



# Comprehensive Annual Financial Report

For Fiscal Year Ended September 30, 2015

Town of Fairview, Texas



# VISION

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Fairview will be recognized as one of the best small towns in Texas for families and businesses, with a unique quality of life that combines upscale residential country living with vibrant urban conveniences and accountable, fiscally responsible governance.



# MISSION

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**Fairview is a community that:**

- Preserves a small town "country feel" in residential areas;
- Maintains an open dialogue with residents, businesses, school districts, and other customers;
- Recognizes and protects the natural features in the community in partnership with developers;
- Promotes high quality economic development within the Town's commercial corridor;
- Provides municipal services of the highest standard through a professional work force that is guided by a strong customer service culture; and,
- Provides great value to its residents through sound fiscal

**TOWN OF FAIRVIEW, TEXAS  
COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FISCAL YEAR ENDED  
SEPTEMBER 30, 2015**

**AS PREPARED BY THE  
FINANCE DEPARTMENT**



**TOWN OF FAIRVIEW, TEXAS  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015**

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## **INTRODUCTORY SECTION**





372 Town Place • Fairview, TX 75069 • Town Hall 972-562-0522

February 26, 2016

To the Honorable Mayor,  
Members of the Town Council,  
and the Citizens of the Town of Fairview, Texas:

The Town of Fairview Finance Department is pleased to submit the Comprehensive Financial Report (CAFR) for the fiscal year ending September 30, 2015. The Town's Finance Department has prepared the Report and is responsible for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures. We believe that the Town's current system of internal controls adequately safeguards assets and provides reasonable assurance of proper recording of financial transactions. To the best of our knowledge and belief, the enclosed data is complete and reliable in all material respects. All disclosures necessary to enable the reader to gain an understanding of the Town's financial activities have been included.

Also included in this report is an unmodified (clean) opinion on the Town of Fairview's financial statements for the year ended September 30, 2015 issued by Weaver, L.L.P. The independent auditors' report is located in the beginning of the financial section of the CAFR.

### **The Reporting Entity**

This report includes all funds of the Town including its component units. The Town's component units are legally separate entities for which the Town is financially accountable but are not part of the Town's operations. The Town's discretely presented component units are:

- Fairview Economic Development Corporation
- Fairview Community Development Corporation

### **Profile of the Government**

The Town of Fairview was incorporated in 1958. The Town is located in Collin County and is approximately 27 miles north of downtown Dallas on US Highway 75. It currently occupies 9.2 square miles and serves a population of approximately 8,500. The Town is empowered to levy a property tax on both real and personal property located within its boundaries. It is also empowered by state statute to extend its corporate limit by annexation, which it has done from time to time.

The Town of Fairview has operated under the council-manager form of government since 2006, when the home rule charter was adopted. Policy making and legislative authority is vested in the Town Council, which consists of a Mayor and six Councilmembers, all elected at large to two year staggered terms. The Council appoints the Town's Manager, who in turn appoints the heads of the various departments and is responsible for the day to day operations of the Town.

The Town of Fairview provides a full range of services, including police and fire protection, the construction and maintenance of streets and other infrastructure; planning and zoning, parks and recreation, general administrative services and public utilities. The Town's utilities include water and sewer, sanitation and drainage services. The North Texas Municipal Water District ("NTMWD") provides water and sewer treatment for the Town on a "take-or-pay" basis; and Republic Services provides solid waste collection. The Town's drainage utility operates to mitigate drainage and environmental hazards and is self-supporting with fees billed monthly to all residential and commercial customers.

The Council is required to adopt a final budget by no later than the close of the fiscal year. This annual budget serves as the foundation for the Town of Fairview financial planning and control. The budget is prepared by fund and department.

### **Factors Affecting Financial Condition**

The information presented in the financial statements is best understood when considered from the broader perspective of the specific environment within which the Town of Fairview operates.

#### **Local Economy**

The Town of Fairview is situated in the Dallas/Ft. Worth Consolidated Metropolitan Statistical Area and is located in Collin County. Until 2006 the Town was primarily a bedroom community. In 2006 the Town entered into an agreement with the Herring Group that, over the next several years, brought 900,000 square feet of new shopping, dining and entertainment space with the development of the Villages of Fairview ("Villages"). The Villages includes three anchor stores, Macy's, J C Penney's, and Dillard's, along with multiple restaurants, smaller retailers and entertainment venues. The Town has seen the sales taxes generated each year increase since the Villages opened. In fiscal year 2007 sales taxes represented 7.4% of the General Fund budget. In fiscal year 2015, that had increased to 21.2%. This development has also opened up additional commercial land for development. In fiscal year 2012, the Town entered into a public-private partnership with the Noah's Corporation to construct a 9,000 square foot conference facility. The Town owns the land and the building and Noah's operates the facility under a long term lease contract, which generated \$242,539 in revenue for the Town in fiscal year 2015.

Property tax revenues have also seen significant increases both in the commercial area with the construction of the Villages along with a continued strong residential property tax base. The tax base in fiscal year 2015 grew by 7.65%, while the average market value for a home in Fairview was \$424,559.

The economy is very strong in Fairview. The Fairview unemployment rate for September 2015 was 3.5%, compared to 4.4% for Texas and 5.1% nationwide (not seasonally adjusted).

### Financial Policies

The Town Council has adopted and routinely updates the financial policies of the Town. The majority of the financial policies were updated in May of 2012. In November 2013, the Town formally adopted the Governmental Accounting Standards Board (GASB) Statement No.54 “Fund Balance Reporting and Governmental Fund Type Definitions” and revised the Town’s fund balance policy. These policies have guided the Town and have resulted in strong fund balances and conservative budgeting practices. The General Fund unassigned fund balance policy sets a goal of 25% of appropriations. The Town has exceeded this level for many years; therefore, the revised policy provides any unassigned fund balance in the General Fund exceeding 50% of budgeted appropriations will be placed in a committed fund to fund future capital or one-time expenditures. The current fund balance is estimated at over 53% of General Fund appropriations.

The Town retains strong bond ratings with the most recent upgrade in September 2013 by Standard and Poor’s from an AA- to a rating of AA+ and reaffirmation of Moody’s rating of Aa2.

### Long Term Planning

The Town Council and staff recognize the need for long range planning. It is the goal of the Town government to provide responsible leadership, services, and infrastructure to achieve a safe environment and provide for a high quality of life. Below is a discussion of the current planning being undertaken by the Town.

### Strategic Planning

Annually the Town Council meets in a strategic planning retreat to outline the goals of the Town for the next 12- 18 months. Out of the retreat an action plan is developed by staff and approved by the Council. This action plan is considered in budget planning and provides direction for both the Council and staff going forward. The most recent update to the plan occurred in 2015 with the emphasis on several initiatives including the completion of a comprehensive update to the Town’s capital improvement plan, the consideration of alternative water sources for the Town, focus on the next steps for implementation of the plans for the commercial district, updating the Town’s park and trail plan, and improving the Town’s communication tools.

### Current Planning Projects

The Town recently completed an update to the comprehensive land use plan for the Town. Included in that plan were a number of initiatives that would move the Town forward in the development of the commercial district including the creation of a Tax Increment Financing (TIF) district; completion of the drainage, water and sewer master planning for the Commercial Planned Development District (CPDD), and planning for the expansion of Fairview Parkway and Frisco Road, two primary roadways within the CPDD. In 2015 the TIF district for the CPDD was established and the Town initiated the planning studies to complete a master drainage plan and updates to the Town’s roadway, water and sewer master plans.

Along with the updates to the master plans, the impact fees for water, sewer and roadways were updated. The Town has also entered into an engineering agreement to complete the preliminary design and right of mapping on Fairview Parkway and Frisco Road.

Additionally, the Town initiated the completion of a long range facilities plan for the future needs of the Town. This plan identifies the amount of building space that should be needed by for town functions at full build out.

Another planning effort that was completed in 2015 was an update to the Town's economic plan. This action updated the goals of the Town's economic development efforts and will be tied to the update of the Commercial Planned Development District.

### Capital Improvement Planning

The Town has maintained and updated a capital plan for facilities and infrastructure. In 2012 the Council approved a three-year plan to reconstruct most of the existing asphalt streets in Town. The first phase was completed in the summer of 2012 with a total expenditure of approximately \$1,500,000. In 2013, the Council authorized the completion of the plan by combining phases 2 and 3 into a single bond issue. In fiscal year 2014, a total of \$3,565,000 in certificates of obligation were issued to fund these improvements. In fiscal year 2015, the majority of phases 2 and 3 of the street rehabilitation program were completed.

As identified above, one of the primary goals of the update to the strategic plan is the completion of the update of the capital improvement plan, which will include timing, estimated costs and a financing plan for the identified improvements. This updated plan will include needed improvements for the implementation of the Commercial Planned Development District along with other Town needs. The plan will be considered by the Town Council in 2016.

Major capital projects planned in the near future, under construction or recently completed by other agencies including TxDOT and North Texas Municipal Water District which impact Fairview include:

1. The widening of a section of Stacy Road from Highway 5 to FM-1378 from 2 lanes to 4 lanes. This project is planned for construction beginning in 2016.
2. Corridor improvements to US 75 including lane widening and ramp adjustments. This project began in 2014 and should be complete by 2016.
3. The reconstruction of a section of east Stacy Road from Thompson Springs to Orr Road is planned with construction to start in late 2016.

### Utilities

The Town of Fairview purchases its water from and has its sewer treated by North Texas Municipal Water District ("NTMWD"). NTMWD has a long range plan for providing treated water to its member and customer cities and each year portions of that plan are implemented along with the rates necessary to fund the plans. In fiscal year 2013 the Town completed a water and sewer rate study that recommended the need for adjustments in the water and sewer rates over the succeeding five years. As a result of that study the Town implemented a 15% rate increase in fiscal year 2015.

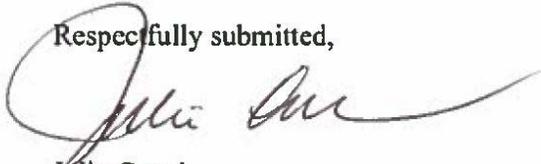
The Town has contracted in fiscal year 2016 to update the water and sewer rate study to evaluate the need for future rate adjustments based on both operational and future capital needs.

**Acknowledgements**

The preparation of the comprehensive annual financial report would not have been possible without the efficient and dedicated service of the staff of the finance and administration department who worked on the report. Each member involved in this effort has my sincere appreciation for the contributions made in the preparation of this report.

Credit must also be given to the governing body of the Town, the Mayor and the members of the Town Council, for their leadership and support in maintaining the highest standards in the financial management of the Town of Fairview.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Julie Couch", with a long, sweeping flourish extending to the right.

Julie Couch  
Town Manager



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Town of Fairview  
Texas**

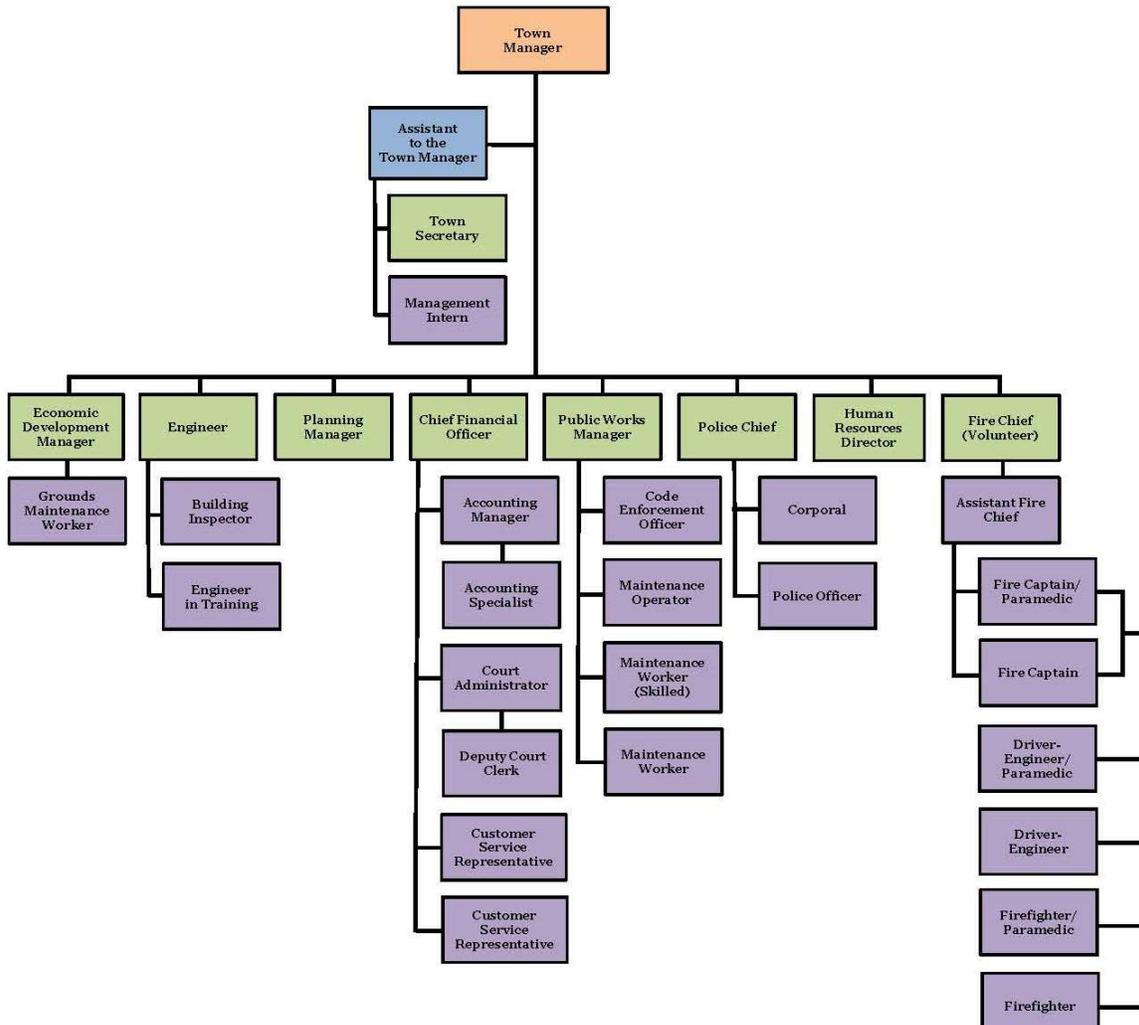
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2014**

Executive Director/CEO



# Organizational Chart



**TOWN OF FAIRVIEW, TEXAS**  
Town Officials

<u>Title</u>	<u>Name</u>
Mayor	Darion Culbertson
Mayor Pro Tem & Seat 4	Henry Lessner
Councilmember - Seat 1	Ron Samuels
Councilmember - Seat 2	John Adler
Councilmember - Seat 3	Frank O'Reilly
Councilmember - Seat 5	Paul Hendricks
Councilmember - Seat 6	Renee Powell
Town Manager	Julie Couch
Assistant to the Town Manager	Adam Wilbourn
Town Secretary	Elizabeth Cappon
Town Engineer	James Chancellor
Economic Development Manager	Ray Dunlap
Police Chief	Granver Tolliver
Interim Fire Chief	Jeff Bell
Public Works Manager	Aron Holmgren
Chief Financial Officer	Jason B. Weeks
Interim Planning Manager	Robert LaCroix
Human Resources Director	Judy Webster

## **FINANCIAL SECTION**





## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor,  
Town Council, and Town Manager  
Town of Fairview, Texas

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Fairview (the Town), as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the Town, as of September 30, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Change in Accounting Principles***

As discussed in Note 10 to the financial statements, in 2015 the Town adopted new accounting guidance, GASB Statement No. 68, "Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27" and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date". Our opinion is not modified with respect to this matter.

***Other Matters***

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, and Texas Municipal Retirement System pension schedules on pages 4-14, 47-48, and 49-51, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

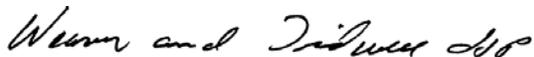
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 25, 2016, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.



WEAVER AND TIDWELL, L.L.P.

Dallas, Texas  
February 25, 2016





## MANAGEMENT DISCUSSION & ANALYSIS

For the year ended September 30, 2015  
(unaudited)

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The following discussion and analysis of the Town of Fairview (the Town) financial performance provides an overview of the Town's financial activities for the fiscal year ended September 30, 2015. Please read it in conjunction with the transmittal letter at the front of this report and the Town's financial statements, which follow this section.

### FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$26,608,205. Of this amount, \$9,627,601 may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position increased by \$597,853. The primary reason for the increase was a \$1,786,682 increase in revenue, while expenses decreased \$454,730 during 2015.
- As of the close of the current fiscal year, the Town of Fairview's governmental funds reported combined ending fund balances of \$7,212,659, an increase of \$104,252 in comparison with the prior year. The primary reason for the increase in fund balance is due to \$102,000 debt payments paid from the Water and Sewer Fund that had originally been budgeted to be paid from the Debt Service Fund.
- The \$4,056,344 unassigned fund balance in the General Fund represents 60.2% of the total General Fund expenditures.
- The Town's long-term liabilities decreased by \$1,293,680 (-4.51%) during the current fiscal year. The key factor in this decrease was the retirement of \$1,834,999 General Obligation and Certificates of Obligation bonds during 2015.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the Town's basic financial statements. The Town'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 Town's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the Town's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating. To assess the overall health of the Town, other non-financial factors should also be taken into consideration, such as changes in the Town's property tax base and the condition of the Town's infrastructure.

The Statement of Activities presents information showing how the government's net position changed during the 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 in this statement for some items that will only result in cash flows in future periods (e.g., uncollected taxes and earned but unused vacation leave). Both the statement of net position and the statement of activities are prepared utilizing the accrual basis of accounting.



MANAGEMENT DISCUSSION & ANALYSIS  
For the year ended September 30, 2015  
(unaudited)

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Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town include general government, public safety, transportation and recreation. The business-type activities of the Town include water and sewer, solid waste, and stormwater services. The government-wide financial statements include not only the Town of Fairview itself (known as the primary government), but also two discretely presented component units. The Town's sales tax corporations are the Fairview Economic Development Corporation (EDC) and Fairview Community Development Corporation (CDC). Although legally separate, these component units operate under the criteria of board appointment and removal by the Town Council.

The government-wide financial statements can be found on pages 15-17 of this report.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund financial statements provide detailed information about the most significant funds, not the Town as a whole. Some funds are required to be established by state law or bond covenants. However, the Town Council also establishes 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. All of the funds of the Town of Fairview can be divided into two categories: governmental funds, and proprietary funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town of Fairview maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the debt service fund and the capital projects fund, all of which are considered to be major funds. Data from the other two governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The Town of Fairview adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 18-21 of this report.

**Proprietary funds.** The Town of Fairview maintains one type of proprietary funds: enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses enterprise funds to account for the water and sewer fund, the solid waste fund and the stormwater fund.



