 5

	Estimated Market Value			Less:		
Fiscal Year	**Real Property Residential**	**Real Property Non-Residential**	**Non-Real Property Personal**	**Tax-Exempt Property**	**Total Taxable Assessed Value**	**Total Direct Tax Rate**
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

Source: City of Plano Budget Department and Central Appraisal Districts of Collin and Denton Counties based on original tax roll
Note: Real, Personal and Tax-Exempt breakout of Net Adjustments provided by Kenneth L. Maun, Tax Assessor/Collector, is unavailable.

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

Table 6

	City of Plano				Plano School District		Allen School District		Collin County		Frisco School District		Lewisville School District		Denton County		Collin College	
Fiscal Year (1)	General Fund	Debt Service Fund	Rate	Assess-ment Ratio	Rate	Assess ment Ratio	Rate	Assess ment Ratio	Rate	Assess-ment Ratio	Rate	Assess-ment Ratio	Rate	Assess-ment Ratio	Rate	Assess-ment Ratio	Rate	Assess-ment Ratio
2000	0.2708	0.1977	0.4685	100	1.579	100	1.89	100	0.2500	100	1.440	100	1.567	100	0.235	100	0.097	100
2001	0.2614	0.1971	0.4585	100	1.5531	100	1.76	100	0.2500	100	1.420	100	1.610	100	0.232	100	0.094	100
2002	0.2690	0.1845	0.4535	100	1.6285	100	1.83	100	0.2500	100	1.440	100	1.670	100	0.252	100	0.093	100
2003	0.2864	0.1671	0.4535	100	1.7034	100	1.81	100	0.2500	100	1.498	100	1.770	100	0.249	100	0.092	100
2004	0.2908	0.1627	0.4535	100	1.7334	100	1.93	100	0.2500	100	1.558	100	1.770	100	0.247	100	0.092	100
2005	0.2810	0.1725	0.4535	100	1.7334	100	1.91	100	0.2500	100	1.630	100	1.770	100	0.255	100	0.091	100
2006	0.2888	0.1647	0.4535	100	1.7334	100	1.91	100	0.2500	100	1.580	100	1.770	100	0.246	100	0.089	100
2007	0.3080	0.1655	0.4735	100	1.5784	100	1.78	100	0.2450	100	1.580	100	1.640	100	0.232	100	0.088	100
2008	0.3210	0.1525	0.4735	100	1.268	100	1.47	100	0.2450	100	1.35	100	1.38	100	0.236	100	0.080	100
2009	0.3268	0.1467	0.4735	100	1.303	100	1.47	100	0.2425	100	1.37	100	1.38	100	0.236	100	0.086	100

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

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

Sources: Representatives of the various taxing jurisdictions.

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

Table 7

	2009			2000		
Name of Taxpayer	**Taxable Assessed Valuation**	**Rank**	**Percentage of Total Taxable Assessed Valuation**	**Taxable Assessed Valuation**	**Rank**	**Percentage of Total Taxable Assessed Valuation**
Oncor Electric Delivery Company	$176,693,012	1	0.69	-	-	-
J.C. Penney, Inc.	171,255,476	2	0.67	127,395,785	4	0.84
Electronic Data Systems Corporation	140,996,529	3	0.55	322,591,550	1	2.14
Willow Bend Association	127,374,433	4	0.50	-	-	-
United Dominion Realty LP	113,285,714	5	0.44	-	-	-
The Shops at Legacy	104,152,381	6	0.41	-	-	-
Countrywide Home Loans	99,518,999	7	0.39	-	-	-
Alcatel USA Sourcing LP	98,563,283	8	0.38	136,457,118	2	0.90
The Campus at Legacy	95,000,000	9	0.37	-	-	-
Tollway/121 Partners LTD	84,596,532	10	0.33	-	-	-
TU Electric Delivery Company	-	-	-	135,018,049	3	0.90
Collin Creek Mall	-	-	-	121,369,467	5	1.02
Texas Instruments	-	-	-	75,375,124	6	0.50
Digital Switch Corporation	-	-	-	69,207,704	7	0.46
Frito-Lay	-	-	-	65,106,770	8	0.43
Dallas Morning News				63,982,140	9	0.42
G.T.E	-	-	-	62,179,918	10	0.41
Total	1,211,436,359		4.73	1,178,683,625		8.02