MANAGEMENT DISCUSSION & ANALYSIS  
 For the year ended September 30, 2015  
 (unaudited)

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer fund, the solid waste fund, and the stormwater fund, all of which are considered to be major funds of the Town of Fairview.

The basic proprietary fund financial statements can be found on pages 22-25 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 26-46 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, the Town adopts an annual appropriated budget for the General Fund. A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with this budget as required supplementary information. In addition, the Town presents a schedule of changes in net pension liability and a schedule of contributions as required supplementary information.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

This analysis focuses on net position (Table 1) and the change in net position (Table 2).

The Town's combined net position was \$26,608,205 as of September 30, 2015. Analyzing the net position of the governmental and business-type activities separately, governmental activities' net position was \$14,629,062 while business-type activities' net position was \$11,979,143.

The largest portion of the Town's net position, \$15,583,786, or 58.6%, reflects its investment in capital assets (e.g., land, buildings, machinery, equipment and infrastructure); less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town'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 capital assets themselves cannot be used to liquidate these liabilities.

A portion of the Town's net position, \$1,396,818, or 5.2%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of net position, \$9,627,601, or 36.2%, is unrestricted and may be used to meet the Town's ongoing obligations to citizens and creditors.

Table 1  
 Condensed Statement of Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
Current and Other Assets	\$ 8,429,662	\$ 8,033,138	\$ 5,505,379	\$ 5,797,552	\$ 13,935,041	\$ 13,830,690
Capital Assets	26,980,348	26,817,509	14,289,128	14,818,382	41,269,476	41,635,891
Total Assets	35,410,010	34,850,647	19,794,507	20,615,934	55,204,517	55,466,581
Deferred Outflows	278,383	11,274	69,229	18,718	347,612	29,992
Current liabilities	1,014,352	915,805	551,313	519,918	1,565,665	1,435,723
Noncurrent liabilities	20,044,979	20,038,325	7,333,280	8,012,173	27,378,259	28,050,498
Total liabilities	21,059,331	20,954,130	7,884,593	8,532,091	28,943,924	29,486,221
Deferred Inflows	-	-	-	-	-	-
Net position:						
Net investment in capital assets	8,453,481	8,831,097	7,130,305	6,895,590	15,583,786	15,726,687
Restricted	963,871	763,447	432,947	428,058	1,396,818	1,191,505
Unrestricted	5,211,710	4,313,247	4,415,891	4,778,913	9,627,601	9,092,160
Total net position	\$ 14,629,062	\$ 13,907,791	\$ 11,979,143	\$ 12,102,561	\$ 26,608,205	\$ 26,010,352



MANAGEMENT DISCUSSION & ANALYSIS  
 For the year ended September 30, 2015  
 (unaudited)

The following table (Table 2) provides a summary of the Town's operations for the year ended September 30, 2015. Governmental activities increased the Town's net position by \$721,271 while business-type activities decreased the Town's net position by \$123,418, resulting in a \$597,853 increase in total net position. The key elements of this decrease are as shown as follows:

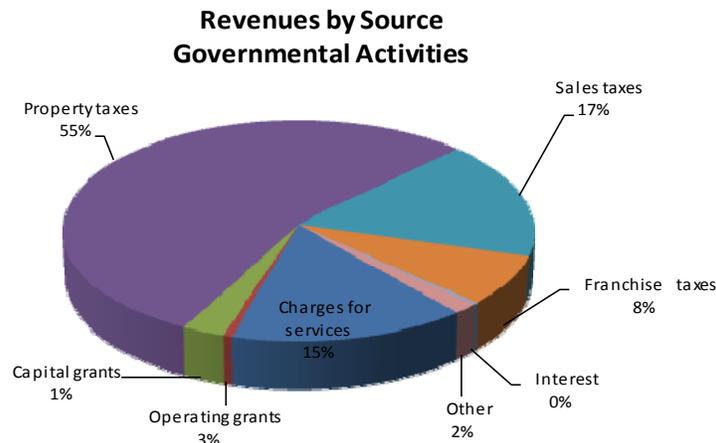
**Table 2**  
**Changes in Net Position**

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
<b>Revenues:</b>						
<b>Program revenues:</b>						
Charges for Services	\$ 1,375,716	\$ 1,264,644	\$ 5,820,787	\$ 4,644,418	\$ 7,196,503	\$ 5,909,062
Operating Grants and Contributions	52,040	230,192	-	-	52,040	230,192
Capital Grants and Contributions	243,087	77,235	-	-	243,087	77,235
<b>General revenues:</b>						
Property Taxes	4,886,063	4,508,845	-	-	4,886,063	4,508,845
Sales Taxes	1,519,038	1,453,410	-	-	1,519,038	1,453,410
Franchise Taxes	668,896	648,845	-	-	668,896	648,845
Mixed Beverage Taxes	77,344	76,705	-	-	77,344	76,705
Investment Income	24,730	23,124	278	1,391	25,008	24,515
Other	63,237	15,725	-	-	63,237	15,725
<b>Total Revenues</b>	<b>8,910,151</b>	<b>8,298,725</b>	<b>5,821,065</b>	<b>4,645,809</b>	<b>14,731,216</b>	<b>12,944,534</b>
<b>Expenses:</b>						
General Government	2,156,109	2,788,994	-	-	2,156,109	2,788,994
Public Safety	4,354,155	3,954,689	-	-	4,354,155	3,954,689
Public Works	573,697	1,201,904	-	-	573,697	1,201,904
Inspectors	96,066	103,084	-	-	96,066	103,084
Municipal Court	181,945	158,773	-	-	181,945	158,773
Parks and Recreation	156,003	162,512	-	-	156,003	162,512
Interest on Long-Term Debt	674,175	778,182	-	-	674,175	778,182
Water Services	-	-	4,583,863	4,210,865	4,583,863	4,210,865
Sewer Services	-	-	356,757	195,017	356,757	195,017
Solid Waste Services	-	-	581,617	615,097	581,617	615,097
<b>Total expenses</b>	<b>8,192,150</b>	<b>9,148,138</b>	<b>5,522,237</b>	<b>5,020,979</b>	<b>13,714,387</b>	<b>14,169,117</b>
<b>Increase (decrease) in Net Position</b>						
Before Transfers	718,001	(849,413)	298,828	(375,170)	1,016,829	(1,224,583)
Transfers	353,772	349,716	(353,772)	(349,716)	-	-
<b>Change in Net Position</b>	<b>1,071,773</b>	<b>(499,697)</b>	<b>(54,944)</b>	<b>(724,886)</b>	<b>1,016,829</b>	<b>(1,224,583)</b>
Net Position at beginning of year (as previously stated)	13,907,791	14,407,488	12,102,561	12,827,447	26,010,352	27,234,935
Cumulative effect of change in accounting principle	(350,502)	-	(68,474)	-	(418,976)	-
<b>Net Position, End of Year</b>	<b>\$ 14,629,062</b>	<b>\$ 13,907,791</b>	<b>\$ 11,979,143</b>	<b>\$ 12,102,561</b>	<b>\$ 26,608,205</b>	<b>\$ 26,010,352</b>



MANAGEMENT DISCUSSION & ANALYSIS  
For the year ended September 30, 2015  
(unaudited)

**Governmental activities.** The Town's revenues for governmental activities are detailed as follows:



Revenues for the Town's governmental activities increased by \$611,426 or 7%. Major components of the increase are as follows:

**Taxes:**

- The majority of the increase in taxes can be attributed to the 7.7% increase in net taxable property assessed valuation in fiscal year 2015 of \$1,335,379,331 compared to previous year of \$1,239,638,026.
- Due to the growth in the economy, sales tax revenue increased by \$65,628 or 4.5% from previous year due to increased sales within the commercial planned development district.
- Franchise fee revenue increased by \$20,051 or 3.1% from previous year due to a warmer summer in 2015.

**Charges for services:**

- The primary reason for the increase in charges for services is attributed to the Town beginning to provide in-house emergency medical services (EMS) in April 2015. Charges for services increased by \$111,702 or 8.8% during 2015.

**Permits:**

- Permits increased by \$98,671 or 36.7% from previous year due to increase in commercial building permits issued in the current fiscal year. In fiscal year 2015, the Town issued 14 commercial building permits compared to the previous year of one. These 14 commercial building permits were in relation to a new apartment complex being built along Highway 5.

**Fines and forfeitures:**

- In fiscal year 2015, municipal court began using a collection firm for delinquent fines and fees at no additional costs to the Town. Fines and forfeitures increased by \$46,654 or 12.7%, which can be attributed to the Town collecting additional delinquent fines and fees that had not been recorded in previous years.

**Intergovernmental:**

- The Town received funding from Lovejoy ISD in the amount of \$17,400 to provide public safety traffic control within the Lovejoy ISD system in Fairview during 2015.



MANAGEMENT DISCUSSION & ANALYSIS  
For the year ended September 30, 2015  
(unaudited)

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Overall, expenses for governmental activities decreased by \$955,988 or 10%. Components of the individual expense increases and decreases are explained as follows:

General Government:

- In the previous fiscal year, the auditors recommended the Town to review the reimbursement process for the Town's economic development agreement with MG Herring Group for sales tax refunds; therefore, in order to accurately account for these sales tax refunds the Town decreased expenditures in the current fiscal year by \$363,166 or 72.6% to account for this new process. In the Administration department, building repairs and maintenance costs increased by \$15,786 due to the Town adding year-round janitorial services, while legal services decreased \$29,130 due to less litigation during 2015.
- In the current fiscal year, the Town outsourced the monthly newsletter at no cost to the Town; therefore, the mayor and council department expenditures decreased by \$9,627 in 2015.
- Accounting department personnel costs increased by \$15,140 or 5.7% in the current fiscal year due to merit raises for three staff members, which included a full-year funding for the Chief Financial Officer's salary and benefits. In fiscal year 2015, the Town purchased additional software to provide transparency government (\$4,500), which will be implemented in fiscal year 2016.
- The town secretary personnel costs decreased \$17,282 due to the Town hiring a person to fill the town secretary vacancy, while purchased services increased by \$7,163 due to the Town hiring a search firm consultant to recruit for the vacant town secretary position.
- Planning and zoning purchased services increased by \$23,403 due to the hiring of the urban design services consultant.
- Technology expenses decreased \$21,119 or 14.9% in the current fiscal year due to decreased purchases of computer hardware and software.

Public Safety:

- Police department increased expenditures for fiscal year 2015 by \$125,852 or 8.5% due to increased personnel costs and purchased services expenditures. The police department personnel costs increased by \$109,004 or 9.4% compared to the previous fiscal year due to being fully staffed along with the merit salary increases implemented at the beginning of October 2014.
- Fire department increased expenditures by \$254,724 or 12.1% compared to the previous fiscal year primarily due to the Town bringing emergency medical services (EMS) in-house.
  - Personnel costs increased \$309,172 or 22.8% compared to the previous fiscal year due to the need to have more full-time and part-time firefighters on staff as opposed to relying on volunteers to provide adequate staffing coverages for each shift. In addition, the increased costs are due to added staff to EMS in-house beginning April 2015.
  - Medical supplies and fire equipment/uniforms expenditures increased by \$69,225 due to the Town receiving a \$12,500 grant from CoServ to be spent on these items, along with additional expenditures related to converting the emergency medical services in-house.
  - The Town did not begin operating EMS in-house until April 2015; therefore, the Town had to contract with American Medical Response (AMR) for services up-through April 2015, which decreased outsourcing costs by \$175,872.



MANAGEMENT DISCUSSION & ANALYSIS  
For the year ended September 30, 2015  
(unaudited)

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Public Works:

- The Town budgeted additional funding for public works to purchase more asphalt and concrete materials to maintain the current roadway infrastructure in Fairview, but resulted in spending less compared to the previous fiscal year by \$19,772.
- The Town began design engineering for Fairview Parkway and Frisco Road at a cost of \$27,602 in fiscal year 2015.
- In the previous fiscal year, the Town contributed \$640,000 to TxDOT for the widening of Stacy Road, along with contracting with two consultants for a total of \$292,531 for a facility study and the update to the commercial planned development district master plan.

Municipal Court:

- In fiscal year 2015 municipal court began full-day plea court sessions as opposed to half-days in prior years; therefore, the court costs increased by \$7,472 for additional hours for the judge and prosecutor.

Capital Outlay:

- The police department purchased two capital items during fiscal year 2015: replacement of patrol vehicle and the necessary equipment to outfit the new vehicle and traffic control sign. In order for the fire department to begin operating in-house EMS operations, two ambulances and necessary equipment to outfit these vehicles were purchased. In order to reduce further maintenance and repairs costs, the parks and recreation department purchased a Scag Turf Tiger Mower in the current fiscal year too. These new capital expenditures increased the current fiscal year total by \$373,660.
- The Town continues to move forward with the street and roadway rehabilitation program in fiscal year 2015 with addition of \$769,115 of costs associated with this project.

**Business-type activities.** The Town's revenues by sources for business-type activities are detailed below along with an illustration between expenses and program revenues for business-type activities.

Business-type activities revenues increased \$1,175,256 or 25%. Major components of the individual decreases/increases are as follows:

Water and Sewer Fund:

- In November 2014, the Town increased water and sewer rates by 15.0% to compensate for the cost of services provided by North Texas Municipal Water District (NTMWD) and to provide working capital to the fund for continued operations and future capital infrastructure. Though the Town was under water conservation measures for 67% of fiscal year 2015, due to the spring rains these conservation restrictions were lifted during the last four months of the fiscal, which happened to be the driest and hottest summer in several years; therefore, charges for services in the water and sewer fund increased \$1,161,880 or 31.0% due to the increase in rates and the higher consumption for the last four months of the fiscal year.
- Water Department:
  - The water department added an additional maintenance worker in fiscal year 2015, but the position was not hired until later in the fiscal year, along with the merit salary increases implemented at the beginning of October 2013 expenses increased by \$32,729 or 7.1%.
  - The Town, as a customer city, purchases water from NTMWD. Due to the increased cost of these purchases, water purchases expense increased \$168,684 or 10.0% from the previous fiscal year.
  - Due to the dry and hot conditions of this past summer, repairs and maintenance costs increased from the previous fiscal year, especially in the area of pump repairs (\$34,560) and water line repairs (\$18,060).



MANAGEMENT DISCUSSION & ANALYSIS  
For the year ended September 30, 2015  
(unaudited)

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- Utility Billing Department:
  - The utility billing department decreased expenses for the current fiscal year by \$15,040 or 7.7% compared to the previous fiscal year, primarily due to decreased purchases and services.
- Sewer Department:
  - Personnel costs in the sewer department increased \$10,089 or 37.2% due to a position being fully filled throughout the fiscal year.
  - In addition to the Town purchasing water from NTMWD, the Town contracts with NTMWD for treatment of sewer water for an additional increase this fiscal year of \$103,894 or 18.8% over last fiscal year.
  - As with the water department, due to the dry and hot conditions of this past summer, repairs and maintenance costs along with small tools increased \$11,490 or 84.3% compared to the previous fiscal year.

Solid Waste Fund:

- Trash and recycling collection services increased revenues in the current fiscal year by \$8,588 or 1.4% compared to the previous fiscal year, due to limited newly completed residential homes.
- Trash and recycling expenses decreased in fiscal year 2015 by \$33,480 or 5.4% compared to fiscal year 2014 primarily due to not having the added \$37,759 expense for the ice storm debris special pickup services that had occurred in the previous fiscal year.

Stormwater Fund:

- In fiscal year 2015, revenues increased \$5,901 or 2.0%, while the expenses increased \$161,740 or 82.9% due to \$106,108 spent on a master drainage plan and \$79,846 spent on drainage repairs during the current fiscal year.

### Financial Analysis of the Government's Funds

As noted earlier, the Town of Fairview uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

At the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$7,212,659, an increase of \$104,252 in comparison with the prior year. 56.2% of this total amount, or \$4,056,344, constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is: 1) assigned for technology equipment - \$62,568, 2) assigned for capital \$1,379,236; restricted for: 1) for capital projects - \$1,011,163, 2) to pay debt service - \$503,596, 3) for court - \$156,238, or for fire use - \$40,908; nonspendable for prepaids - \$2,606.

The general fund is the chief operating fund of the Town of Fairview. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$4,056,344, while total fund balance was \$4,121,518. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 60.2% of total general fund expenditures, while total fund balance represents 61.2% of that same amount.



MANAGEMENT DISCUSSION & ANALYSIS  
 For the year ended September 30, 2015  
 (unaudited)

Fund balance in the General Fund increased by \$164,311, primarily due to an 11% increase in overall revenues.

The Debt Service Fund has a total fund balance of \$503,596, all of which is restricted for the payment of debt service. The Debt Service fund balance increased by \$120,806 or 31.6% due to expenditures and other financing uses slightly less than revenues and other financing sources.

The General Capital Projects Fund provides information on capital projects and had an ending fund balance of \$2,390,399. The General Capital Projects Fund balance decreased by \$188,013 or 7.3%.

**Financial Analysis of the Proprietary Funds**

An analysis of the enterprise funds overall is provided in the business-type activities discussion above. In addition, the net position of the water and sewer fund increased by \$27,470 (exclusive of the cumulative effect of change in accounting principle), primarily due to more water consumption along with increased water and sewer rates. The net position of the solid waste fund increased by \$34,148 due to less expenditures than the previous year. The net position of the storm water fund decreased by \$131,796 due to increased expenditures over the previous year.

**General Fund Budgetary Highlights**

During the year, revenues exceeded budget estimates by \$174,339 and expenditures less than budget by \$11,294. The budget had called for a \$21,545 decrease in fund balance. However, actual fund balance increased by \$164,311 due to sales taxes, franchise fees, property taxes, and fines and forfeitures revenues greater than estimated.

**Capital Assets.** The Town's investment in capital assets, for its governmental and business-type activities as of September 30, 2015, amount to \$41,269,476 (net of accumulated depreciation). This investment in capital assets includes land and improvements, buildings, park facilities, vehicles, machinery and equipment, roads, bridges and water and sewer lines. About 65.4% of the capital assets are governmental and 34.6% are business-type activities.

**Table 3**  
**Capital Assets at Year-end**  
**(net of accumulated depreciation)**

	Governmental activities		Business-type activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 3,133,960	\$ 3,133,960	\$ 113,384	\$ 113,384	\$ 3,247,344	\$ 3,247,344
Construction in Progress	29,155	1,922,904	-	-	29,155	1,922,904
Buildings	10,908,278	11,237,882	66,472	74,861	10,974,750	11,312,743
Infrastructure	10,968,368	8,709,952	-	-	10,968,368	8,709,952
Utility Plant	-	-	13,957,808	14,440,029	13,957,808	14,440,029
Machinery and Equipment	1,940,587	1,812,811	151,464	190,108	2,092,051	2,002,919
Total	\$ 26,980,348	\$ 26,817,509	\$ 14,289,128	\$ 14,818,382	\$ 41,269,476	\$ 41,635,891



MANAGEMENT DISCUSSION & ANALYSIS  
 For the year ended September 30, 2015  
 (unaudited)

The major governmental-type capital improvement projects and acquisitions during the current fiscal year included the following:

- 2015 Police Chevy Tahoe
- 2010 Ford F450 Ambulance
- 2015 Ford F450 Ambulance
- Scag Turf Tiger Mower
- Dispatch equipment
- Fire Station #2 digital sign board
- Street improvement project
- Park improvements

Additional information on the Town's capital assets can be found in Note 5 on page 38 of this report.

**Debt Administration.** At the end of the current fiscal year, the Town had total bonds outstanding of \$25,575,000. This entire amount represents either tax-supported or combination tax and limited surplus revenue debt.

Table 4  
 Outstanding Debt  
 Outstanding Debt and Long-Term Liabilities

	Governmental activities		Business-type activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
<b>Gross bonded debt:</b>						
General obligation	\$ 2,610,692	\$ 2,737,562	\$ 4,384,307	\$ 4,892,437	\$ 6,994,999	\$ 7,629,999
Certificates of obligation	15,854,439	16,768,312	2,725,562	3,011,688	18,580,001	19,780,000
<b>Total bonded debt</b>	<b>18,465,131</b>	<b>19,505,874</b>	<b>7,109,869</b>	<b>7,904,125</b>	<b>25,575,000</b>	<b>27,409,999</b>
<b>Other long-term debt:</b>						
Unamortized premiums	197,188	228,125	48,954	59,049	246,142	287,174
Net pension liability	635,198	519,877	124,093	101,564	759,291	621,441
Compensated absences	367,462	304,326	50,364	48,999	417,826	353,325
Capital lease	380,000	-	-	-	380,000	-
<b>Total other long-term debt</b>	<b>1,579,848</b>	<b>1,052,328</b>	<b>223,411</b>	<b>209,612</b>	<b>1,803,259</b>	<b>1,261,940</b>
<b>Total</b>	<b>\$ 20,044,979</b>	<b>\$ 20,558,202</b>	<b>\$ 7,333,280</b>	<b>\$ 8,113,737</b>	<b>\$ 27,378,259</b>	<b>\$ 28,671,939</b>

The Town retains strong bond ratings with the most recent upgrade in September 2013 by Standard and Poor's from an AA- to a rating of AA+ and reaffirmation of Moody's rating of Aa2. The Town is permitted by Article XI, Section 5, of the State of Texas Constitution to levy taxes up to \$2.50 per \$100 assessed valuation for general governmental services including the payment of principal and interest on general obligation long-term debt. Additional information on the Town's outstanding debt can be found in Note 7 on pages 39 – 41 of this report.

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

Fairview is one of the fastest growing areas in Collin County, Texas. With this growth, there are new sources and higher amounts of revenues to be collected but there is also a mounting list of needs to accommodate the growth and expectations of the community. During the budget process, the Council's philosophy was to provide the highest level of service at the greatest value. Part of this philosophy and commitment to taxpayer's money was to develop a budget based on holding the tax rate at the current level, implement water and wastewater rate adjustments as recommended by the water and wastewater rate study, maintain or exceed appropriate fund balances and reserves as required by the Town's financial policies, maintain current pay structure and benefits for employees and recommend appropriate adjustments in staffing along with consideration of resulting impacts on services levels.



MANAGEMENT DISCUSSION & ANALYSIS  
For the year ended September 30, 2015  
(unaudited)

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The budget emphasis based on the Town's strategic plan:

- **Infrastructure**
  - Planning for the improvement of Fairview Parkway and Frisco Road
  - Updating the surface of park playground areas with improved surfaces
- **Community Development & Economic Development**
  - Update of zoning ordinance & subdivision regulations
  - Continuation of Commercial Planned Development District (CPDD) plan with the development standards & concept planning for the "Pearl"
  - Continuation of CPDD plan with development concepts for gateway features and wayfinding signage guidelines
  - Development of financing structure for the CPDD through a Tax Increment Financing (TIF) district
- **Customer Focus/Citizen Communication**
  - Upgrade the Town website for improved citizen communication
- **Fiscal Responsibility**
  - Updating the five-year financial plan with updates to the Town infrastructure plans
- **Public Safety**
  - Completion of operation of in-house ambulance services
  - Addition of police positions to expand capabilities

The fiscal year 2015-2016 budget incorporates no increase in the property tax rate; the tax rate remains at \$0.359999 per \$100 valuation. Maintenance and operations tax rate is \$0.225858 while the debt (interest and sinking) rate is \$0.134141.

The fiscal year 2016 operating budget increased by 7.7% or \$552,430, from fiscal year 2015 budget. In general revenues for property taxes were budgeted with an 8.6% increase, while sales taxes were budgeted to remain constant at \$1,400,000. Major increases in operational costs included the addition of 4.5 new positions (\$207,502), additional road maintenance expenditures (\$85,000), technology equipment (\$58,044), and a full year of in-house ambulance services.

At the Council's direction, the water and sewer rates will be reviewed. Since fiscal year 2007, wholesale water rates from North Texas Municipal Water District (NTMWD) through fiscal year 2016 will have increased by 82%. During the same period, the Town will have raised rates by 61%. The fiscal year 2016 budget includes an increase in water and sewer revenue due to growth and additional water usage related to a relaxed water conservation measures. The Town did not budget any water or sewer rate increases during fiscal year 2016, but the Town will be completing the water and sewer rate study, which will adequately identify any future needed rate increases. These increases would be needed to address outside increases and to maintain the future capacity to fund needed capital improvements. Major increases in operational costs to the Water and Sewer Fund include: the addition of vehicles and equipment (\$113,500).

#### REQUEST FOR INFORMATION

This report is designed to provide a general overview of the Town of Fairview's finances. If you have questions about this report or need additional financial information, contact:

Finance Department  
Town of Fairview  
372 Town Place  
Fairview, TX 75069



## **BASIC FINANCIAL STATEMENTS**



**TOWN OF FAIRVIEW, TEXAS  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2015**

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Economic Development	Community Development
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 7,636,249	\$ 4,214,166	\$ 11,850,415	\$ 909,173	\$ 749,621
Restricted cash and cash equivalents	-	102,703	102,703	-	-
Receivables (Net of allowance for uncollectibles):					
Accounts receivable	-	1,180,828	1,180,828	-	-
Property taxes	124,577	-	124,577	-	-
Sales taxes	283,633	-	283,633	130,486	130,486
Franchise taxes	188,100	-	188,100	-	-
Other	202,179	-	202,179	-	-
Internal balances	(7,682)	7,682	-	-	-
Due from primary government	-	-	-	264	264
Prepaid	2,606	-	2,606	408	-
Nondepreciable capital assets	3,163,115	113,384	3,276,499	-	-
Depreciable capital assets, net	23,817,233	14,175,744	37,992,977	-	-
<b>TOTAL ASSETS</b>	<b>35,410,010</b>	<b>19,794,507</b>	<b>55,204,517</b>	<b>1,040,331</b>	<b>880,371</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred loss on refunding	10,249	16,846	27,095	-	-
Deferred outflows - pensions	268,134	52,383	320,517	-	-
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>278,383</b>	<b>69,229</b>	<b>347,612</b>	<b>-</b>	<b>-</b>
<b>LIABILITIES</b>					
Accounts payable	648,903	388,237	1,037,140	936	3,622
Accrued wages payable	183,518	30,445	213,963	2,309	2,309
Due to component units	528	-	528	-	-
Accrued interest payable	87,176	29,928	117,104	-	-
Customer deposits	94,227	102,703	196,930	-	-
Non-current liabilities:					
Due within one year	1,514,043	942,331	2,456,374	-	-
Due in more than one year	18,530,936	6,390,949	24,921,885	-	-
<b>TOTAL LIABILITIES</b>	<b>21,059,331</b>	<b>7,884,593</b>	<b>28,943,924</b>	<b>3,245</b>	<b>5,931</b>
<b>NET POSITION</b>					
Net investment in capital assets	8,453,481	7,130,305	15,583,786	-	-
Restricted:					
Debt service	472,184	-	472,184	-	-
Capital	294,541	432,947	727,488	-	-
Court	156,238	-	156,238	-	-
Fire	40,908	-	40,908	-	-
Unrestricted	5,211,710	4,415,891	9,627,601	1,037,086	874,440
<b>TOTAL NET POSITION</b>	<b>\$ 14,629,062</b>	<b>\$ 11,979,143</b>	<b>\$ 26,608,205</b>	<b>\$ 1,037,086</b>	<b>\$ 874,440</b>

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

**TOWN OF FAIRVIEW TEXAS  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Primary government:</b>				
Functions/Programs:				
Governmental activities:				
General government	\$ 2,156,109	\$ 376,430	\$ -	\$ -
Public safety	4,354,155	435,566	52,040	-
Public works	573,697	272,170	-	-
Inspections	96,066	-	-	-
Municipal court	181,945	-	-	-
Parks and recreation	156,003	49,011	-	243,087
Interest and fiscal charges	674,175	242,539	-	-
<b>Total governmental activities</b>	<u>8,192,150</u>	<u>1,375,716</u>	<u>52,040</u>	<u>243,087</u>
Business-type activities:				
Water and sewer	4,583,863	4,904,126	-	-
Storm water	356,757	300,896	-	-
Solid waste	581,617	615,765	-	-
<b>Total business-type activities</b>	<u>5,522,237</u>	<u>5,820,787</u>	<u>-</u>	<u>-</u>
<b>Total primary government</b>	<u>\$ 13,714,387</u>	<u>\$ 7,196,503</u>	<u>\$ 52,040</u>	<u>\$ 243,087</u>
<b>Component units:</b>				
Economic Development Corporation	\$ 651,357	\$ -	\$ -	\$ -
Community Development Corporation	679,805	-	-	-
<b>Total component units</b>	<u>\$ 1,331,162</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

General revenues:  
 Property taxes  
 Sales taxes  
 Franchise taxes  
 Mixed beverage taxes  
 Interest earnings  
 Miscellaneous  
 Transfers in (out)  
**Total general revenues and transfers**

Change in net position

Net position at beginning of year (as previously stated)

Cumulative effect of change in accounting principle

Net position, end of year

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

<b>Net (Expense) Revenue and Changes in Net Position</b>				
<b>Primary Government</b>			<b>Component Units</b>	
<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>Economic Development</b>	<b>Community Development</b>
\$ (1,779,679)	\$ -	\$ (1,779,679)	\$ -	\$ -
(3,866,549)	-	(3,866,549)	-	-
(301,527)	-	(301,527)	-	-
(96,066)	-	(96,066)	-	-
(181,945)	-	(181,945)	-	-
136,095	-	136,095	-	-
(431,636)	-	(431,636)	-	-
<u>(6,521,307)</u>	<u>-</u>	<u>(6,521,307)</u>	<u>-</u>	<u>-</u>
-	320,263	320,263	-	-
-	(55,861)	(55,861)	-	-
-	34,148	34,148	-	-
<u>-</u>	<u>298,550</u>	<u>298,550</u>	<u>-</u>	<u>-</u>
<u>\$ (6,521,307)</u>	<u>\$ 298,550</u>	<u>\$ (6,222,757)</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ (651,357)	\$ -
-	-	-	-	(679,805)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (651,357)</u>	<u>\$ (679,805)</u>
\$ 4,886,063	-	4,886,063	-	-
1,519,038	-	1,519,038	759,519	759,519
668,896	-	668,896	-	-
77,344	-	77,344	-	-
24,730	278	25,008	526	450
63,237	-	63,237	-	2,500
353,772	(353,772)	-	-	-
<u>7,593,080</u>	<u>(353,494)</u>	<u>7,239,586</u>	<u>760,045</u>	<u>762,469</u>
1,071,773	(54,944)	1,016,829	108,688	82,664
13,907,791	12,102,561	26,010,352	928,398	791,776
<u>(350,502)</u>	<u>(68,474)</u>	<u>(418,976)</u>	<u>-</u>	<u>-</u>
<u>\$ 14,629,062</u>	<u>\$ 11,979,143</u>	<u>\$ 26,608,205</u>	<u>\$ 1,037,086</u>	<u>\$ 874,440</u>

**TOWN OF FAIRVIEW, TEXAS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2015**

	General Fund	Debt Service	Capital Projects	Nonmajor Governmental Funds	Total
<b>ASSETS</b>					
Cash and cash equivalents	\$ 4,050,421	\$ 503,596	\$ 2,887,373	\$ 194,859	\$ 7,636,249
Receivables, net of allowance					
Property taxes	68,813	55,764	-	-	124,577
Sales taxes	283,625	-	-	-	283,625
Franchise taxes	188,100	-	-	-	188,100
Other	34,367	-	165,250	2,570	202,187
Prepaid items	2,606	-	-	-	2,606
<b>Total assets</b>	<b>\$ 4,627,932</b>	<b>\$ 559,360</b>	<b>\$ 3,052,623</b>	<b>\$ 197,429</b>	<b>\$ 8,437,344</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 151,646	\$ -	\$ 92,194	\$ 283	\$ 244,123
Accrued wages payable	183,518	-	-	-	183,518
Due to other funds	7,682	-	-	-	7,682
Due to component units	528	-	-	-	528
Customer deposits	94,227	-	-	-	94,227
Developer escrow	-	-	404,780	-	404,780
<b>Total liabilities</b>	<b>437,601</b>	<b>-</b>	<b>496,974</b>	<b>283</b>	<b>934,858</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenues - property taxes	68,813	55,764	-	-	124,577
Unavailable revenues - fees	-	-	165,250	-	165,250
<b>Total deferred inflows of resources</b>	<b>68,813</b>	<b>55,764</b>	<b>165,250</b>	<b>-</b>	<b>289,827</b>
<b>FUND BALANCES</b>					
Nonspendable:					
Prepaid items	2,606	-	-	-	2,606
Restricted:					
Court	-	-	-	156,238	156,238
Fire	-	-	-	40,908	40,908
Debt service	-	503,596	-	-	503,596
Capital	-	-	1,011,163	-	1,011,163
Assigned:					
Capital	-	-	1,379,236	-	1,379,236
Technology	62,568	-	-	-	62,568
Unassigned	4,056,344	-	-	-	4,056,344
<b>Total fund balances</b>	<b>4,121,518</b>	<b>503,596</b>	<b>2,390,399</b>	<b>197,146</b>	<b>7,212,659</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 4,627,932</b>	<b>\$ 559,360</b>	<b>\$ 3,052,623</b>	<b>\$ 197,429</b>	<b>\$ 8,437,344</b>

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

**TOWN OF FAIRVIEW, TEXAS  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE  
SHEET TO THE STATEMENT OF NET POSITION  
SEPTEMBER 30, 2015**

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Total governmental fund balances	\$ 7,212,659
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the governmental funds financial statements.	26,980,348
Accrued interest on governmental activities debt is not reported in the governmental funds financial statements until paid.	(87,176)
Revenues earned but not available within sixty days of fiscal year-end are not recognized as revenue in the governmental funds financial statements.	289,827
For debt refundings, the difference between the acquisition price and the net carrying amount of the debt has been deferred and amortized in the government-wide financial statements.	10,249
Deferred outflows of resources related to the Town's net pension liability result in an increase in net position in the government-wide financial statements.	268,134
Premium on bond issuance for governmental activities debt is included in other financing sources in the governmental funds financial statements; while in the government-wide financial statements, it is recorded as a liability and amortized over the life of the debt.	(197,188)
Compensated absences are not due and payable in the current period and, therefore, are not reported in the governmental funds financial statements.	(367,462)
Long-term liabilities, including bonds payable, are not due and payable in the current period, and, therefore, are not reported in the fund financial statements.	(19,480,329)
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>\$ 14,629,062</b>

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

**TOWN OF FAIRVIEW, TEXAS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	General Fund	Debt Service	Capital Projects	Nonmajor Governmental Funds	Total
<b>Revenues:</b>					
Taxes:					
Property	\$ 2,983,012	\$ 1,867,483	\$ -	\$ -	\$ 4,850,495
Sales	1,519,038	-	-	-	1,519,038
Franchise	668,896	-	-	-	668,896
Mixed Beverage	77,344	-	-	-	77,344
Charges for services	170,369	220,490	-	-	390,859
Permits	367,580	-	-	-	367,580
Fines and forfeitures	412,780	-	-	22,811	435,591
Intergovernmental	17,400	-	-	-	17,400
Interest income	22,869	-	1,861	-	24,730
Miscellaneous revenues	157,742	-	68,187	34,615	260,544
Street impact fees	-	-	87,206	-	87,206
Park fees	-	-	9,650	-	9,650
<b>Total revenues</b>	<b>6,397,030</b>	<b>2,087,973</b>	<b>166,904</b>	<b>57,426</b>	<b>8,709,333</b>
<b>Expenditures:</b>					
Current:					
General government	1,782,703	-	18,200	-	1,800,903
Public safety	3,940,662	-	-	21,672	3,962,334
Public works	203,280	-	27,602	-	230,882
Inspections	95,678	-	-	-	95,678
Municipal court	173,558	-	-	7,811	181,369
Parks and recreation	91,240	-	-	-	91,240
Debt service:					
Principal retirement	-	1,040,743	-	-	1,040,743
Interest and fiscal charges	-	696,995	-	-	696,995
Capital outlay	449,022	-	769,115	20,572	1,238,709
<b>Total expenditures</b>	<b>6,736,143</b>	<b>1,737,738</b>	<b>814,917</b>	<b>50,055</b>	<b>9,338,853</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(339,113)</b>	<b>350,235</b>	<b>(648,013)</b>	<b>7,371</b>	<b>(629,520)</b>
<b>Other financing sources (uses):</b>					
Transfers in	583,424	-	460,000	-	1,043,424
Transfers out	(460,000)	(229,429)	-	(223)	(689,652)
Proceeds from capital lease	380,000	-	-	-	380,000
<b>Total other financing sources (uses)</b>	<b>503,424</b>	<b>(229,429)</b>	<b>460,000</b>	<b>(223)</b>	<b>733,772</b>
<b>Net change in fund balances</b>	<b>164,311</b>	<b>120,806</b>	<b>(188,013)</b>	<b>7,148</b>	<b>104,252</b>
<b>Fund balance at beginning of year</b>	<b>3,957,207</b>	<b>382,790</b>	<b>2,578,412</b>	<b>189,998</b>	<b>7,108,407</b>
<b>Fund balance, end of year</b>	<b>\$ 4,121,518</b>	<b>\$ 503,596</b>	<b>\$ 2,390,399</b>	<b>\$ 197,146</b>	<b>\$ 7,212,659</b>

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

**TOWN OF FAIRVIEW, TEXAS  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF  
REVENUES, EXPENDITURES AND CHANGES IN THE FUND BALANCE TO  
THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