Source: Collin County Appraisal District

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

Table 8

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
2000	70,664,029	69,961,280	-	69,961,280	99.0	694,503	70,655,783	8,246	99.99
2001	78,095,849	76,907,817	370,402	77,278,219	99.0	784,569	78,062,788	33,061	99.96
2002	85,697,627	84,108,496	729,535	84,838,031	99.0	825,544	85,663,575	34,052	99.96
2003	91,504,269	89,097,226	1,491,645	90,588,871	99.0	820,079	91,408,950	95,319	99.90
2004	92,724,955	90,573,604	1,349,783	91,923,387	99.1	694,146	92,617,533	107,422	99.88
2005	94,735,250	92,286,096	1,455,736	93,741,832	99.0	848,850	94,590,682	144,568	99.85
2006	98,580,157	95,754,030	1,588,800	97,342,830	98.7	1,074,641	98,417,471	162,686	99.83
2007	108,186,053	105,461,839	1,870,213	107,332,052	99.2	699,739	108,031,791	154,262	99.86
2008	116,214,292	113,215,333	2,127,954	115,343,287	99.3	735,266	116,078,553	135,739	99.88
2009 *	121,434,014	118,459,942	2,205,306	120,665,248	99.4	-	120,665,248	768,766	99.37

* 2009 Total Levy has been reduced by $25,737 refund for tax abatement and $8,417 supplemental adjustment for rendition penalties

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

Table 9

	Governmental Actitivies		Business-Type Activities					
Fiscal Year	General Obligation Bonds	Tax Anticipation Notes	Water and Sewer Revenue Bonds	Solid Waste General Obligation Bonds	Municipal Drainage Revenue Bonds	Total Primary Government	Percentage of Personal Income	Per Capita
2000	$231,197,327	-	$30,528,407	-	$14,230,000	$275,955,734	4.11	1,183
2001	253,904,888	17,670,000	27,078,407	-	18,180,000	316,833,295	4.61	1,375
2002	251,053,582	15,155,000	23,668,407	-	17,365,000	307,241,989	3.67	1,302
2003	252,765,133	12,200,000	18,187,939	-	20,255,000	303,408,072	3.50	1,261
2004	234,577,991	9,115,000	15,555,143	-	19,325,000	278,573,134	3.34	1,132
2005	252,290,000	5,900,000	12,988,168	-	21,445,000	292,623,168	3.43	1,176
2006	276,470,000	2,555,000	10,472,042	-	21,730,000	311,227,042	3.28	1,225
2007	291,125,000	11,000,000	8,030,000	-	22,475,000	332,630,000	3.24	1,291
2008	310,580,000	26,405,000	5,750,000	-	23,170,000	365,905,000	3.37	1,399
2009	311,790,000	28,860,000	3,895,000	-	23,490,000	368,035,000	3.40	1,393

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

CITY OF PLANO, TEXAS **Table 10**
RATIO OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(unaudited)

	Governmental Actitivies			Percentage of Actual Taxable Value	Per Capita
	General Obligation Bonds	Tax Anticipation Notes	Total Primary Government		
2000	$231,197,327	$ -	$231,197,327	1.53	$991
2001	253,904,888	17,670,000	271,574,888	1.59	1,179
2002	251,053,582	15,155,000	266,208,582	1.41	1,128
2003	252,765,133	12,200,000	264,965,133	1.31	1,102
2004	234,577,991	9,115,000	243,692,991	1.19	990
2005	252,290,000	5,900,000	258,190,000	1.24	1,037
2006	276,470,000	2,555,000	279,025,000	1.28	1,098
2007	291,125,000	11,000,000	302,125,000	1.32	1,173
2008	310,580,000	26,405,000	336,985,000	1.37	1,289
2009	311,790,000	28,860,000	340,650,000	1.33	1,289

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, 2009
(unaudited)

Table 11

Taxing Body	Net General Bonded Debt	Percentage of Debt Applicable to Area	City of Plano Share of Debt
City of Plano	$ 337,399,874	100.00%	$ 337,399,874
Total direct debt	**337,399,874**		**337,399,874**
Plano Independent School District	921,867,000	74.93%	690,754,943
Collin County	409,395,000	47.42%	194,135,109
Denton County	374,335,733	0.53%	1,983,979
Frisco Independent School District	1,163,469,342	3.21%	37,347,366
Allen Independent School District	387,451,116	0.69%	2,673,413
Lewisville Independent School District	906,486,142	1.24%	11,240,428
Collin College	46,675,754	47.42%	22,133,643
Total overlapping debt	**4,209,680,087**		**960,268,881**
Total direct and overlapping bonded debt	**$ 4,547,079,961**		**$ 1,297,668,755**
Ratio of overlapping bonded debt to taxable assessed valuation (valued at 100% of market value)			5.97%
Per capita overlapping bonded debt			$ 5,107

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 **Table 12**
COMPUTATION OF LEGAL DEBT MARGIN
SEPTEMBER 30, 2009
(unaudited)

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, 2008, is $0.4735 per $100.00 with assessed valuation at 100% of market value.

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

Table 13

Fiscal Year	Total Operating Revenue	Direct Operating Expense	Net Revenue Available for Debt Service	Average Annual Debt Service Requirements			
				Principal	Interest	Total	Coverage
2000	60,100,870	38,956,651	21,144,219	2,391,779	929,567	3,321,346	6.37
2001	55,670,700	44,854,515	10,816,185	2,337,704	890,986	3,228,690	3.35
2002	63,036,735	47,308,016	15,728,719	2,236,385	848,490	3,084,875	5.10
2003	78,194,671	52,483,907	25,710,764	1,666,071	473,851	2,139,922	12.01
2004	74,706,630	54,579,731	20,126,899	1,568,586	414,900	1,983,486	10.15
2005	80,074,804	58,161,700	21,913,104	1,456,617	318,752	1,775,369	12.34
2006	89,735,898	61,879,529	27,856,369	1,322,784	218,834	1,541,618	18.07
2007	83,223,811	61,514,435	21,709,376	1,357,183	143,305	1,500,488	14.47
2008	99,931,712	64,224,159	35,707,553	1,169,492	107,551	1,277,043	27.96
2009	106,904,775	77,262,146	29,642,629	994,468	73,915	1,068,383	27.75

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

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

Table 14

Fiscal Year	Gross Revenue	Operating and Maintenance Expense	Gross Revenues Times Expense	Maximum Annual Debt Service Requirement			
				Principal	Interest	Total	Coverage
2000	2,911,277	1,373,898	2.12	580,000	715,250	1,295,250	2.25
2001	3,885,818	1,381,379	2.81	815,000	828,508	1,643,508	2.36
2002	4,529,784	1,660,378	2.73	1,330,000	318,631	1,648,631	2.75
2003	4,813,110	1,576,324	3.05	1,510,000	411,084	1,921,084	2.51
2004	4,856,102	1,619,998	3.00	1,510,000	411,084	1,921,084	2.53
2005	4,787,315	1,938,716	2.47	1,635,000	467,365	2,102,365	2.28
2006	5,620,198	2,062,502	2.72	1,700,000	515,468	2,215,468	2.54
2007	5,590,039	2,099,427	2.66	1,785,000	582,979	2,367,979	2.36
2008	5,490,072	2,248,948	2.44	1,795,000	732,503	2,527,503	2.17
2009	5,250,108	2,444,101	2.15	1,945,000	694,160	2,639,160	1.99

NOTE: 1995 is the first Fiscal Year of coverage for the bonds. Bond ordinance requires that revenues are at least equal to 1.00 times the operating and maintenance expenses (excluding depreciation) and 1.10 times the maximum annual debt service for all outstanding bonds.