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Net change in fund balances - total governmental funds	\$ 104,252
Amounts reported for governmental activities in the statement of activities are different because:	
Certain revenues in the government-wide statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds.	200,818
Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of those assets is capitalized.	1,238,709
Depreciation is not recognized as an expenditure in governmental funds since it does not require the use of current financial resources. The effect of recording depreciation expense is to decrease net position.	(1,075,870)
Amortization of deferred refunding amounts is not recognized in the governmental funds. The effect of recording current year's amortization is to decrease net position.	(1,025)
Implementation of GASB 68 requires certain expenditures to be de-expended and recorded as deferred. The following is the net effect of current year pension expense, (\$289,519), and contributions made after the measurement date, \$272,957.	(16,562)
Current year long-term debt principal payments on contractual obligations and bonds payable are expenditures in the fund financial statements, but are shown as reductions of long-term debt in the government-wide financial statements.	1,040,743
Capital lease proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position.	(380,000)
Premiums and discounts are recognized in the fund financial statements as other financing sources or uses, but they are amortized over the term of the bonds in the government-wide financial statements. This amount represents current year amortization of premium.	30,937
Changes in compensated absences liabilities are not reported in the fund financial statements. The net effect of the current year increase is to decrease net position.	(63,136)
Current year changes in accrued interest payable do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(7,093)
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 1,071,773</u></b>

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

**TOWN OF FAIRVIEW, TEXAS  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
SEPTEMBER 30, 2015**

	Business-type Activities Enterprise funds			
	Water and Sewer	Solid Waste	Storm Water	Total
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 3,172,352	\$ 2,055	\$ 1,039,759	\$ 4,214,166
Restricted cash and cash equivalents	102,703	-	-	102,703
Receivables (net of allowance for uncollectibles)	1,073,565	73,036	34,227	1,180,828
Due from other funds	6,606	-	1,076	7,682
<b>Total current assets</b>	<b>4,355,226</b>	<b>75,091</b>	<b>1,075,062</b>	<b>5,505,379</b>
Noncurrent assets:				
Nondepreciable capital assets	113,384	-	-	113,384
Depreciable capital assets, net	14,164,956	-	10,788	14,175,744
<b>Total noncurrent assets</b>	<b>14,278,340</b>	<b>-</b>	<b>10,788</b>	<b>14,289,128</b>
<b>Total assets</b>	<b>18,633,566</b>	<b>75,091</b>	<b>1,085,850</b>	<b>19,794,507</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred loss on refunding	16,846	-	-	16,846
Deferred outflows - pensions	40,729	-	11,654	52,383
<b>Total deferred outflows of resources</b>	<b>57,575</b>	<b>-</b>	<b>11,654</b>	<b>69,229</b>
<b>Total assets and deferred outflows of resources</b>	<b>\$ 18,691,141</b>	<b>\$ 75,091</b>	<b>\$ 1,097,504</b>	<b>\$ 19,863,736</b>
<b>LIABILITIES AND NET POSITION</b>				
Current liabilities:				
Accounts payable	\$ 300,975	\$ 48,863	\$ 38,399	\$ 388,237
Accrued wages payable	23,684	-	6,761	30,445
Compensated absences - current portion	42,663	-	7,701	50,364
Accrued interest payable	29,928	-	-	29,928
Customer deposits	102,703	-	-	102,703
Current portion of long-term debt	891,967	-	-	891,967
<b>Total current liabilities</b>	<b>1,391,920</b>	<b>48,863</b>	<b>52,861</b>	<b>1,493,644</b>
Non-current liabilities:				
Net pension liability	96,485	-	27,608	124,093
Long-term debt	6,266,856	-	-	6,266,856
<b>Total noncurrent liabilities</b>	<b>6,363,341</b>	<b>-</b>	<b>27,608</b>	<b>6,390,949</b>
<b>Total liabilities</b>	<b>7,755,261</b>	<b>48,863</b>	<b>80,469</b>	<b>7,884,593</b>
Net position:				
Net investment in capital assets	7,119,517	-	10,788	7,130,305
Restricted for:				
Capital projects	432,947	-	-	432,947
Unrestricted	3,383,416	26,228	1,006,247	4,415,891
<b>Total net position</b>	<b>10,935,880</b>	<b>26,228</b>	<b>1,017,035</b>	<b>11,979,143</b>
<b>Total liabilities and net position</b>	<b>\$ 18,691,141</b>	<b>\$ 75,091</b>	<b>\$ 1,097,504</b>	<b>\$ 19,863,736</b>

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

**TOWN OF FAIRVIEW, TEXAS**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND**  
**NET POSITION – PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<b>Business-type Activities</b>			
	<b>Enterprise funds</b>			
	<b>Water and Sewer</b>	<b>Solid Waste</b>	<b>Storm Water</b>	<b>Total</b>
<b>Operating revenues:</b>				
Charges for services	\$ 4,904,126	\$ 615,765	\$ 300,896	\$ 5,820,787
<b>Total operating revenues</b>	<b>4,904,126</b>	<b>615,765</b>	<b>300,896</b>	<b>5,820,787</b>
<b>Operating expenses:</b>				
Water purchases	1,873,281	-	-	1,873,281
Personnel services	634,353	-	155,049	789,402
Repairs and maintenance	125,896	-	81,151	207,047
Operations	1,176,483	581,617	115,514	1,873,614
Depreciation	524,211	-	5,043	529,254
<b>Total operating expenses</b>	<b>4,334,224</b>	<b>581,617</b>	<b>356,757</b>	<b>5,272,598</b>
<b>Operating income (loss)</b>	<b>569,902</b>	<b>34,148</b>	<b>(55,861)</b>	<b>548,189</b>
<b>Non-operating revenues (expenses):</b>				
Interest income	278	-	-	278
Interest expense	(247,767)	-	-	(247,767)
Bond issuance costs	(1,872)	-	-	(1,872)
<b>Total non-operating revenue (expenses)</b>	<b>(249,361)</b>	<b>-</b>	<b>-</b>	<b>(249,361)</b>
<b>Income (loss) before transfers</b>	<b>320,541</b>	<b>34,148</b>	<b>(55,861)</b>	<b>298,828</b>
<b>Transfers</b>				
Transfers in	249,429	-	-	249,429
Transfers out	(542,500)	-	(60,701)	(603,201)
<b>Total transfers</b>	<b>(293,071)</b>	<b>-</b>	<b>(60,701)</b>	<b>(353,772)</b>
<b>Change in net position</b>	<b>27,470</b>	<b>34,148</b>	<b>(116,562)</b>	<b>(54,944)</b>
<b>Net position at beginning of year (as previously stated)</b>	<b>10,961,650</b>	<b>(7,920)</b>	<b>1,148,831</b>	<b>12,102,561</b>
<b>Cumulative effect of change in accounting principle</b>	<b>(53,240)</b>	<b>-</b>	<b>(15,234)</b>	<b>(68,474)</b>
<b>Net position, end of year</b>	<b>\$ 10,935,880</b>	<b>\$ 26,228</b>	<b>\$ 1,017,035</b>	<b>\$ 11,979,143</b>

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

**TOWN OF FAIRVIEW, TEXAS  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<b>Business-type Activities Enterprise Funds</b>			
	<b>Water and Sewer</b>	<b>Solid Waste</b>	<b>Storm Water</b>	<b>Total</b>
<b>Cash flow from operating activities:</b>				
Receipts from customers and users	\$ 4,279,546	\$ 612,115	\$ 297,174	\$ 5,188,835
Payments to suppliers for goods and services	(3,128,426)	(610,060)	(173,399)	(3,911,885)
Payments to employees for services	(645,201)	-	(160,257)	(805,458)
<b>Net cash provided by (used in) operating activities</b>	<b>505,919</b>	<b>2,055</b>	<b>(36,482)</b>	<b>471,492</b>
<b>Cash flow from noncapital financing activities:</b>				
Transfers from other funds	249,429	-	-	249,429
Transfers to other funds	(542,500)	-	(60,701)	(603,201)
<b>Net cash used in noncapital financing activities</b>	<b>(293,071)</b>	<b>-</b>	<b>(60,701)</b>	<b>(353,772)</b>
<b>Cash flow from capital financing activities:</b>				
Principal paid on capital debt	(794,256)	-	-	(794,256)
Interest paid on capital debt	(262,901)	-	-	(262,901)
<b>Net cash used in capital financing activities</b>	<b>(1,057,157)</b>	<b>-</b>	<b>-</b>	<b>(1,057,157)</b>
<b>Cash flow from investing activities:</b>				
Interest revenue	278	-	-	278
<b>Net cash provided by investing activities</b>	<b>278</b>	<b>-</b>	<b>-</b>	<b>278</b>
Net increase (decrease) in cash and cash equivalents	(844,031)	2,055	(97,183)	(939,159)
Cash and cash equivalents, beginning of year	4,119,086	-	1,136,942	5,256,028
Cash and cash equivalents, end of the year	<u>\$ 3,275,055</u>	<u>\$ 2,055</u>	<u>\$ 1,039,759</u>	<u>\$ 4,316,869</u>
<b>Reconciliation to statement of net position</b>				
Cash and cash equivalents	\$ 3,172,352	\$ 2,055	\$ 1,039,759	\$ 4,214,166
Restricted cash and cash equivalents	102,703	-	-	102,703
	<u>\$ 3,275,055</u>	<u>\$ 2,055</u>	<u>\$ 1,039,759</u>	<u>\$ 4,316,869</u>

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

**TOWN OF FAIRVIEW, TEXAS  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

**(CONTINUED)**

	<u>Water and Sewer</u>	<u>Solid Waste</u>	<u>Storm Water</u>	<u>Total</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>				
Operating income (loss)	\$ 569,902	\$ 34,148	\$ (55,861)	\$ 548,189
Adjustments to reconcile operating income (loss) to Net cash provided by (used in) operating activities:				
Depreciation	524,211	-	5,043	529,254
Pension expense	17,517	-	5,012	22,529
Provision for bad debts	506	(108)	108	506
Effects of changes in assets and liabilities:				
Increase (decrease) in receivables	(639,044)	(3,542)	(4,906)	(647,492)
Increase (decrease) in deferred outflows	(13,129)	-	(4,292)	(17,421)
Decrease (Increase) in payables	33,690	(28,443)	19,004	24,251
Decrease in accrued wages	2,633	-	326	2,959
Decrease (increase) in compensated absences	2,281	-	(916)	1,365
Decrease in deposits	7,352	-	-	7,352
<b>Net cash provided by (used in) operating activities</b>	<u>\$ 505,919</u>	<u>\$ 2,055</u>	<u>\$ (36,482)</u>	<u>\$ 471,492</u>

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



**TOWN OF FAIRVIEW, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED SEPTEMBER 30, 2015**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Town of Fairview, Texas (the Town) was incorporated in 1958, under the provisions of Chapter 11, Title 28, Texas Revised Civil Statutes of 1925. In 2006, the Town adopted a charter making it a home-rule Town operating under a Council-Manager form of government. The Town provides such services as authorized by its charter to advance the welfare, health, comfort, safety and convenience of its inhabitants. The Town is a municipal corporation governed by an elected mayor and six-member Town Council.

The accounting and reporting policies of the Town conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standards setting body for establishing governmental accounting and financial reporting principles. Management uses estimates and assumptions in preparing financial statements in accordance with GAAP. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues, expenditures, and expenses. Actual results could vary from the estimates that are used. The more significant accounting policies of the Town are described below.

**A. Financial Statement Presentation**

The basic financial statements are prepared in conformity with GASB Statement No. 34, 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 Town's governmental activities, business-type activities and activities of its discretely presented component units on the statement of net position and statement of activities. Significantly, the Town's statement of net position includes both noncurrent assets and noncurrent liabilities of the Town. In addition, the government-wide statement of activities reflects depreciation expenses on the Town's capital assets, including infrastructure.

In addition to the government-wide financial statements, the Town 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 funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Required Supplementary Information (RSI)

The Town also presents Management's Discussion and Analysis, which includes an analytical overview of the Town's financial activities. In addition, a budgetary comparison schedule is presented that compares the original adopted and final amended General Fund budget with actual results. The TMRS Required Supplementary Information shows the net pension liability calculation for the Town, as well as the Town's required annual contributions compared to actual contributions remitted.

**B. Financial Reporting Entity**

The Town's basic financial statements include the accounts of all Town operations. In evaluating how to define the government for financial reporting purposes, management has considered all entities for which the Town is considered to be financially accountable. As required by GAAP, these financial statements present the Town and its component units, entities for which the Town is considered to be financially accountable.

**TOWN OF FAIRVIEW, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED SEPTEMBER 30, 2015**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**B. Financial Reporting Entity – Continued**

The Town is financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

A primary government has the ability to impose its will on an organization if it can significantly influence the programs, projects, or activities of, or the level of services performed or provided by, the organization. A financial benefit or burden relationship exists if the primary government (a) is entitled to the organization's resources; (b) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization; or (c) is obligated in some manner for the debt of the organization.

Some organizations are included as component units because of their dependency on the primary government. An organization is fiscally dependent on the primary government if it is unable to adopt a budget, levy taxes, set rates or charges, or issue bonded debt without approval by the primary government.

The following entities were found to be component units of the Town and are included in the basic financial statements:

- Fairview Economic Development Corporation (FEDC) – The FEDC is responsible for aiding, promoting and furthering economic development within the Town.
- Fairview Community Development Corporation (FCDC) – The FCDC is responsible for all of the functions of the FEDC as well as supporting the improvements in community parks and recreation, and special events.

The members of both the FEDC's and FCDC's Board of Directors are appointed by the Town Council. Both the FEDC and FCDC are fiscally dependent upon the Town as the Town Council approves their budgets and must approve any debt issuance. However, the component units do not qualify for blending because the component services directly benefit the community rather than the Town itself. The FEDC and FCDC are discretely presented as governmental fund types and do not issue separate financial statements.

The discretely presented component units' financial statements are included with the financial statements of the Town. The discretely presented component units are reported in separate columns in the government-wide financial statements to emphasize that they are legally separate from the Town.

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

The basic financial statements include both government-wide (based on the Town as a whole) and fund financial statements. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely on fees and charges for support. Additionally, the primary government is reported separately from the legally separate component units for which the primary government is financially accountable.

**TOWN OF FAIRVIEW, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED SEPTEMBER 30, 2015**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**C. Government-Wide and Fund Financial Statements – Continued**

The government-wide statement of activities demonstrates the degree to which the direct expenses of a functional category (Public Safety, Public works, etc.) or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or program. Program revenues include: a) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or program, b) grants and contributions that are restricted to meeting the operational requirements of a particular function or program, or c) grants and contributions that are restricted to meeting the capital requirements of a particular function or program. Taxes and other items not properly included among program revenues are reported instead as general revenues. Internally dedicated resources are also reported as general revenues rather than as program revenues.

Separate fund financial statements are provided for governmental funds and proprietary funds. 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, the debt service fund, and the capital projects 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 column in the fund financial statements. The non-major funds are detailed in the combining section of the financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Proprietary funds distinguish operating revenues and expenses from non-operating 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. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary 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. The government-wide and proprietary fund financial statements follow the accounting set forth by the Governmental Accounting Standards Board.

Governmental 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 Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

**TOWN OF FAIRVIEW, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED SEPTEMBER 30, 2015**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation – Continued**

However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. The governmental fund financial statements follow the accounting set forth by the Governmental Accounting Standards Board.

Property taxes, sales taxes, franchise fees, certain other fees and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

**Fund Accounting**

The following major funds are used by the Town:

**1. Governmental Funds:**

Governmental Funds are those through which most governmental functions of the Town are financed. The acquisition, use and balances of the Town's expendable financial resources and the related liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds. The measurement focus is on determination of changes in financial position, rather than on net income determination. The following is a description of the major Governmental Funds of the Town:

- a. The **General Fund** is the Town's primary operating fund. This fund is used to account for all financial resources of the general government, except those required to be accounted for in other funds.
- b. The **Debt Service Fund** is used to account for the accumulation of financial resources for the payment of principal, interest and related costs on general obligation long-term debt paid from taxes levied by the Town.
- c. The **Capital Projects Fund** is used to account for the acquisition or construction of capital facilities and improvements except those being financed by proprietary funds.

The Town reports the following non-major governmental funds.

- a. **Court Fund** accounts for fines and forfeitures assessed which are restricted for court technology and security disbursements.
- b. **Fire Donations Fund** accounts for funds provided by private donors or donations from the \$1 fire donation selection on each utility customer's monthly bill to assist in the purchase of fire department equipment and related expenses.

Governmental funds with legally adopted annual budgets include the General Fund.

**TOWN OF FAIRVIEW, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED SEPTEMBER 30, 2015**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation – Continued**

**2. Proprietary Funds:**

Proprietary Funds are accounted for using an economic resources measurement focus. The accounting objectives are a determination of net income, financial position, and changes in cash flows. All assets and liabilities associated with a proprietary fund's activities are included on its statement of net position.

The proprietary funds are financed and operated in a manner similar to private business enterprise. The costs (expenses including depreciation on capital assets) of providing goods or services to the general public on a continuing basis are financed or recovered primarily through user charges. Periodic determination of revenues earned, expenses incurred, or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The following is a description of the major enterprise funds of the Town:

**The Water and Sewer Fund** is used to account for the operations of providing water and sewer services to residential and commercial customers.

**The Solid Waste Fund** is used to account for the collection of trash and recyclables from residential users.

**The Stormwater Fund** is used to account for the operations of the stormwater drainage system.

**E. Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity date within three months of the date acquired by the Town. Because the Town at its option can withdraw funds within a twenty-four hour period, deposits with the local government investment pools i.e. (TexPool and LoneStar) are considered to be cash equivalents.

The Town may invest in certificates of deposit, authorized investment pools and funds, U.S. and State of Texas Government Securities, and repurchase agreements. Investments purchased with pooled cash, as well as separate investments, are recorded at fair value. The fair value is based on the market price. The fair value of the local government investment pools are the same as the fair value of the pool shares.

**F. Accounts Receivable**

Accounts receivable consist primarily of amounts due from citizens for various services provided by the Town as well as property taxes and sales taxes receivable. Management evaluates the adequacy of the allowance for doubtful accounts based on a review of the aging of accounts and other specific information known by management.

**G. Restricted Assets**

Certain resources set aside for the repayment of bonds are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants or contractual agreements. When the Town incurs an expense for which it may use either restricted or unrestricted assets, it uses restricted assets first.

**TOWN OF FAIRVIEW, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED SEPTEMBER 30, 2015**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**H. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. 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. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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 acquired with tax-exempt debt is included as part of the capitalized value of the assets constructed.

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

<u>Assets</u>	<u>Years</u>
Buildings	40
System Infrastructure	40
Equipment	5 - 10
Vehicles	5

**I. Interfund Transactions**

During the course of normal operations, the Town has transactions between funds for goods provided or services rendered. These receivables and payables are recorded as "due from other funds" and "due to other funds" on the balance sheet.