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

Table 15

DEMOGRAPHICS					
Fiscal Year	**Population**	**Personal Income (thousands of dollars)**	**Per Capita Personal Income**	**PISD School Enrollment**	**Unemployment Rate (%)**
2000	233,200	6,720,560	28,819	46,115	2.2
2001	230,409	6,873,745	29,833	47,364	4.3
2002	235,949	8,360,561	35,434	50,632	5.6
2003	240,545	8,663,388	36,016	51,800	5.9
2004	246,098	8,337,833	33,880	51,244	3.8
2005	248,912	8,535,705	34,292	51,446	4.4
2006	254,082	9,491,143	37,355	53,181	4.0
2007	257,600	10,250,853	39,794	52,997	3.9
2008	261,500	10,861,901	41,537	53,683	4.8
2009	264,250	10,813,110	40,920	54,203	7.6

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

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

Table 16

2009			2000		
Employer	**Employees**	**Percentage of Total City Employment**	**Employer**	**Employees**	**Percentage of Total City Employment**
Bank of America Home Loans	9,410	6.86	Electronic Data Systems	10,530	8.48
J.C. Penney, Inc.	5,100	3.72	Alcatel	5,560	4.48
Electronic Data Systems	5,000	3.64	J.C. Penney, Inc.	3,700	2.98
Perot Systems Corporation	2,697	1.97	Countrywide Home Loans	3,000	2.42
Alcatel	2,023	1.47	Frito-Lay	2,400	1.93
CHC Acquisition Corporation	2,000	1.46	Perot Systems	1,500	1.21
Frito-Lay	2,000	1.46	J.C. Penney Direct Marketing Plans	1,200	0.97
Presbyterian Hospital of Plano	1,488	1.08	Medical Center of Plano	1,200	0.97
Capital One Auto Finance	1,415	1.03	Raytheon	1,200	0.97
Medical Center of Plano	1,348	0.98	Dr. Pepper/SevenUp Corporation	1,100	0.89
Total	32,481	23.67	Total	31,390	25.30

Sources: North Central Texas Council of Governments stastical and census data and Texas Workforce Commission.
NOTE: employment number based on 2000 census. Not available for 2001

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

Table 17

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
General government	64.5	63.5	65.0	67.0	62.5	63.0	64.0	64.0	63.0	60.0
Administrative services	79.5	86.0	79.0	74.5	77.5	73.0	75.0	82.0	80.5	77.0
Police	651.5	661.0	661.5	622.0	630.5	607.0	613.5	612.5	587.0	542.5
Fire	334.0	335.5	333.0	322.0	298.5	300.5	293.5	292.5	288.0	281.5
Libraries	156.0	172.0	170.0	167.0	161.0	161.5	173.0	174.5	170.5	148.5
Development	159.5	164.0	164.0	174.0	170.0	167.0	174.5	178.0	178.5	176.5
Public services and operations	66.0	64.0	66.5	64.0	71.0	66.5	68.5	66.5	68.0	62.5
Parks and recreation	378.0	376.5	311.5	303.5	299.5	301.5	293.0	300.0	263.5	228.5
Public works	61.5	65.5	61.0	63.0	64.0	62.5	61.0	65.0	62.5	69.0
Technology services	50.0	50.0	47.0	46.0	46.0	41.0	40.0	40.0	36.0	34.0
Water and sewer	153.0	146.5	147.5	139.5	144.5	148.5	139.0	143.0	137.0	119.0
Environmental waste services	93.0	90.5	89.5	85.0	86.5	86.0	83.5	85.0	84.0	69.0
Municipal drainage	19.0	18.0	18.0	18.0	18.5	18.0	18.0	15.0	15.5	15.5
Civic center	50.0	47.5	49.0	46.0	48.0	47.0	40.5	40.5	39.0	37.0
Municipal golf course	7.0	8.0	9.0	9.0	10.0	10.0	9.0	10.0	10.0	9.0
Recreation revolving	169.0	148.0	107.0	111.5	131.0	135.5	143.0	142.0	124.0	105.5
Total	2491.5	2496.5	2378.5	2312.0	2,319.0	2,288.5	2,289.0	2,310.5	2,207.0	2,035.0

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

Table 18

	Fiscal Year									
Function/Program	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Administrative Services										
Legal										
Ordinance/resolution review/preparation	552	658	677	605	525	500	700	600	600	775
Human Resources										
Full-time employees	1,387	1,422	2,050	1,991	1,952	1,840	1,856	1,890	1,875	1,765
Accounting										
Payment requests processed	81,677	86,869	82,630	84,642	76,872	70,000	84,000	58,000	70,000	70,000
Police										
Employees (uniformed)	341	344	343	335	329	323	315	322	315	309
Citations	92,133	87,801	79,224	101,199	93,502	101,804	109,422	102,345	88,204	69,736
Public Safety Communications										
911 calls*	234,876	228,214	165,194	169,559	168,560	161,332	178,410	177,398	182,848	159,853
911 dispatches*	229,669	222,252	146,277	150,904	142,993	146,592	137,212	141,008	134,670	131,312
Fire										
Employees (uniformed)	323	317	319	308	287	282	276	274	269	267
Fire runs	20,235	19,665	18,964	18,178	17,085	16,011	17,214	16,936	16,640	15,034
EMS runs	13,693	12,297	11,734	10,786	10,214	9,362	9,022	8,968	8,946	8,259
Libraries										
Volumes in collection	793,073	804,410	761,236	738,939	730,837	686,861	648,998	642,692	605,735	578,311
Registered borrowers	196,093	192,578	173,341	174,970	184,980	176,355	167,370	144,386	140,161	127,902
Development										
Building Inspections										
Inspections (all construction)	52,805	80,600	80,732	91,166	91,401	90,459	89,356	78,597	98,598	106,160
New construction permits issued	825	1,718	1,578	1,957	1,608	1,633	1,652	1,615	2,381	3,696
Engineering										
New Streets/Alleys paved (miles)	2	9	16	9	8	7	6	23	17	36
New Water lines installed (miles)	14	16	18	21	21	20	18	42	56	56
Public Services and Operations										
Environmental Health										
Inspections	3,931	3,961	3,909	3,445	3,593	3,476	3,292	2,984	2,602	2,852
Animal Control										
Animals impounded	8,728	8,307	6,241	5,464	6,848	5,413	5,546	5,723	3,544	6,192

(continued)

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

Table 18
(continued)

	Fiscal Year									
Function/Program	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Parks and Recreation										
Park maintain & operate per acre	768	393	491	462	543	524	NA	NA	NA	NA
Athletic field maintain & operate per acre	13,160	12,255	15,052	13,621	10,669	8,377	NA	NA	NA	NA
Recreation attendance	2,377,182	2,341,119	1,691,348	1,675,541	1,864,361	1,874,506	1,849,450	1,874,666	1,750,812	1,612,836
Recreation center members	22,083	38,341	16,371	15,849	16,412	14,815	15,498	20,274	19,795	15,388
Public Works										
Streets										
Street Excavate/Replace (Sq Ft)	863,190	857,592	1,005,678	828,864	469,602	752,382	779,175	835,587	409,014	456,858
Water and Sewer										
Water Customers	77,082	77,440	77,961	77,400	76,305	75,307	74,014	73,109	71,920	67,241
Average Daily Water Consumption (gal)	62,645,000	61,657,000	52,211,000	66,758,838	53,531,312	57,239,000	53,580,000	41,400,000	53,623,000	57,820,000
Maximum Storage Capacity (gal)	88,000,000	88,000,000	88,000,000	88,000,000	88,000,000	88,000,000	88,000,000	88,000,000	88,000,000	88,000,000
Environmental Waste Services (residential)										
Refuse collected (tons)	60,670	62,982	63,154	61,095	66,048	67,187	65,573	65,954	66,419	65,467
Bulky waste pickups (tons)	5,264	5,650	5,240	4,717	4,786	3,118	5,132	4,858	4,382	5,552
Recyclables collected (tons)	19,632	20,867	20,469	20,667	20,449	20,721	20,435	20,056	18,743	16,485
Yard trimmings collected (tons)	21,465	26,836	24,541	19,021	20,649	19,636	20,211	19,417	21,069	19,341
Municipal Drainage										
Environmental assessment requests	54	82	120	128	99	90	95	70	102	84
Storm sewer inlets maintained	10,483	4,139	10,483	10,200	9,800	9,500	9,050	9,078	8,972	8,700
Civic Center										
Event days booked and serviced	1,145	1,200	1,256	1,205	861	803	1,000	1,370	853	875
Municipal Golf Course										
Rounds of golf played	54,109	55,004	51,254	55,670	58,917	61,188	54,654	61,428	66,183	70,342
Recreation Revolving										
Courses completed	6,822	6,896	6,504	6,220	6,514	6,005	5,270	5,670	5,551	4,701