**J. Compensated Absences**

It is the Town's policy to permit employees to accumulate earned but unused "paid time off" which can be used for illness, disability, vacations or other absences. All time is accrued when incurred in the government-wide and proprietary fund financial statements.

**K. Long-term Obligations**

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**TOWN OF FAIRVIEW, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED SEPTEMBER 30, 2015**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**L. Pensions**

For purposes of measuring the net pension liability, pension related deferred outflows and inflows of resources and pension expense, Town specific information about its Fiduciary Net Position in the Texas Municipal Retirement System (TMRS) and additions to/deductions from the City's Fiduciary Net Pension have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Information regarding the Town's Total Pension Liability is obtained from TMRS through a report prepared for the Town by TMRS consulting actuary, Gabriel Roeder Smith & Company, in compliance with Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions.

**M. Deferred Inflows / Outflows of Resources**

Governmental funds report *deferred inflows of resources* in connection with receivables for revenue that is not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, deferred inflows of resources reported in the governmental funds consisted of unavailable resources from property taxes.

In addition to assets, the statement of financial position and/or balance sheet will sometimes report a separate section for *deferred outflows of resources*. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town has the following items that qualify for reporting in this category:

**Deferred Loss on Refunding** – these deferred outflows result from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

**Pensions** – these deferred outflows result from pension contributions after the measurement date (deferred and recognized in the following fiscal year) and/or differences in projected and actual earnings on pension assets (deferred and amortized over a closed five year period).

**N. Fund Equity**

The Town has adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Government Fund Type Definitions*. The objective of the statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing government fund type definitions. The statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance classifications, under GASB 54 are Nonspendable, Restricted, Committed, Assigned, and Unassigned. These classifications reflect not only the nature of funds, but also provide clarity to the level of restriction placed upon fund balance. Fund balance can have different levels of constraint, such as external versus internal compliance requirements. Unassigned fund balance is a residual classification within the General Fund. The General Fund should be the only fund that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance.

**TOWN OF FAIRVIEW, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED SEPTEMBER 30, 2015**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**N. Fund Equity – Continued**

*In accordance with GASB 54, the Town classifies governmental fund balances as follows:*

Nonspendable: includes amounts that are not in a spendable form or are legally or contractually required to be maintained intact.

Restricted: includes amounts that can be spent only for the specific purposes stipulated by external resource providers either constitutionally or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed: includes amounts that can be used only for the specific purposes determined by a formal action of the Town's highest level of decision making authority, which is the Town Council. The formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is an ordinance adopted by the Town Council. The ordinance must either adopt or rescind the commitment, as applicable, prior to the last day of the fiscal year for which the commitment is made. The amount subject to the constraint may be determined in the subsequent period.

Assigned: includes amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used by the Town for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. The Town Council has authorized the Town Manager or his or her designee as the official authorized person to assign fund balance to a specific purpose as approved by the fund balance policy.

Unassigned fund balance – is the residual classification of the general fund and includes all amounts not contained in other classifications. Unassigned amounts are technically available for any purpose.

Order of Expenditure of Funds – When multiple categories of fund balance are available for expenditure, the Town will start with the most restricted category and spend those funds first before moving down to the next category with available funds.

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent debt proceeds. When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

**O. Subsequent Events**

The Town has evaluated all events or transactions that occurred after September 30, 2015 up through February 25, 2016, the date the financial statements were issued.

**TOWN OF FAIRVIEW, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED SEPTEMBER 30, 2015**

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**NOTE 2. CASH AND INVESTMENTS**

The Town has adopted an investment policy pursuant to Chapter 2256 of the Texas Government Code, which authorizes the Town's investments in United States government obligations and its agencies, obligations of Texas and its agencies, fully collateralized repurchase agreements, certificates of deposit, government pools, and money market funds. The Town selects its investments based on safety, liquidity, yield, and public trust.

At year end, the carrying amount of the Town's deposits (including those of the component units) was \$10,119,826 and the bank balance was \$10,484,348. The bank balance was completely covered by federal deposit insurance and collateral held by the pledging financial institution in the Town's name.

Cash and investments as of September 30, 2015 consist of and are classified in the accompanying financial statements as follows:

Primary government:	
Cash and cash equivalents	\$ 11,850,415
Restricted cash and cash equivalents	102,703
Component units:	
Cash and cash equivalents	<u>1,658,794</u>
Total cash and investments	<u>\$ 13,611,912</u>
Cash on hand	\$ 900
Carrying amount of deposits	10,119,826
Carrying amount of investments	<u>3,491,186</u>
Total cash and investments	<u>\$ 13,611,912</u>

The table below identifies the investment types that are authorized for the Town by the Public Funds Investment Act. (Government Code Chapter 2256) The table also identifies certain provisions of the City's investment policy that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment In One Issuer
U.S. Treasury obligations	2 years	None	None
U.S. Agency obligations	2 years	None	None
Certificates of deposit	2 years	None	None
Direct repurchase agreements	90 days	10%	None
No-load money market mutual funds	60 days	None	None
Direct obligations of State of Texas	2 years	80%	None
Direct obligations of United States of America	5 years	80%	None
Investment pools	1 year	None	None

**TOWN OF FAIRVIEW, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED SEPTEMBER 30, 2015**

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**NOTE 2. CASH AND INVESTMENTS – CONTINUED**

**Disclosures Relating to Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates.

In accordance with its investment policy, the Town manages its exposure to declines in fair value by limiting the weighted average maturity of its non-bond proceed investments to less than one year from the time of purchase.

As of September 30, 2015, the Town had the following investments

<u>Investment Type</u>	<u>Amount</u>	<u>Weighted Average Maturity</u>
TexPool	\$ 2,821,552	40 days
LoneStar	669,634	33 days
	<u>\$ 3,491,186</u>	

**Disclosures Relating to Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the Public Funds Investment Act, the Town's investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

<u>Investment Type</u>	<u>Amount</u>	<u>Minimum Legal Rating</u>	<u>Rating as of Year End</u>
TexPool	\$ 2,821,552	AAAm	AAAm
LoneStar	669,634	AAA	AAA
	<u>\$ 3,491,186</u>		

**Concentration of Credit Risk**

The Town's investment policy is to avoid a concentration of assets in a specific maturity, a specific issue, or a specific class of investments.

**TOWN OF FAIRVIEW, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED SEPTEMBER 30, 2015**

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**NOTE 2. CASH AND INVESTMENTS – CONTINUED**

**Custodial Credit Risk**

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Public Funds Investment Act does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The Public Funds Investment Act requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least the bank balance less the FDIC insurance at all times.

The Town requires all deposits to be covered by Federal Depository Insurance Corporation (FDIC) insurance and/or collateralized by qualified securities pledged by the Town's depository in the Town's name and held by the depository's agent.

As of September 30, 2015 the Town deposits with financial institutions in excess of federal depository insurance limits were fully collateralized.

The Town is a voluntary participant in TexPool. The State Comptroller of Public Accounts exercises responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. TexPool operates in a manner consistent with the SEC's Rule 2A7 of the Investment Company Act of 1940. TexPool uses amortized cost rather than the market value to report net position to compute share prices. Accordingly, the fair value of the position in TexPool is the same as the value of TexPool shares.

The Lone Star Investment Pool (the Pool) is organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. The Pool is governed by an 11 member Board of Trustees, consisting of individuals representing entities participating in the Pool. The fair value of the District's position in the Pool is the same as the value of the Pool shares.

**NOTE 3. PROPERTY TAXES**

Taxes are levied on October 1 and are payable until February 1 without penalty. Property taxes attach as an enforceable lien on property as of February 1. The total net taxable assessed value upon which the fiscal 2015 levy was based was \$1,335,379,331. Such assessed value was computed based on 100% appraised values.

Article XI, Section 5 of the Texas Constitution allows a tax rate up to \$2.50 per \$100 valuation. The combined tax rate to finance general governmental service and debt service for the year ended September 30, 2015 was \$0.359999 per \$100 of assessed valuation. Current tax collections for the year ended September 30, 2015 were approximately 99% of the tax levy.

**TOWN OF FAIRVIEW, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED SEPTEMBER 30, 2015**

**NOTE 4. RECEIVABLES**

Receivables as of year-end for the government's individual major funds, non-major funds in the aggregate and discretely presented component units, including the applicable allowances for uncollectible accounts as of September 30, 2015 are as follows:

	General	Debt Service	Capital Projects	Nonmajor Funds	Total
Property taxes	\$ 68,813	\$ 55,764	\$ -	\$ -	\$ 124,577
Sales taxes	283,633	-	-	-	283,633
Franchise taxes	188,100	-	-	-	188,100
Other	53,698	-	165,250	2,600	221,548
Gross receivables	594,244	55,764	165,250	2,600	817,858
Less: allowances	(19,339)	-	-	(30)	(19,369)
Net total receivables	<u>\$ 574,905</u>	<u>\$ 55,764</u>	<u>\$ 165,250</u>	<u>\$ 2,570</u>	<u>\$ 798,489</u>

	Enterprise Funds			Total
	Water and Sewer	Solid Waste	Storm Water	
Utility bills	\$ 1,074,208	\$ 73,187	\$ 34,292	\$ 1,181,687
Gross receivables	1,074,208	73,187	34,292	1,181,687
Less: allowances	(643)	(151)	(65)	(859)
Net total receivables	<u>\$ 1,073,565</u>	<u>\$ 73,036</u>	<u>\$ 34,227</u>	<u>\$ 1,180,828</u>

	Component Units		
	EDC	CDC	Total
Sales taxes	\$ 130,486	\$ 130,486	\$ 260,972
Total receivables	<u>\$ 130,486</u>	<u>\$ 130,486</u>	<u>\$ 260,972</u>

**TOWN OF FAIRVIEW, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED SEPTEMBER 30, 2015**

**NOTE 5. CAPITAL ASSETS**

Capital asset activity for the year ended September 30, 2015 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<b>Governmental activities:</b>					
Capital assets not being depreciated:					
Land	\$ 3,133,960	\$ -	\$ -	\$ -	\$ 3,133,960
Construction in progress	1,922,904	690,551	-	(2,584,300)	29,155
Total capital assets, not being depreciated	5,056,864	690,551	-	(2,584,300)	3,163,115
Capital assets being depreciated:					
Infrastructure	11,026,536	78,564	-	2,584,300	13,689,400
Buildings and improvements	12,784,026	-	-	-	12,784,026
Furniture and equipment	2,933,372	405,846	-	-	3,339,218
Vehicles	947,155	63,748	-	-	1,010,903
Total capital assets being depreciated	27,691,089	548,158	-	2,584,300	30,823,547
Less accumulated depreciation for:					
Infrastructure	2,316,585	404,447	-	-	2,721,032
Buildings and improvements	1,546,144	329,604	-	-	1,875,748
Furniture and equipment	1,406,702	232,434	-	-	1,639,136
Vehicles	661,013	109,385	-	-	770,398
Total accumulated depreciation	5,930,444	1,075,870	-	-	7,006,314
Total capital assets being depreciated, net	21,760,645	(527,712)	-	2,584,300	23,817,233
Governmental activities capital assets, net	\$ 26,817,509	\$ 162,839	\$ -	\$ -	\$ 26,980,348
<b>Business-type activities:</b>					
Capital assets not being depreciated:					
Land	\$ 113,384	\$ -	-	\$ -	\$ 113,384
Construction in progress	-	-	-	-	-
Total capital assets, not being depreciated	113,384	-	-	-	113,384
Capital assets being depreciated:					
Utility Plant	19,097,585	-	-	-	19,097,585
Buildings and improvements	93,572	-	-	-	93,572
Furniture and equipment	324,458	-	-	-	324,458
Vehicles	111,181	-	-	-	111,181
Total capital assets being depreciated	19,626,796	-	-	-	19,626,796
Less accumulated depreciation for:					
Utility Plant	4,657,556	482,221	-	-	5,139,777
Buildings and improvements	18,711	8,389	-	-	27,100
Furniture and equipment	175,943	25,728	-	-	201,671
Vehicles	69,588	12,916	-	-	82,504
Total accumulated depreciation	4,921,798	529,254	-	-	5,451,052
Total capital assets being depreciated, net	14,704,998	(529,254)	-	-	14,175,744
Business-type activities capital assets, net	\$ 14,818,382	\$ (529,254)	\$ -	\$ -	\$ 14,289,128

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

<b>Governmental activities:</b>	
General government	\$ 329,746
Public safety	317,970
Public works	363,643
Parks and recreation	64,511
	<u>\$ 1,075,870</u>
<b>Business-type activities:</b>	
Water and Sewer	\$ 524,211
Stormwater	5,043
	<u>\$ 529,254</u>

**TOWN OF FAIRVIEW, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED SEPTEMBER 30, 2015**

**NOTE 6. INTERFUND TRANSACTIONS**

A summary of interfund receivables and payables at September 30, 2015 is as follows:

	Due to		Total
	Water and Sewer Fund	Storm Water Fund	
Due from General Fund	\$ 6,606	\$ 1,076	\$ 7,682

All interfund receivables and payables are related to expenses paid by the General Fund, but reimbursed by the associated funds.

Transfers between funds during the year were as follows:

Transfer Out	Transfer In	Amount	Purpose
General Fund	Capital Projects Fund	\$ 460,000	To fund future capital projects
Debt Service Fund	Water Sewer Fund	229,429	To subsidize the water and sewer debt payments
Storm Water Fund	General Fund	3,101	To fund information technology expenses
Storm Water Fund	General Fund	37,600	Cost allocation for administrative costs
Non Major Fund	General Fund	223	To fund information technology expenses
Storm Water Fund	Water Sewer Fund	20,000	Cost allocation for billing costs
Water Sewer Fund	General Fund	542,500	Cost allocation for administrative costs
		<u>\$ 1,292,853</u>	

Transfers are used to provide funds for debt service, contributions for capital construction, cost allocations and other operational costs as determined by the Town's annual budget.

**NOTE 7. LONG-TERM DEBT**

The Town issues general obligation bonds and certificates of obligation and revenue bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. The Town also issues combination tax and limited surplus certificates of obligation that are secured by ad valorem taxes as well as a limited pledge of the surplus net revenues of the Town's waterworks and sewer system.

The following is a summary of changes in long-term debt for the year ended September 30, 2015:

	Beginning Balance	Additions	Retired or Refunded	Ending Balance	Amount Due within One year
<b>Governmental activities:</b>					
General obligation bonds	\$ 2,737,562	\$ -	\$ (126,870)	\$ 2,610,692	\$ 191,704
Certificates of obligation	16,768,312	-	(913,873)	15,854,439	881,329
Unamortized bond premium	228,125	-	(30,937)	197,188	-
Net pension liability	519,877	115,321	-	635,198	-
Compensated absences	304,326	367,462	(304,326)	367,462	367,462
Capital Lease	-	380,000	-	380,000	73,548
	<u>20,558,202</u>	<u>862,783</u>	<u>(1,376,006)</u>	<u>20,044,979</u>	<u>1,514,043</u>
<b>Business-type activities:</b>					
General obligation bonds	4,892,437	-	(508,130)	4,384,307	698,297
Certificates of obligation	3,011,688	-	(286,126)	2,725,562	193,670
Unamortized bond premium	59,049	-	(10,095)	48,954	-
Net pension liability	101,564	22,529	-	124,093	-
Compensated absences	48,999	50,364	(48,999)	50,364	50,364
	<u>8,113,737</u>	<u>72,893</u>	<u>(853,350)</u>	<u>7,333,280</u>	<u>942,331</u>
Total Primary Government	<u>\$ 28,671,939</u>	<u>\$ 935,676</u>	<u>\$ (2,229,356)</u>	<u>\$ 27,378,259</u>	<u>\$ 2,456,374</u>

**TOWN OF FAIRVIEW, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED SEPTEMBER 30, 2015**

**NOTE 7. LONG-TERM DEBT – CONTINUED**

Long-term debt of the Town is comprised of the following individual issues as of September 30, 2015.

Purpose	Original Amount	Year of Issue	Final Maturity	Interest Rates	Balance 9/30/2015
General Obligation Bonds:					
Improvements	\$ 2,830,000	2007	2027	4.00% - 4.25%	\$ 1,960,000
Improvements	658,172	2013	2025	0.7% - 2.75%	650,692
Total General Obligation Bonds					<u>2,610,692</u>
Certificates of Obligation:					
Improvements	300,000	2006	2026	4.00% - 4.15%	192,047
Improvements	1,129,780	2007	2027	4.00% - 4.25%	782,392
Improvements	3,435,000	2008	2028	3.00% - 4.35%	2,525,000
Improvements	3,300,000	2009	2029	2.50% - 4.30%	2,535,000
Improvements	3,100,000	2010	2030	2.00% - 4.00%	2,490,000
Improvements	1,665,000	2012	2032	0.5% - 3.815%	1,465,000
Improvements	3,065,000	2012	2032	0.5% - 3.815%	2,715,000
Improvements	3,565,000	2013	2028	0.30% - 3.20%	3,150,000
Total Certificates of Obligation					<u>15,854,439</u>
Total Governmental Activities Debt					<u>\$ 18,465,131</u>

Purpose	Original Amount	Year of Issue	Final Maturity	Interest Rates	Balance 9/30/2015
General Obligation Bonds:					
Improvements	\$ 3,470,000	2009	2018	2.00% - 4.00%	\$ 1,410,000
Improvements	2,325,000	2012	2022	2.09%	1,885,000
Improvements	1,101,828	2013	2025	0.7% - 2.75%	1,089,307
Total General Obligation Bonds					<u>4,384,307</u>
Certificates of Obligation:					
Improvements	2,180,000	2006	2026	4.00% - 4.15%	1,392,954
Improvements	1,930,220	2007	2027	4.00% - 4.25%	1,332,608
Total Certificates of Obligation					<u>2,725,562</u>
Total Business-Type Activities Debt					<u>\$ 7,109,869</u>

The annual aggregate maturities for each bond type are as follows:

General Obligation Bonds and Certificates of Obligation:

Fiscal Year Ending September 30,	Governmental Activities			Business Activities		
	Principal	Interest	Total	Principal	Interest	Total
2016	\$ 1,073,033	\$ 660,099	\$ 1,733,132	\$ 891,967	\$ 236,626	\$ 1,128,593
2017	1,107,358	629,625	1,736,983	927,642	205,689	1,133,331
2018	1,136,077	595,110	1,731,187	953,922	172,935	1,126,857
2019	1,182,273	555,603	1,737,876	672,727	138,582	811,309
2020	1,211,578	514,832	1,726,410	693,422	119,229	812,651
2021-2025	6,734,540	1,870,603	8,605,143	2,545,461	303,352	2,848,813
2026-2030	5,395,272	560,986	5,956,258	424,728	18,031	442,759
2031-2033	625,000	30,550	655,550	-	-	-
Total	<u>\$ 18,465,131</u>	<u>\$ 5,417,408</u>	<u>\$ 23,882,539</u>	<u>\$ 7,109,869</u>	<u>\$ 1,194,444</u>	<u>\$ 8,304,313</u>

As noted, the Town has legally defeased certain outstanding general obligation debt by placing funds into irrevocable trusts pledged to pay all future debt service payments of the refunded debt. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the Town's long-term debt. Defeased debt as of September 30, 2015 consists solely of the \$1,805,000 of combination tax and limited surplus revenue certificates of obligation refunded by the Series 2013 issuance.