Source: City Departments
Notes: N/A - Data not available.
*911 calls and 911 dispatches include all calls to 911 which represents both police and fire
Operating indicators are not available for the general government, technology services, property management or downtown center development functions.

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

Table 19

	Fiscal Year									
Function/Program	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Police										
Number of stations	3	3	3	1	1	1	1	1	1	1
Number of patrol units	166	189	135	140	115	109	113	103	113	NA
Number of motorcycle units	6	6	8	9	8	9	9	9	10	NA
Fire										
Number of stations	11	11	11	10	10	10	10	10	10	10
Number of fire engines/trucks	22	22	21	21	20	19	NA	NA	NA	NA
Number of EMS trucks	7	7	8	9	8	8	NA	NA	NA	NA
Libraries										
Number of libraries	5	5	5	5	5	5	5	5	5	4
Development										
Planning										
Streets- Paved (miles)	1014	1012	1004	990	980	973	966	961	944	903
Alleys- Paved (miles)	517	517	516	515	513	512	512	512	506	494
Public Services and Operations										
Animal Services										
Animal control trucks	8	15	14	11	7	7	7	NA	NA	NA
Parks and Recreation										
Parks* (acres)	3858	3858	3858	3,827	3,820	3,809	3,658	3,657	3,638	3,464
Athletic fields	179	179	175	175	175	175	175	187	187	188
Playgrounds	71	71	68	67	60	68	63	59	59	59
Recreation centers	5	5	5	4	4	3	3	3	3	3
Tennis centers	1	1	1	1	1	1	1	1	1	1
Senior centers	1	1	1	1	1	1	1	1	1	1
Aquatic/Natatorium	9	9	4	3	3	3	3	3	3	3
Public Works										
Traffic signals	212	211	207	205	203	197	193	186	180	166

(continued)

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

Table 19
(continued)

Function/Program	Fiscal Year 2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Water and Sewer										
Water mains (miles)	1351	1335	1317	1,295	1,268	1,248	1,226	1,207	1,164	1,077
Sanitary sewers (miles)	1001	999	992	981	968	959	952	923	923	874
Fire hydrants	14,369	14,109	13,840	13,555	13,224	12,906	12,646	12,356	11,774	10,622
Environmental Waste Services										
Collection trucks	45	45	42	38	37	NA	NA	NA	NA	NA
Municipal Drainage										
Storm sewers (miles)	656	646	635	622	467	600	590	466	466	345
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

Grant Thornton

Report of Independent Certified Public Accountants on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements in Accordance with *Government Auditing Standards*

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of The City of Plano, Texas (the City) as of and for the year ended September 30, 2009, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 31, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America as 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing an opinion on the financial statements, 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.

A deficiency in internal control over financial reporting exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis.

A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described above and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses in the City's internal control over financial reporting. We did not identify any deficiencies in the City's internal control over financial reporting that we consider to be material weaknesses, as defined above.