**TOWN OF FAIRVIEW, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED SEPTEMBER 30, 2015**

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**NOTE 7. LONG-TERM DEBT – CONTINUED**

**Compensated Absences**

Substantially all vacation and sick leave is paid by the General Fund. Accrued vacation and sick pay are reported in governmental funds only if termination has occurred and the balance is due.

**Capital Leases**

On November 21, 2014, the Town entered into an agreement with BB&T to purchase two ambulances. The agreement is for an approximate 5 year term based on delivery of the equipment and expires on November 26, 2019. Payments are \$79,780 annually and carry an effective interest rate of 1.64%.

Year Ending September 30,	Governmental Activities
2016	\$ 79,780
2017	79,780
2018	79,780
2019	79,780
2020	79,779
Total minimum lease payments	398,899
Less: amount representing interest	(18,899)
Present value of minimum lease payments	<u>\$ 380,000</u>

**NOTE 8. PENSION PLAN**

**A. Plan Description**

The Town of Fairview participates as one of 860 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at [www.tmrs.com](http://www.tmrs.com).

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

**B. Benefits Provided**

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the city, within the options available in the state statutes governing TMRS. At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payments options.

**TOWN OF FAIRVIEW, TEXAS  
 NOTES TO THE FINANCIAL STATEMENTS  
 YEAR ENDED SEPTEMBER 30, 2015**

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**NOTE 8. PENSION PLAN – CONTINUED**

**B. Benefits Provided – Continued**

Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

Members can retire at ages 60 and above with 5 or more years of service or with 20 years of service. A member is vested after 5 years. The plan provisions are adopted by the governing body of the Town, within the options available in the state statutes governing TMRS and within the actuarial constraints of the statutes.

**Employees covered by benefit terms**

At December 31, 2014 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	4
Inactive employees entitled to but not yet receiving benefits	27
Active employees	<u>53</u>
Total	84

**C. Contributions**

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

Employees for the Town of Fairview were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the Town of Fairview were 8.44% and 9.18% in calendar years 2014 and 2015, respectively. The Town's contributions to TMRS for the year ended September 30, 2015, were \$330,951, and were equal to the required contributions.

**D. Net Pension Liability**

The Town's Net Pension Liability (NPL) was measured as of December 31, 2014, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

**Actuarial Assumptions**

The Total Pension Liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions:

Inflation	3.0% per year
Overall payroll growth	3.0% per year
Investment rate of return	7.0%, net of pension plan investment expense, including inflation

**TOWN OF FAIRVIEW, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED SEPTEMBER 30, 2015**

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**NOTE 8. PENSION PLAN - CONTINUED**

**D. Net Pension Liability – Continued**

**Actuarial Assumptions – Continued**

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Table, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Disabled Retiree Mortality Table is used, with slight adjustments.

Actuarial assumptions used in the December 31, 2014, valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period January 1, 2006 through December 31, 2009, first used in the December 31, 2010 valuation. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2014 valuation.

The long-term expected rate of return on pension plan investments is 7.0%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TMRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Domestic Equity	17.5%	4.80%
International Equity	17.5%	6.05%
Core Fixed Income	30.0%	1.50%
Non-Core Fixed Income	10.0%	3.50%
Real Return	5.0%	1.75%
Real Estate	10.0%	5.25%
Absolute Return	5.0%	4.25%
Private Equity	5.0%	8.50%
Total	100.0%	

**TOWN OF FAIRVIEW, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED SEPTEMBER 30, 2015**

**NOTE 8. PENSION PLAN - CONTINUED**

**D. Net Pension Liability – Continued**

**Discount Rate**

The discount rate used to measure the Total Pension Liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

**Allocations**

The Town's net pension liability, pension expense, and deferred outflows of resources related to TMRS have been allocated between governmental activities and the business-type activities using a contribution-based method.

**Changes in the Net Pension Liability**

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/13	\$ 4,120,919	\$ 3,499,478	\$ 621,441
Changes for the year:			
Service cost	503,147	-	503,147
Interest	304,442	-	304,442
Changes of benefit terms	-	-	-
Difference between expected and actual experience	38,408	-	38,408
Changes of assumptions	-	-	-
Contributions - employer	-	276,717	(276,717)
Contributions - employee	-	233,376	(233,376)
Net investment income	-	200,316	(200,316)
Benefit payments, including refunds of employee contributions	(46,631)	(46,631)	-
Administrative expense	-	(2,090)	2,090
Other changes	-	(172)	172
Net Changes	<u>799,366</u>	<u>661,516</u>	<u>137,850</u>
Balance at 12/31/14	<u>\$ 4,920,285</u>	<u>\$ 4,160,994</u>	<u>\$ 759,291</u>

**TOWN OF FAIRVIEW, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED SEPTEMBER 30, 2015**

**NOTE 8. PENSION PLAN - CONTINUED**

**D. Net Pension Liability – Continued**

**Sensitivity of the net pension liability to changes in the discount rate**

The following presents the net pension liability of the Town, calculated using the discount rate of 7.0%, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0%) or 1-percentage-point higher (8.0%) than the current rate:

	1% Decrease in Discount Rate (6.0%)	Discount Rate (7.0%)	1% Increase in Discount Rate (8.0%)
Net Pension Liability	\$1,571,071	\$759,291	\$99,782

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained at [www.tmr.com](http://www.tmr.com).

**E. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended September 30, 2015, the Town recognized pension expense of \$346,080. At September 30, 2015, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 32,769	\$ -
Changes in actuarial assumptions	-	-
Difference between projected and actual investment earnings	35,718	-
Contributions subsequent to the measurement date	252,030	-
Total	<u>\$ 320,517</u>	<u>\$ -</u>

The \$252,030 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date. Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ended September 30:	
2016	\$ 266,598
2017	14,568
2018	14,568
2019	14,570
2020	5,639
Thereafter	4,574
	<u>\$ 320,517</u>

**TOWN OF FAIRVIEW, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED SEPTEMBER 30, 2015**

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**NOTE 9. RISK MANAGEMENT**

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omission; injuries to employees; and natural disasters. The Town is a participant in the Texas Municipal League Workers' Compensation Joint Insurance Fund (WC Fund) and the Texas Municipal League Joint Self-Insurance Fund (Property-Liability Fund), a public entity risk pool operated by the Texas Municipal League Board for the benefit of 1,115 individual governmental units located within Texas. The Town pays an annual premium to the funds for its workers' compensation and property and liability insurance coverage. The WC Fund and Property-Liability Fund are considered self-sustaining risk pools that provide coverage for its members for up to \$1,000,000 per occurrence with a \$2,000,000 annual aggregate. There is a deductible of \$5,000 due from the Town per claim for errors and omissions liability claims and a \$2,500 deductible for general liability.

There were no reductions in insurance coverage and the Town had not been declined coverage for any exposures or limits of liability and/or scheduled covered amounts from the previous year. Settled claims for risks have not exceeded insurance coverage for the past three years.

**NOTE 10. CUMULATIVE EFFECT OF ADOPTION OF GASB STATEMENTS**

As a result of the implementation of GASB Statement No. 68, "Accounting and Financial Reporting for Pension – an amendment of GASB Statement No. 27", and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date", an adjustment has been made to record the Town's net pension liability as of October 1, 2014. As a result, in the government-wide financial statements, beginning net position of the governmental activities has been decreased by \$350,502 and the beginning net position of the business-type activities has been decreased by \$68,474. In the proprietary funds financial statements, beginning net position of the water and sewer enterprise fund has been decreased by \$53,240 and beginning net position of the storm water enterprise fund has been decreased by \$15,234.



**REQUIRED SUPPLEMENTARY INFORMATION**



**TOWN OF FAIRVIEW, TEXAS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES – BUDGET (GAAP BASIS) AND ACTUAL – GENERAL FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues:</b>				
Property taxes	\$ 2,940,000	\$ 2,972,400	\$ 2,983,012	\$ 10,612
Sales taxes	1,400,000	1,400,000	1,519,038	119,038
Franchise taxes	596,166	651,436	668,896	17,460
Mixed beverage taxes	73,000	75,000	77,344	2,344
Charges for services	140,000	172,727	170,369	(2,358)
Permits	317,500	356,850	367,580	10,730
Fines and forfeitures	382,950	407,350	412,780	5,430
Intergovernmental	20,000	17,400	17,400	-
Interest Income	6,000	16,000	22,869	6,869
Miscellaneous	134,752	153,528	157,742	4,214
<b>Total revenues</b>	<u>6,010,368</u>	<u>6,222,691</u>	<u>6,397,030</u>	<u>174,339</u>
<b>Expenditures:</b>				
Current:				
General government	1,962,118	1,756,516	1,782,703	(26,187)
Public safety	3,984,379	3,937,743	3,940,662	(2,919)
Public works	235,709	235,833	203,280	32,553
Inspections	106,477	98,209	95,678	2,531
Municipal court	171,225	168,988	173,558	(4,570)
Parks and recreation	88,017	90,011	91,240	(1,229)
Capital outlay	92,565	460,137	449,022	11,115
<b>Total expenditures</b>	<u>6,640,490</u>	<u>6,747,437</u>	<u>6,736,143</u>	<u>11,294</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(630,122)</u>	<u>(524,746)</u>	<u>(339,113)</u>	<u>185,633</u>
Other financing sources (uses):				
Proceeds from capital lease	-	380,000	380,000	-
Transfers in	580,100	583,201	583,424	223
Transfers out	-	(460,000)	(460,000)	-
<b>Total other financing sources (uses)</b>	<u>580,100</u>	<u>503,201</u>	<u>503,424</u>	<u>223</u>
<b>Net change in fund balance</b>	(50,022)	(21,545)	164,311	185,856
<b>Fund balance at beginning of year</b>	<u>3,957,207</u>	<u>3,957,207</u>	<u>3,957,207</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 3,907,185</u>	<u>\$ 3,935,662</u>	<u>\$ 4,121,518</u>	<u>\$ 185,856</u>

**TOWN OF FAIRVIEW, TEXAS  
NOTES TO BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

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**STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

A. Budgetary Information

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. An annual appropriated budget is legally adopted for the general fund. All annual appropriations lapse at fiscal year-end.

The Town follows these procedures in establishing the budgetary data reflected in the basic financial statements:

- (1) Prior to September 1, the Town Council prepares a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
- (2) Public hearings are conducted to obtain taxpayer comments.
- (3) Prior to October 1, the budget is legally enacted through the passage of an ordinance, and can be amended by the Council.
- (4) The Town Manager is authorized to transfer budgeted amounts between departments within any fund. Any revisions that alter the total expenditures of any fund must be approved by the Town Council.
- (5) Formal budgetary integration, using the modified accrual basis, is employed as a management control device during the year for the general fund.

**TOWN OF FAIRVIEW, TEXAS  
TEXAS MUNICIPAL RETIREMENT SYSTEM  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
FISCAL YEAR ENDED SEPTEMBER 30, 2015  
(UNAUDITED)**

	Measurement Year 2014
Total pension liability:	
Service cost	\$ 503,147
Interest (on the Total Pension Liability)	304,442
Changes of benefit terms	-
Difference between expected and actual experience	38,408
Change in assumptions	-
Benefit payments, including refunds of employee contributions	(46,631)
Net change in total pension liability	799,366
Total pension liability - beginning	4,120,919
Total pension liability - ending (a)	4,920,285
Plan fiduciary net position:	
Contributions - employer	276,717
Contributions - employee	233,376
Net investment income	200,316
Benefit payments, including refunds of employee contributions	(46,631)
Administrative expense	(2,090)
Other	(172)
Net change in plan fiduciary net position	661,516
Plan fiduciary net position - beginning	3,499,478
Plan fiduciary net position - ending (b)	4,160,994
Net pension liability - ending (a) - (b)	\$ 759,291
Plan fiduciary net position as a percentage of total pension liability	84.57%
Covered employee payroll	\$ 3,333,941
Net pension liability as a percentage of covered employee payroll	22.77%

**TOWN OF FAIRVIEW, TEXAS  
 TEXAS MUNICIPAL RETIREMENT SYSTEM  
 SCHEDULE OF CONTRIBUTIONS  
 FISCAL YEAR ENDED SEPTEMBER 30, 2015  
 (UNAUDITED)**

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	Fiscal Year 2015
Actuarially determined contribution	\$ 330,951
Contributions in relation of the actuarially determined contribution	<u>330,951</u>
Contribution deficiency (excess)	<u>\$ -</u>
Covered employee payroll	\$ 3,680,512
Contributions as a percentage of covered employee payroll	8.99%

**TOWN OF FAIRVIEW, TEXAS  
NOTES TO TEXAS MUNICIPAL RETIREMENT SYSTEM REQUIRED SUPPLEMENTARY  
INFORMATION  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

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**VALUATION DATE:**

Actuarial determined contribution rates are calculated as of December 31 each year and become effective in January, 13 months later.

**METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES:**

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	29 years
Asset Valuation Method	10 Year smoothed market; 15% soft corridor
Inflation	3.00%
Salary Increases	3.50% to 12.00% including inflation
Investment Rate of Return	7.00%
Retirement Age	Experience-based table of rates that are specific to the Town's plan of benefits. Last updated for the 2010 valuation pursuant to an experience study of the period 2005 – 2009
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB

Other information: There were no benefit changes during the year.



**COMBINING AND INDIVIDUAL FUND  
FINANCIAL STATEMENTS AND SCHEDULES**

## **NON-MAJOR GOVERNMENTAL FUNDS**

### **SPECIAL REVENUE FUNDS**

#### **COURT FUND**

Accounts for fines and forfeitures assessed which are restricted for court technology and security disbursements.

#### **FIRE DONATIONS FUND**

Account for funds provided by private donors or donations from the \$1 fire donation selection on each utility customer's monthly bill to assist in the purchase of fire department equipment and related expenses.

**TOWN OF FAIRVIEW, TEXAS  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 SEPTEMBER 30, 2015**

	<u>Court</u>	<u>Fire Donations</u>	<u>Total Nonmajor Governmental Funds</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 156,251	\$ 38,608	\$ 194,859
Accounts receivable	-	2,570	2,570
<b>Total assets</b>	<u>\$ 156,251</u>	<u>\$ 41,178</u>	<u>\$ 197,429</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	13	270	283
<b>Total liabilities</b>	<u>13</u>	<u>270</u>	<u>283</u>
Fund balances:			
Restricted			
Fire	-	40,908	40,908
Court	156,238	-	156,238
<b>Total fund balance</b>	<u>156,238</u>	<u>40,908</u>	<u>197,146</u>
<b>Total liabilities and fund balances</b>	<u>\$ 156,251</u>	<u>\$ 41,178</u>	<u>\$ 197,429</u>

**TOWN OF FAIRVIEW, TEXAS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE – NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<u>Court</u>	<u>Fire Donations</u>	<u>Total Nonmajor Governmental Funds</u>
<b>Revenues:</b>			
Fines and forfeitures	\$ 22,811	\$ -	\$ 22,811
Miscellaneous	-	34,615	34,615
<b>Total revenues</b>	<u>22,811</u>	<u>34,615</u>	<u>57,426</u>
<b>Expenditures:</b>			
Current:			
Municipal court	7,811	-	7,811
Public safety	-	21,672	21,672
Capital outlay	-	20,572	20,572
<b>Total expenditures</b>	<u>7,811</u>	<u>42,244</u>	<u>50,055</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>15,000</u>	<u>(7,629)</u>	<u>7,371</u>
Other financing sources (uses):			
Transfers out	(223)	-	(223)
<b>Total other financing sources (uses)</b>	<u>(223)</u>	<u>-</u>	<u>(223)</u>
<b>Net change in fund balance</b>	14,777	(7,629)	7,148
<b>Fund balance at beginning of year</b>	<u>141,461</u>	<u>48,537</u>	<u>189,998</u>
<b>Fund balance, end of year</b>	<u>\$ 156,238</u>	<u>\$ 40,908</u>	<u>\$ 197,146</u>

## **STATISTICAL SECTION**



**TOWN OF FAIRVIEW, TEXAS  
STATISTICAL SECTION  
TABLE OF CONTENTS**

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**STATISTICAL SECTION**

This part of the Town of Fairview's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, notes disclosures, and required supplementary information says about the Town's overall financial health. This information has not been audited by the independent auditor.

<b><u>Contents</u></b>	<b><u>Table #s</u></b>
<b>Financial Trends</b> These tables contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.	<b>A-1 to A-4</b>
<b>Revenue Capacity</b> These tables contain information to help the reader assess the Town's two most significant local revenue sources, the property and sales taxes.	<b>B-1 to B-5</b>
<b>Debt Capacity</b> These tables present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.	<b>C-1 to C-5</b>
<b>Economic and Demographic Information</b> These tables offer economic and demographic indicators to help the reader understand the environment within which the Town's financial activities take place.	<b>D-1 to D-2</b>
<b>Operating Information</b> These tables contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides.	<b>E-1 to E-3</b>

**Source:** Unless otherwise noted, the information in these tables is derived from the comprehensive annual financial reports for the relevant year. The Town implemented GASB Statement 34 in fiscal year 2004: tables presenting government-wide information include information beginning in that year.

**TOWN OF FAIRVIEW, TEXAS  
NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS (UNAUDITED)  
(ACCRUAL BASIS OF ACCOUNTING) – AMOUNTS EXPRESSED IN THOUSANDS**

	<b>Fiscal Year</b>			
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Governmental activities				
Net investment in capital assets	\$ 2,584	\$ 4,651	\$ (2,336)	\$ 6,330
Restricted	787	2,013	8,942	1,810
Unrestricted	2,666	1,961	5,450	5,217
Total governmental activities net position	<u>\$ 6,037</u>	<u>\$ 8,625</u>	<u>\$ 12,056</u>	<u>\$ 13,357</u>
Business-type activities				
Net investment in capital assets	\$ 1,918	\$ 762	\$ 955	\$ 1,239
Restricted	2,180	4,071	3,102	2,413
Unrestricted	1,825	3,169	5,326	5,974
Total business-type activities net position	<u>\$ 5,923</u>	<u>\$ 8,002</u>	<u>\$ 9,383</u>	<u>\$ 9,626</u>
Primary government				
Net investment in capital assets	\$ 4,502	\$ 5,413	\$ (1,381)	\$ 7,569
Restricted	2,967	6,084	12,044	4,223
Unrestricted	4,491	5,130	10,776	11,191
Total primary governmental net position	<u>\$ 11,960</u>	<u>\$ 16,627</u>	<u>\$ 21,439</u>	<u>\$ 22,983</u>

**Source:** Comprehensive Annual Financial Report

**TABLE A-1**

<b>Fiscal Year</b>						
<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	
\$ 7,104	\$ 8,608	\$ 9,526	\$ 9,946	\$ 8,831	\$ 8,453	
2,118	2,805	2,478	507	763	964	
5,907	4,598	4,567	3,954	4,314	5,212	
<u>\$ 15,129</u>	<u>\$ 16,011</u>	<u>\$ 16,571</u>	<u>\$ 14,407</u>	<u>\$ 13,908</u>	<u>\$ 14,629</u>	
\$ 4,228	\$ 4,885	\$ 5,112	\$ 6,482	\$ 6,895	\$ 7,130	
147	-	-	-	428	433	
5,952	7,075	7,574	6,345	4,779	4,416	
<u>\$ 10,327</u>	<u>\$ 11,960</u>	<u>\$ 12,686</u>	<u>\$ 12,827</u>	<u>\$ 12,102</u>	<u>\$ 11,979</u>	
\$ 11,332	\$ 13,493	\$ 14,638	\$ 16,428	\$ 15,726	\$ 15,583	
2,265	2,805	2,478	507	1,191	1,397	
11,859	11,673	12,141	10,299	9,093	9,628	
<u>\$ 25,456</u>	<u>\$ 27,971</u>	<u>\$ 29,257</u>	<u>\$ 27,234</u>	<u>\$ 26,010</u>	<u>\$ 26,608</u>	

**TOWN OF FAIRVIEW, TEXAS  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS (UNAUDITED)  
(ACCRUAL BASIS OF ACCOUNTING) – AMOUNTS EXPRESSED IN THOUSANDS**

	Fiscal Year			
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<b>Expenses</b>				
Governmental activities:				
General government	\$ 860	\$ 796	\$ 1,213	\$ 1,660
Public safety	929	1,365	1,380	1,980
Municipal court	87	120	85	119
Public works	608	656	1,194	1,072
Parks and recreation	26	31	23	82
Inspections	-	-	-	-
Economic development	12	6	8	16
Interest and fiscal charges	237	355	383	435
Total governmental activities expenses	<u>2,759</u>	<u>3,329</u>	<u>4,286</u>	<u>5,364</u>
Business-type activities:				
Water and sewer	2,191	2,517	2,884	3,022
Solid waste	-	-	-	-
Stormwater	-	-	-	-
Total business-type activities expenses	<u>2,191</u>	<u>2,517</u>	<u>2,884</u>	<u>3,022</u>
Total primary government expenses	<u>\$ 4,950</u>	<u>\$ 5,846</u>	<u>\$ 7,170</u>	<u>\$ 8,386</u>
<b>Program Revenues</b>				
Governmental activities:				
Charges for Services:				
General government	\$ 1,808	\$ 1,363	\$ 678	\$ 592
Public safety	295	-	263	244
Public works	-	-	436	546
Parks and recreation	-	-	-	4
Non-departmental	-	-	-	-
Debt service	-	-	-	-
Operating grants and contributions	34	378	111	47
Capital grants and contributions	451	-	-	71
Total governmental activities program revenues	<u>2,588</u>	<u>1,741</u>	<u>1,488</u>	<u>1,504</u>
Business-type activities:				
Charges for services:				
Water and sewer	3,684	2,374	3,029	3,128
Solid waste	-	-	-	-
Stormwater	-	-	-	-
Capital grants and contributions	-	253	344	-
Total business-type activities program revenues	<u>3,684</u>	<u>2,627</u>	<u>3,373</u>	<u>3,128</u>
Total primary government program revenues	<u>\$ 6,272</u>	<u>\$ 4,368</u>	<u>\$ 4,861</u>	<u>\$ 4,632</u>

**Source:** Comprehensive Annual Financial Report

TABLE A-2 (CONTINUED)

							Fiscal Year					
<u>2010</u>		<u>2011</u>		<u>2012</u>		<u>2013</u>		<u>2014</u>		<u>2015</u>		
\$	1,452	\$	1,870	\$	1,404	\$	2,746	\$	2,789	\$	2,156	
	2,626		3,235		3,520		3,631		3,955		4,354	
	124		132		127		129		159		182	
	886		1,097		1,213		567		1,202		574	
	77		84		84		99		162		156	
	-		-		-		100		103		96	
	-		-		-		-		-		-	
	464		531		505		698		778		674	
	<u>5,629</u>		<u>6,949</u>		<u>6,853</u>		<u>7,970</u>		<u>9,148</u>		<u>8,192</u>	
	3,102		3,212		3,837		4,195		4,211		4,584	
	-		-		-		-		615		581	
	-		-		-		-		195		357	
	<u>3,102</u>		<u>3,212</u>		<u>3,837</u>		<u>4,195</u>		<u>5,021</u>		<u>5,522</u>	
\$	<u>8,731</u>	\$	<u>10,161</u>	\$	<u>10,690</u>	\$	<u>12,165</u>	\$	<u>14,169</u>	\$	<u>13,714</u>	
\$	298	\$	88	\$	100	\$	295	\$	297	\$	376	
	323		338		267		302		388		436	
	1,052		1,226		985		291		290		272	
	-		-		-		11		48		49	
	-		-		-		432		-		-	
	-		-		-		239		241		243	
	55		85		153		107		230		52	
	74		65		176		-		77		243	
	<u>1,802</u>		<u>1,802</u>		<u>1,681</u>		<u>1,677</u>		<u>1,571</u>		<u>1,671</u>	
	3,205		4,110		4,015		4,157		3,742		4,904	
	-		-		-		-		607		616	
	-		-		-		-		295		301	
	-		-		-		-		-		-	
	<u>3,205</u>		<u>4,110</u>		<u>4,015</u>		<u>4,157</u>		<u>4,644</u>		<u>5,821</u>	
\$	<u>5,007</u>	\$	<u>5,912</u>	\$	<u>5,696</u>	\$	<u>5,834</u>	\$	<u>6,215</u>	\$	<u>7,492</u>	

**TOWN OF FAIRVIEW, TEXAS  
 CHANGES IN NET POSITION – CONTINUED  
 LAST TEN FISCAL YEARS (UNAUDITED)  
 (ACCRUAL BASIS OF ACCOUNTING) – AMOUNTS EXPRESSED IN THOUSANDS**

	<b>Fiscal Year</b>			
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<b>Net (Expenses) Revenue</b>				
Governmental activities	\$ (171)	\$ (1,588)	\$ (2,798)	\$ (3,860)
Business-type activities	1,493	110	489	106
Total primary government	<u>\$ 1,322</u>	<u>\$ (1,478)</u>	<u>\$ (2,309)</u>	<u>\$ (3,754)</u>
<b>General Revenues and other Changes in Net Position</b>				
Governmental activities:				
Taxes:				
Property taxes	\$ 1,971	\$ 2,401	\$ 3,207	\$ 3,554
Sales taxes	454	586	587	924
Franchise taxes	282	388	469	461
Mixed beverage taxes	-	-	-	-
Unrestricted investment earnings	179	317	413	227
Miscellaneous	90	134	89	103
Gains on sale of assets	-	-	1,928	-
Transfers	(170)	(314)	(494)	(86)
Total governmental activities	<u>2,806</u>	<u>3,512</u>	<u>6,199</u>	<u>5,183</u>
Business-type activities:				
Unrestricted investment earnings	210	358	245	52
Transfers	170	314	494	86
Total business-type activities	<u>380</u>	<u>672</u>	<u>739</u>	<u>138</u>
Total primary government	<u>\$ 3,186</u>	<u>\$ 4,184</u>	<u>\$ 6,938</u>	<u>\$ 5,321</u>
<b>Change in Net Position</b>				
Governmental activities	\$ 2,635	\$ 1,924	\$ 3,401	\$ 1,323
Business-type activities	1,873	782	1,228	244
Total primary government	<u>\$ 4,508</u>	<u>\$ 2,706</u>	<u>\$ 4,629</u>	<u>\$ 1,567</u>

**Source:** Comprehensive Annual Financial Report

**TABLE A-2 (CONCLUDED)**

<b>Fiscal Year</b>						
<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	
\$ (3,827)	\$ (5,147)	\$ (5,172)	\$ (6,293)	\$ (7,577)	\$ (6,521)	
103	898	178	(38)	(377)	299	
<u>\$ (3,724)</u>	<u>\$ (4,249)</u>	<u>\$ (4,994)</u>	<u>\$ (6,331)</u>	<u>\$ (7,954)</u>	<u>\$ (6,222)</u>	
\$ 3,857	\$ 4,146	\$ 4,282	\$ 4,279	\$ 4,509	\$ 4,886	
939	2,608	2,767	1,448	1,453	1,519	
458	605	608	563	649	669	
-	-	67	69	77	77	
36	31	25	19	23	25	
91	179	93	162	16	63	
313	-	-	-	-	-	
(586)	(741)	(518)	(262)	349	354	
<u>5,108</u>	<u>6,828</u>	<u>7,324</u>	<u>6,278</u>	<u>7,076</u>	<u>7,593</u>	
12	3	3	3	1	-	
587	741	518	262	(349)	(354)	
<u>599</u>	<u>744</u>	<u>521</u>	<u>265</u>	<u>(348)</u>	<u>(354)</u>	
<u>\$ 5,707</u>	<u>\$ 7,572</u>	<u>\$ 7,845</u>	<u>\$ 6,543</u>	<u>\$ 6,728</u>	<u>\$ 7,239</u>	
\$ 1,281	\$ 1,681	\$ 2,152	\$ (15)	\$ (501)	\$ 1,072	
702	1,642	699	227	(725)	(55)	
<u>\$ 1,983</u>	<u>\$ 3,323</u>	<u>\$ 2,851</u>	<u>\$ 212</u>	<u>\$ (1,226)</u>	<u>\$ 1,017</u>	

**TOWN OF FAIRVIEW, TEXAS  
 FUND BALANCES, GOVERNMENTAL FUNDS  
 LAST TEN FISCAL YEARS (UNAUDITED)  
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING) – AMOUNTS EXPRESSED IN  
 THOUSANDS**

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	Fiscal Year			
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General Fund				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Assigned	-	-	-	-
Unassigned	2,716	3,179	5,373	5,084
Total general fund	<u>\$ 2,716</u>	<u>\$ 3,179</u>	<u>\$ 5,373</u>	<u>\$ 5,084</u>
All Other Governmental Funds				
Restricted	\$ 399	\$ 1,292	\$ 7,846	\$ 7,666
Assigned	388	698	1,040	-
Unassigned	-	22	-	-
Total all other governmental funds	<u>\$ 787</u>	<u>\$ 2,012</u>	<u>\$ 8,886</u>	<u>\$ 7,666</u>

**Source:** Comprehensive Annual Financial Report

**TABLE A-3**

<b>Fiscal Year</b>											
<u>2010</u>		<u>2011</u>		<u>2012</u>		<u>2013</u>		<u>2014</u>		<u>2015</u>	
\$	-	\$	-	\$	-	\$	-	\$	1	\$	3
	-		-		-		-		78		63
	6,065		4,628		4,198		4,158		3,878		4,056
<b>\$</b>	<b>6,065</b>	<b>\$</b>	<b>4,628</b>	<b>\$</b>	<b>4,198</b>	<b>\$</b>	<b>4,158</b>	<b>\$</b>	<b>3,957</b>	<b>\$</b>	<b>4,122</b>
\$	302	\$	430	\$	4,457	\$	1,736	\$	2,425	\$	1,712
	-		-		-		66		726		1,379
	-		-		-		-		-		-
<b>\$</b>	<b>302</b>	<b>\$</b>	<b>430</b>	<b>\$</b>	<b>4,457</b>	<b>\$</b>	<b>1,802</b>	<b>\$</b>	<b>3,151</b>	<b>\$</b>	<b>3,091</b>

**TOWN OF FAIRVIEW, TEXAS  
 CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
 LAST TEN FISCAL YEARS (UNAUDITED)  
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING) – AMOUNTS EXPRESSED IN THOUSANDS**

	<b>Fiscal Year</b>			
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<b>REVENUES</b>				
Taxes	\$ 2,709	\$ 3,387	\$ 4,249	\$ 4,910
Licenses and permits	1,575	693	575	532
Intergovernmental revenue and grants	182	171	45	119
Charges for services	-	450	540	560
Fines and forfeitures	281	220	263	244
Interest earnings	179	316	413	227
Other revenue	369	207	66	50
Miscellaneous	272	135	90	104
<b>Total revenues</b>	<b>5,567</b>	<b>5,579</b>	<b>6,241</b>	<b>6,746</b>
<b>EXPENDITURES</b>				
General government	858	823	1,006	1,116
Public safety	909	1,289	1,371	1,852
Public works	418	639	991	1,041
Parks and recreation	12	4	60	66
Inspections	-	-	-	427
Municipal court	87	119	85	119
Economic development	620	6	8	16
Capital outlay	-	607	1,422	4,157
Debt service				
Principal retirement	426	510	550	769
Interest and fiscal charges	241	244	500	421
<b>Total expenditures</b>	<b>3,571</b>	<b>4,241</b>	<b>5,993</b>	<b>9,984</b>
Excess (deficiency) of revenues over (under) expenditures	1,996	1,338	248	(3,238)
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from bonds	300	-	4,216	3,324
Proceeds from sale of capital assets	-	-	5,071	-
Payment to refunded bond escrow agent	-	-	-	-
Proceeds from capital lease obligation	-	-	-	-
Premium (cost) on bonds issued	-	-	-	-
Transfer from other funds	525	-	450	600
Transfer to other funds	(695)	(314)	(945)	(686)
<b>Total other financing sources (uses)</b>	<b>130</b>	<b>(314)</b>	<b>8,792</b>	<b>3,238</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ 2,126</b>	<b>\$ 1,024</b>	<b>\$ 9,040</b>	<b>\$ -</b>
Debt service as a percentage of noncapital expenditures	23.0%	21.6%	21.2%	13.5%

Source: Comprehensive Annual Financial Report

TABLE A-4

							Fiscal Year					
							2010	2011	2012	2013	2014	2015
\$	5,254	\$	6,055	\$	6,308	\$	6,386	\$	6,622	\$	7,116	
	527		726		417		295		269		368	
	52		54		133		75		258		86	
	824		588		668		904		289		391	
	323		338		267		301		388		436	
	39		33		25		19		23		25	
	77		95		196		70		242		97	
	91		179		126		194		138		192	
	7,187		8,068		8,140		8,244		8,229		8,711	
	1,011		1,681		1,184		2,491		2,167		1,801	
	2,379		2,945		3,235		3,248		3,576		3,962	
	695		687		770		207		1,168		231	
	60		70		75		89		97		91	
	413		129		108		98		103		96	
	125		131		127		127		159		181	
	30		-		-		-		-		-	
	7,867		4,965		2,132		3,130		2,129		1,239	
	519		579		597		785		1,032		1,041	
	439		574		525		655		793		697	
	13,538		11,761		8,753		10,830		11,224		9,339	
	(6,351)		(3,693)		(613)		(2,586)		(2,995)		(628)	
	-		3,100		4,730		-		4,223		-	
	332		-		-		-		4		-	
	-		-		-		-		(687)		-	
	-		-		-		-		0		380	
	-		71		(94)		-		253		-	
	696		2,047		1,199		905		839		1,043	
	(1,283)		(2,788)		(1,744)		(1,167)		(489)		(690)	
	(255)		2,430		4,091		(262)		4,143		733	
\$	(6,606)	\$	(1,263)	\$	3,478	\$	(2,848)	\$	1,148	\$	105	
	20.3%		20.4%		20.4%		23.0%		20.1%		20.1%	

**TOWN OF FAIRVIEW, TEXAS  
 APPRAISED VALUE OF PROPERTY  
 LAST TEN FISCAL YEARS (UNAUDITED)**

**TABLE B-1**

Fiscal Year	Tax Year	Market Valuation			Total Taxable Assessed Value	Total Direct Tax Rate
		Real Property	Personal Property	Less: Tax-Exempt Property		
2006	2005	641,774,030	6,893,138	10,192,639	638,474,529	0.330000
2007	2006	795,290,765	7,703,966	10,777,397	792,217,334	0.345000
2008	2007	989,097,019	7,815,552	13,579,397	983,333,174	0.345000
2009	2008	1,107,409,693	7,916,547	11,094,990	1,104,231,250	0.365000
2010	2009	1,211,614,266	8,838,553	13,893,289	1,206,559,530	0.365000
2011	2010	1,282,635,299	22,576,547	14,526,076	1,290,685,770	0.365000
2012	2011	1,310,018,060	49,458,016	15,037,098	1,344,438,978	0.360000
2013	2012	1,339,593,650	50,432,177	22,357,006	1,367,668,821	0.360000
2014	2013	1,396,288,609	47,135,219	27,101,168	1,416,322,660	0.360000
2015	2014	1,525,690,616	44,701,224	44,227,679	1,526,164,161	0.359999

**Source:** Collin Central Appraisal District

**TOWN OF FAIRVIEW, TEXAS**  
**DIRECT AND OVERLAPPING PROPERTY TAX RATES (PER \$100 OF ASSESSED VALUE)**  
**LAST TEN FISCAL YEARS (UNAUDITED)**

**TABLE B-2**

Fiscal Year	Town Direct Rates			Overlapping Rates <sup>a</sup>			Total Direct and Overlapping Rates
	Operating Rate	Debt Service Rate	Total Town Rate	Lovejoy Independent School District	Collin College	Collin County	
2006	0.152300	0.177700	0.330000	1.823400	0.089400	0.250000	2.492800
2007	0.151310	0.193690	0.345000	1.693400	0.087700	0.245000	2.371100
2008	0.159534	0.185466	0.345000	1.476300	0.087000	0.245000	2.153300
2009	0.159478	0.205522	0.365000	1.515000	0.086500	0.242500	2.209000
2010	0.174010	0.190990	0.365000	1.535000	0.086300	0.242500	2.228800
2011	0.176163	0.188837	0.365000	1.535000	0.086300	0.240000	2.226300
2012	0.183263	0.176737	0.360000	1.535000	0.086300	0.240000	2.221300
2013	0.199606	0.160394	0.360000	1.535000	0.086300	0.240000	2.221300
2014	0.216291	0.143709	0.360000	1.535000	0.083600	0.237500	2.216100
2015	0.221733	0.138266	0.359999	1.560000	0.081960	0.235000	2.236959

<sup>a</sup> Overlapping rates are those of local and county governments that apply to property owners within the Town of Fairview. A typical property tax bill would consist of the Town, School District, College District and County taxes.