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Compliance and Other Matters

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

We noted certain matters that we have reported to management of the City in a separate letter dated December 31, 2009.

This report is intended solely for the information and use of the Mayor, City Council, management, federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Grant Thornton LLP

Dallas, Texas
December 31, 2009

Grant Thornton

Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 and the State of Texas Single Audit Circular

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

Compliance

We have audited the compliance of the City of Plano, Texas (the City) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal and state programs for the year ended September 30, 2009. The City's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal and state programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America as established by the American Institute of Certified Public Accountants; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and the State of Texas Single Audit Circular (SAC). Those standards, OMB Circular A-133 and SAC require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the year ended September 30, 2009.

Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to the federal or state programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program as a basis for designing our audit procedures for the purpose of expressing an opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, we express no such opinion.

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A control deficiency in a City's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance on a timely basis with a type of compliance requirement of a federal or state program. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to administer a federal or state program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal or state program that is more than inconsequential will not be prevented or detected.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented or detected.

Our consideration of internal control over compliance was for the limited purpose described above and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Mayor, City Council, management, federal or state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Grant Thornton LLP

Dallas, Texas
December 31, 2009

CITY OF PLANO, TEXAS

Schedule of Expenditures of Federal Awards

September 30, 2009

Federal grantor/pass-through grantor/program title	Federal CFDA number	Pass-through Entity identifying number	Federal Expenditures
U.S. Department of Homeland Security:			
Passed through Governor's Division of Emergency Management			
2007 Law Enforcement Terrorism Prevention Program	97.074	07-GA 58016-03	$ 152,350
2007 Urban Areas Security Initiative	97.008	07-GA 58016-03	120,500
2008 Urban Areas Security Initiative	97.008	08-SR 58016-01	11,141
Passed through North Central Texas Council of Governments			
2007 State Homeland Security Program	97.073	N/A	18,370
Passed through Texas Engineering Extension Services			
Texas Task Force One	97.025	N/A	1,598
Total U.S. Department of Homeland Security			303,959
U.S. Department of Housing and Urban Development:			
Community Development Block Grant	14.218	B09-MC-48-0035	1,025,412
HOME Program	14.239	M09-MC-480234	476,601
Homelessness Prevention and Rapid Re-Housing Program-ARRA	14.257	S09-MY-48-0013	265
Total U.S. Department of Housing and Urban Development			1,502,278
U.S. Department of Justice:			
Bulletproof Vest Partnership Program	16.607	N/A	8,539
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2007-DJ-BX-0167	2,333
Organized Crime Drug Enforcement Task Force	16.xxx	N/A	34,130
Subtotal Direct Programs			45,002
Passed through the Office of the Attorney General			
Project Safe Neighborhoods	16.609	806018	53,322
Passed through Navarro County Sheriff's Office			
HIDTA – North Texas	16.xxx	Various	16,290
Total U.S. Department of Justice			114,614
U.S. Department of Transportation:			
Passed through Texas Department of Transportation-			
STEP – Comprehensive	20.600	588EGF6092	242,881
STEP – Impaired Driving Mobilization	20.601	588EGF6013	19,935
STEP – Click It or Ticket	20.609	588XXF6023	4,090
Total U.S. Department of Transportation			266,906
U.S. Department of Treasury:			
FBI Computer Crime Lab Task Force	21.xxx	N/A	1,204
Joint Terrorism Task Force	21.xxx	N/A	1,750
North Texas Asset Forfeiture Task Force	21.xxx	N/A	16,559
North Texas Financial Crimes Task Force	21.xxx	N/A	7,965
Total U.S. Department of Treasury			27,478
U.S. Environmental Protection Agency:			
Passed through the Texas Commission Environmental Quality			
City of Plano Air Quality	66.605	582-8-89283	211,586
Total U.S. Environmental Protection Agency			211,586
Total federal expenditures			$ 2,426,821

The accompanying notes are an integral part of this schedule.

CITY OF PLANO, TEXAS

Schedule of Expenditures of State Awards

September 30, 2009

State grantor/pass-through grantor/program title	Pass-through Entity identifying number	State Expenditures
Governor's Division of Emergency Management:		
Passed through Texas Engineering Extension Service		
Hurricane Ike-State Mutual Aid	N/A	$ 5,196
Wildfires April 2009-State Mutual Aid	N/A	21,950
Total Governor's Division of Emergency Management		27,146
Office of Attorney General:		
Texas Crime Victims Compensation	N/A	33,309
Total Office of the Attorney General		33,309
Texas Commission on Environmental Quality:		
Passed through the North Central Texas Council of Governments		
Commercial Recycling Incentive Program	08-04-G02	16,250
Multi-Family Recycling Program	08-04-G28	12,681
CFL Recycling	08-04-G29	15,220
Recycle Bank Pilot Project	09-04-G19	58,995
Compost Fair Enhancement Project	09-04-G21	25,065
Total Texas Commission on Environmental Quality		128,211
Texas Department of Transportation		
Rasor-Ohio to SH121	CSJ# 0918-24-159	737,411
Total Texas Department of Transportation		737,411
Texas Office of the Governor/Comptroller		
Law Enforcement Officer Standards and Education	N/A	21,944
Total Texas Office of the Governor/Comptroller		21,944
Texas State Library and Archives Commission		
Loan Star Libraries Grant	442-09389	124,530
Loan Star Libraries Grant	442-10212	480
Total State Library and Archives Commission		125,010
Total state expenditures		$ 1,073,031

The accompanying notes are an integral part of this schedule.

CITY OF PLANO, TEXAS

Notes to Schedule of Expenditures of Federal and State Awards

September 30, 2009

(1) General

The accompanying schedule of expenditures of federal and state awards includes the federal and state grant activity of the City of Plano, Texas (the City) and is presented on the modified accrual basis of accounting. The information in these schedules is presented in accordance with the requirement of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations.* Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

The City's reporting entity is defined in note 1 to the City's basic financial statements. Federal and state awards received directly from federal and state agencies as well as federal and state awards passed through other government agencies are included on the schedule.

(2) Subreceipients

The City provided approximately $322,000 and $204,000 to subrecipients from the Community Development Block Grant and HOME program, respectively.

(3) Loans

At September 30, 2009, the amount of loans outstanding related to the Community Development Block Grant and HOME Program were approximately $859,000 and $96,000, respectively.

CITY OF PLANO

TEXAS

JUNE 2, 1873

City of Plano, Texas

SHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended September 30, 2009

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
• Material weakness identified?	No
• Significant deficiencies identified that are Not considered to be material weaknesses?	None reported
Noncompliance material to financial statements Noted?	No

Federal and State Awards

Internal controls over major program:	
• Material weakness identified?	No
• Significant deficiencies identified that are Not considered to be material weaknesses?	None reported
Type of auditor's report issued on compliance for Major program:	Unqualified
Any audit findings disclosed that are required to be Reported in accordance with section 510(a) of Circular A-133?	No
Identification of major program:	

CFDA/Grant Number/State Identification Number	Name of Federal Program or Cluster
Major Federal Programs:	
20.600, 20.601, 20.609	Highway Safety Cluster
14.239	Home
Major State Program:	
n/a	TxDot SH-121 Razor Road

Dollar threshold used to distinguish Between type A and type B programs:	$300,000 for federal programs $300,000 for state programs
Auditee qualified as low-risk auditee?	Yes

City of Plano, Texas

SHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended September 30, 2009

SECTION II - FINDINGS RELATED TO THE FINANCIAL STATEMENTS

The results of our procedures disclosed no findings to be reported for the year ended September 30, 2009.

SECTION III - FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS

The results of our procedures disclosed no findings to be reported for the year ended September 30, 2009.

SECTION IV - SUMMARY OF PRIOR YEAR AUDIT FINDINGS

There were no findings reported for the year ended September 30, 2008.