**Source:** Town of Fairview, Lovejoy ISD, Collin College and Collin County

**Note:** Tax rates are applied on each \$100 of assessed value and are levied on 100% of assessed value.

**TOWN OF FAIRVIEW, TEXAS  
PRINCIPAL PROPERTY TAX PAYERS  
CURRENT YEAR AND TEN YEARS AGO (UNAUDITED)**

**TABLE B-3**

FY 2014-2015 (2014 Certified Tax Roll)			FY 2004-2005 (2004 Certified Tax Roll)		
Taxpayer	Taxable Assessed Value	Percentage of Total Town Taxable Assessed Value	Taxpayer	Taxable Assessed Value	Percentage of Total Town Taxable Assessed Value
The Village at Fairview, LP	\$ 40,050,871	2.62%	US Home Development Co	\$ 9,693,237	1.75%
Fairfield Fairview, LLP	30,870,636	2.02%	Homeowners Association	3,296,692	0.59%
Carrington Fairview Partners, LLC	27,283,720	1.79%	Jon & Rebecca Bayless	2,585,120	0.47%
Macy's Retail Holdings, Inc.	15,235,512	1.00%	Fairview Realty Investors, LP	2,547,810	0.46%
Dillard's Properties, Inc.	13,275,394	0.87%	Homeowners Association	2,168,029	0.39%
Fairfield Cortona Lofts, LP	11,207,287	0.73%	Fairview Village, LTD	1,837,285	0.33%
JC Penney Properties, Inc.	8,618,438	0.56%	Oncor Electric Delivery Company	1,740,249	0.31%
Dillard Texas Central, LLC	7,235,513	0.47%	Goodman Family of Builders, LP	1,511,300	0.27%
PR Fairview WFM Landlord, LLC	7,199,968	0.47%	GMAC Model Home Finance, Inc.	1,379,056	0.25%
PF Fairview Land TRS, LLC	6,959,907	0.46%	Wilbow-Fairview #1 Dev Corp	1,297,750	0.23%
<b>Total</b>	<b>\$ 167,937,246</b>	<b>11.00%</b>	<b>Total</b>	<b>\$ 28,056,528</b>	<b>5.06%</b>
<b>Total Assessed Valuation</b>	<b>\$ 1,526,164,161</b>	<b>100.00%</b>	<b>Total Assessed Valuation</b>	<b>\$ 554,675,076</b>	<b>100.00%</b>

**Source:** Collin Central Appraisal District

**Note:** Property is assessed as of January 1 and certified to the town by July 25 for taxable values

**TOWN OF FAIRVIEW, TEXAS  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS (UNAUDITED)**

**TABLE B-4**

Fiscal Year	Total Tax Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2006	1,945,329	1,926,782	99.05%	-	1,926,782	99.05%
2007	2,433,330	2,413,158	99.17%	-	2,413,158	99.17%
2008	3,230,044	3,193,341	98.86%	-	3,193,341	98.86%
2009	3,590,715	3,524,764	98.16%	-	3,524,764	98.16%
2010	3,923,243	3,859,866	98.38%	5,585	3,865,451	98.53%
2011	4,106,262	4,092,313	99.66%	8,186	4,100,499	99.86%
2012	4,253,982	4,231,752	99.48%	7,617	4,239,369	99.66%
2013	4,290,409	4,285,020	99.87%	8,630	4,293,650	100.08%
2014	4,466,998	4,431,527	99.21%	13,470	4,444,997	99.51%
2015	4,808,574	4,781,860	99.44%	-	4,781,860	99.44%

**Source:** Collin Central Appraisal District

**TOWN OF FAIRVIEW, TEXAS  
GENERAL GOVERNMENT TAX REVENUES BY SOURCE  
LAST TEN FISCAL YEARS (UNAUDITED) – AMOUNTS EXPRESSED IN THOUSANDS**

**TABLE B-5**

<b>Fiscal Year Ended Sept 30</b>	<b>Total Collected</b>	<b>1.00% City</b>	<b>% of Ad Valorem Tax Levy</b>	<b>(\$) Equivalent of Ad Valorem Tax Rate</b>	<b>0.50% 4A EDC</b>	<b>0.50% 4B CDC</b>
2006	464,475	232,238	11.94%	0.03940	116,119	116,119
2007	518,221	259,111	10.65%	0.03674	129,555	129,555
2008	576,850	288,425	8.93%	0.03081	144,213	144,213
2009	980,185	490,093	13.65%	0.04982	245,046	245,046
2010	1,850,016	925,008	23.58%	0.08606	462,504	462,504
2011	2,538,014	1,269,007	30.90%	0.11280	634,504	634,504
2012	2,767,151	1,383,576	32.52%	0.11709	691,788	691,788
2013	2,896,796	1,448,398	33.76%	0.12153	724,199	724,199
2014	2,906,820	1,453,410	33.88%	0.12195	726,705	726,705
2015	3,038,075	1,519,038	31.59%	0.11372	759,519	759,519

Source: Texas Comptroller of Public Affairs Website (<http://www.window.state.tx.us/taxinfo/sales>)

**TOWN OF FAIRVIEW, TEXAS  
RATIO OF OUTSTANDING BONDED DEBT BY TYPE  
LAST TEN FISCAL YEARS (UNAUDITED) – AMOUNTS EXPRESSED IN THOUSANDS**

**TABLE C-1**

Fiscal Year	Governmental Activities			Business-Type Activities			Total Primary Government	Percentage of Personal Income <sup>b</sup>	Per Capita <sup>b</sup>
	General Obligation Bonds <sup>a</sup>	Notes	Capital Leases	General Obligation Bonds <sup>a</sup>	Notes	Capital Leases			
2006	5,305	304	237	10,645	-	-	16,491	4.62%	2,356
2007	5,056	156	123	10,194	-	-	15,529	4.35%	2,218
2008	8,961	-	-	11,584	-	-	20,545	6.11%	2,922
2009	11,557	-	83	11,378	-	-	23,018	6.75%	3,224
2010	11,106	-	15	10,739	-	-	21,860	6.31%	3,016
2011	13,631	-	10	10,079	-	-	23,720	6.52%	3,117
2012	17,770	-	5	9,456	-	-	27,231	7.20%	3,441
2013	16,990	-	-	8,715	-	-	25,705	6.71%	3,205
2014	19,734	-	-	7,963	-	-	27,697	6.98%	3,333
2015	18,662	-	380	7,159	-	-	26,201	6.51%	3,112

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

<sup>a</sup>Includes General Obligation Bonds and Certificates of Obligation Bonds

<sup>b</sup>See Table D-1 for personal income and population data.

**TOWN OF FAIRVIEW, TEXAS**  
**RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE**  
**AND NET VALUE BONDED PER CAPITA**  
**LAST TEN FISCAL YEARS (UNAUDITED) – AMOUNTS EXPRESSED IN THOUSANDS**

**TABLE C-2**

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Less: Available Debt Service Funds</u>	<u>Net General Bonded Debt</u>	<u>Percentage of Actual Taxable Value of Property<sup>a</sup></u>	<u>Per Capita<sup>b</sup></u>
2006	5,305	66	5,239	0.82%	748
2007	5,056	139	4,917	0.62%	702
2008	8,961	344	8,617	0.88%	1,225
2009	11,557	404	11,153	1.01%	1,562
2010	11,106	377	10,729	0.89%	1,480
2011	13,631	365	13,266	1.03%	1,743
2012	17,770	381	17,389	1.29%	2,197
2013	16,990	384	16,606	1.21%	2,071
2014	19,734	383	19,351	1.37%	2,329
2015	18,662	504	18,158	1.19%	2,157

**Notes:** Details regarding the town's outstanding debt can be found in the notes to the

<sup>a</sup> See Table B-1 for property value data.

<sup>b</sup> See Table D-1 for population data.

**TOWN OF FAIRVIEW, TEXAS  
DIRECT AND OVERLAPPING DEBT  
LAST TEN YEARS (UNAUDITED) – AMOUNTS EXPRESSED IN THOUSANDS**

**TABLE C-3**

Governmental Unit	As of	Bonded Debt Principal	Percentage of Debt Applicable to Area <sup>d</sup>	Town of Fairview Share of Overlapping Debt <sup>c</sup>
<b>Debt repaid with property taxes</b>				
Lovejoy I.S.D.	09/30/15	\$ 143,927	2.45%	\$ 3,526
Collin College	09/30/15	34,795	55.35%	19,259
Collin County	09/30/15	<u>402,795</u>	<u>2.96%</u>	<u>11,923</u>
Subtotal, overlapping debt		\$ 581,517		<u>34,708</u>
<b>Town of Fairview Direct Debt <sup>a</sup></b>	09/30/15	\$ 26,201	100.00%	<u>19,042</u>
<b>Total direct and overlapping debt</b>				<u>\$ 53,750</u>
Ratio of direct and overlapping debt principal to taxable values <sup>b</sup>				3.52%
Ratio of direct and overlapping debt principal to actual market values <sup>b</sup>				3.42%

**Source:** Municipal Advisory Council of Texas

**Notes:** <sup>a</sup> Includes Governmental Activities debt

<sup>b</sup> See Table B-1 for property value data.

<sup>c</sup> Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Town. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the Town of Fairview, Texas. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

<sup>d</sup> The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the various government's taxable assessed value that is within the government's boundaries and dividing it by the total taxable assessed value.

**TOWN OF FAIRVIEW, TEXAS  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN YEARS (UNAUDITED) – AMOUNTS EXPRESSED IN THOUSANDS**

**TABLE C-4**

	Fiscal Year									
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Debt limit	\$ 56,386	\$ 87,493	\$ 103,259	\$ 113,000	\$ 121,581	\$ 127,416	\$ 130,625	\$ 137,330	\$ 123,964	\$ 133,538
Total net debt applicable to limit	15,950	15,250	20,545	22,935	21,845	23,710	27,226	25,321	27,314	25,729
Legal debt margin	\$ 40,436	\$ 72,243	\$ 82,714	\$ 90,065	\$ 99,736	\$ 103,706	\$ 103,399	\$ 112,009	\$ 96,649	\$ 107,809
Total net debt applicable to the limit as a percentage of debt limit	28.29%	17.43%	19.90%	20.30%	17.97%	18.61%	20.84%	18.44%	22.03%	19.27%

Note: Under state finance law, the Town of Fairview's outstanding general obligation debt should not exceed 10 percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

Legal Debt Margin Calculation for Fiscal Year 2015

Assessed value	<u>\$ 1,335,379</u>
Debt limit (10% of total assessed value)	<u>133,538</u>
Debt applicable to limit:	
General obligation bonds	26,201
Less: amounts set aside for repayment of general obligation debt	<u>(472)</u>
Total net debt applicable to limit	<u>25,729</u>
Legal debt margin	<u>\$ 107,809</u>

**TOWN OF FAIRVIEW, TEXAS  
PLEDGED-REVENUE COVERAGE**

**TABLE C-5**

**LAST TEN FISCAL YEARS (UNAUDITED) – AMOUNTS EXPRESSED IN THOUSANDS**

Water and Sewer System Revenue Bonds

<u>Fiscal Year</u>	<u>Total Revenues<sup>a</sup></u>	<u>Less: Operating Expenses<sup>b</sup></u>	<u>Net Available Revenue</u>	<u>Annual Requirement<sup>c</sup></u>	<u>Times Coverage</u>
2006	4,544	2,259	2,285	779	2.93
2007	3,785	2,525	1,260	927	1.36
2008	6,469	5,241	1,228	1,101	1.12
2009	3,866	3,144	722	788	0.92
2010	4,304	3,141	1,163	1,100	1.06
2011	5,134	3,054	2,080	1,098	1.89
2012	4,863	3,765	1,098	970	1.13
2013	4,422	3,870	552	1,065	0.52
2014	3,744	3,392	352	794	0.44
2015	4,904	3,810	1,094	892	1.23

**Notes:** <sup>a</sup>Includes operating and non-operating revenues.

<sup>b</sup>Includes operating expenses minus depreciation.

<sup>c</sup>Includes annual debt service requirements for all bonds paid from system revenues

**TOWN OF FAIRVIEW, TEXAS  
 DEMOGRAPHIC AND ECONOMIC STATISTICS  
 LAST TEN CALENDAR YEARS (UNAUDITED)**

**TABLE D-1**

Fiscal Year	(1) Estimated Population	Personal Income	(2) Per Capita Personal Income	(2) Median Age	(3) School Enrollment	(4) Unemployment Rate
2006	7,000	357,000	51,000	50.0	1,365	4.2%
2007	7,000	357,000	51,000	50.0	1,511	3.9%
2008	7,032	336,026	47,784	54.5	1,689	4.8%
2009	7,139	341,143	47,784	54.5	1,746	7.6%
2010	7,248	346,338	47,784	54.5	1,830	7.1%
2011	7,611	363,684	47,784	54.5	1,918	7.1%
2012	7,914	378,163	47,784	54.5	1,957	5.7%
2013	8,020	383,228	47,784	54.5	1,457	5.5%
2014	8,310	397,085	47,784	54.5	1,442	4.6%
2015	8,420	402,341	47,784	54.5	1,456	3.5%

- (1) North Central Texas Council of Governments (NCTCOG) & US Census Fact Finder
- (2) US Census Bureau and US Census Fact Finder
- (3) Lovejoy ISD
- (4) [www.homefacts.com/unemployment/Texas/Collin-County/Fairview.html](http://www.homefacts.com/unemployment/Texas/Collin-County/Fairview.html)

**TOWN OF FAIRVIEW, TEXAS  
 PRINCIPAL EMPLOYERS  
 CURRENT YEAR AND NINE YEARS AGO (UNAUDITED)**

**TABLE D-2**

2015		
Employer	Employees	Percentage of Total City Employment
Whole Foods	180	10.22%
Dillard's	127	7.21%
JC Penney	108	6.13%
Macy's	112	6.36%
Heritage Ranch	85	4.82%
Town of Fairview	78	4.43%
M. Christopher Homes	70	3.97%
Gloria's	62	3.52%
iPic	55	3.12%
Splittsville	53	3.01%
Total	<u>930</u>	<u>52.78%</u>
Total Fairview Daytime Employees	1,762	

**Source:** Top ten employers and employee count provided by Fairview Economic Development Corporation.

Note: The data for nine years ago is not available.

**TOWN OF FAIRVIEW, TEXAS**  
**FULL-TIME EQUIVALENT GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS (UNAUDITED)**

**TABLE E-1**

<u>Function/Program</u>	<u>Fiscal Year</u>							
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General government	15	14	14	13	14	14	14	14
Public safety								
Police:								
Officers	8	8	10	13	13	14	15	15
Fire a	1	5	9	10	11	13	29	35
Streets	2	2	2	2	2	1	1	1
Parks and recreation	1	1	1	1	1	1	1	1
Water	4	5	5	5	5	8	11	12
Sewer	1	1	1	1	1	2	1	1
<b>Total</b>	<b>32</b>	<b>36</b>	<b>42</b>	<b>45</b>	<b>47</b>	<b>53</b>	<b>72</b>	<b>78</b>

**Source:** Town Departments

**Note:** Data for fiscal years 2005-2007 not available; additional years will be added until ten years are reported.

a Full-time equivalent = 1/4 time, 1/2 time and full-time



**TOWN OF FAIRVIEW, TEXAS  
OPERATING INDICATORS BY FUNCTION/PROGRAM  
LAST EIGHT FISCAL YEARS (UNAUDITED)**

<u>Function/Program</u>	<u>Fiscal Year</u>		
	<u>2008</u>	<u>2009</u>	<u>2010</u>
Public Safety			
Police			
Number of police stations	1	1	1
Number of patrol units	5	9	9
Physical arrests	22	38	131
Service calls	2,062	2,318	3,031
Citations	2,569	2,113	3,007
Fire			
Number of fire stations	1	1	1
Number of calls answered	430	570	671
Inspections	321	265	548
Highway and Streets			
Streets (miles)	41.44	41.55	42.11
Street reconstruction (miles)	0.95	1.00	0.00
Street resurfacing (miles)	0.00	0.00	0.00
Cultural and Recreational			
Parks and recreation			
Park acreage	215.6	216.8	216.8
Number of parks	8	9	9
Water and Sewer			
Water			
Number of new water connections	48	59	63
Number of water main breaks	0	0	0
Average daily water consumption <sup>a</sup>	1,646	1,507	2,108
Water main (miles)	67.05	71.84	74.45
Fire hydrants	637	646	655
Maximum daily capacity <sup>a</sup>	7.3 MGD	7.3 MGD	7.3 MGD
Sewer			
Sanitary sewer (miles)	24.19	24.19	24.75

**Source:** Town Departments

**Notes:**

Data for fiscal years 2005-2007 not available; additional years will be added until ten years are reported.

<sup>a</sup> Stated in thousands of gallons

TABLE E-2

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Fiscal Year				
<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
1	1	1	1	1
10	10	10	10	11
92	108	111	132	132
3,907	4,032	4,793	8,793	8,856
2,689	2,390	2,826	4,055	3,849
1	1	2	2	2
750	750	766	725	821
483	644	476	548	449
42.11	42.43	44.49	44.49	44.90
2.27	0.92	0.68	0.00	0.00
0.00	1.54	2.03	0.00	0.00
216.8	216.8	216.8	216.8	216.8
9	9	9	9	9
34	50	67	56	40
5	6	11	8	15
2,108	1,952	1,980	1,964	2,115
75.13	75.41	75.72	76.65	75.30
669	673	702	730	731
7.3 MGD				
25.23	25.54	26.48	25.94	22.20

**TOWN OF FAIRVIEW, TEXAS  
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM  
LAST EIGHT FISCAL YEARS (UNAUDITED)**

**TABLE E-3**

FUNCTION	Fiscal Year							
	2008	2009	2010	2011	2012	2013	2014	2015
<b>Public Safety</b>								
Police:								
Stations	1	1	1	1	1	1	1	1
Patrol units	5	9	9	10	10	10	10	10
Fire stations	1	2	2	2	2	2	2	2
<b>Highway and Streets</b>								
Streets (miles)	41.44	41.55	42.11	42.11	42.43	44.49	44.49	44.90
<b>Culture &amp; Recreation</b>								
Parks acreage	215.6	216.8	216.8	216.8	216.8	216.8	216.8	216.8
Parks	8	9	9	9	9	9	9	9
<b>Water</b>								
Water mains (miles)	67.05	71.84	74.45	75.13	75.41	75.72	76.65	75.30
Fire hydrants	637	646	655	669	673	702	730	731
Maximum daily capacity (thousands of gallons)	7.3MGD	7.3MGD	7.3MGD	7.3MGD	7.3MGD	7.3MGD	7.3MGD	7.3MGD
<b>Sewer</b>								
Sanitary sewers (miles)	24.19	24.19	24.75	25.23	25.54	26.48	25.94	22.20

Source: Various Government Departments

Note: Data for Fiscal Years 2005-2007 not available; additional fiscal years will be added until ten years are reported.